



Consultation:

Ofgem's proposal to revise the Typical Domestic Consumption Values for gas and electricity, including additional information on the peak and off-peak split for Economy 7 meters, and on the mean consumption for restricted meter customers

Response from E.ON

General Comments

Thank you for the opportunity to respond to your proposals to amend the Typical Domestic Consumption Values (TDCV) for gas and electricity customers.

The reductions that you suggest are comparable to our own analysis of customers changing usage patterns and therefore we believe the revised values to be an accurate set of estimates to use.

There did appear to be some inconsistencies in the analysis of the peak to off-peak usage compared to the ultimate conclusion of what the amended proportion should be. In the consultation it explains that analysis has shown that a more accurate split should be somewhere between 46% and 64% for off peak usage depending upon the region of the country. The suggested amendment to the proportion of usage that takes place in the off peak periods to 42% therefore looks difficult to understand.

The wide variation in the regional values seen in the different regions also brings into question the accuracy and value that the average figure provides to customers. Although we acknowledge that this is an existing issue and that the proposals here are simply attempting to make the situation better.



This does reinforce the message that it is better for customers on E7 and other Time of Use tariffs to have accurate information about their consumption patterns when making informed choices about what product they should be on. Ultimately smart metering should provide a solution to this by allowing customers to have a more easily accessible route to the relevant information.

The TDCV is used by energy Suppliers in a number of different business processes when servicing our customers. More than was originally considered in 2013 when the review period and materiality threshold were last considered.

The costs to energy Suppliers of amending the TDCV that are used is now quite considerable and takes some time to deliver in a robust way.

Therefore we would suggest that the materiality threshold for suggesting changes be reviewed. Making very small amendments to the TDCV on a regular basis does not seem cost effective and to be in the best interests of the market or consumers.