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To: Retail Price Regulation <Retailpriceregulation@ofgem.gov.uk>
Subject: Submission response consultation Default tariff cap, Domestic consumers, closing 8th Oct 2018

This submission is exclusively about retail customers on an economy 7 electricity tariff.

Page 12 says "Economy 7 customers actually pay less per unit of consumption than single rate customers do". This is only true for night-time electricity consumption. During the day time economy 7 customers pay more per unit than single rate customers.

Page 31, table 8 makes no mention of a cap for night-time electricity for consumers on an economy 7 tariff.

16 years ago (early 2002) night-time electricity for retail consumers on economy 7 could be purchased for as little as 2p+vat per unit from the lowest cost supplier. That is 2.1p per unit. Now, prices for economy 7 night time electricity are in the range 8.5 to 10p per unit. So prices have quadrupled, then gone up a bit more.

Over the same period the cost of day-time electricity and, I believe gas, has only doubled. A significant part of the difference is attributable to government mandated policies with subsidy from consumers to fund green energy and smart meters etc.

A fair cap would protect economy 7 customers by bringing their energy costs down to only slightly higher than dual fuel customers who have a similar sized home. The consultation document proposes the reverse, allowing electricity costs to rise so that gas prices can fall.

Economy 7 customers do not have the option of using gas, it is not available in their location. Government policies leading to a quadrupling of night time electricity prices could not have been foreseen when they moved into their homes, often decades ago. Many are elderly and changing their heating systems to an alternative fuel, such as heating oil, would be expensive, disruptive and offer only minor environmental benefits.

It is time for a fairer deal for economy 7 customers. The cost of government policies has for more than a decade fallen more heavily on them than on dual fuel customers.