

Bills, prices and profits

Facts and figures on Britain's energy market, larger supplier prices and profits, energy bills and switching.

What makes up Britain's energy market?

The full rollout of competition in the energy market began in the late 90s.

March 2019

60 active suppliers



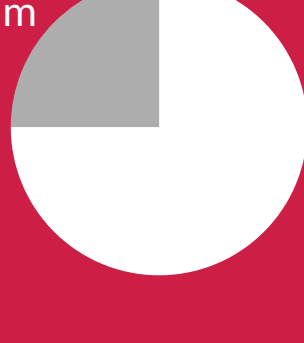
compete in the domestic energy market

52 provide both gas and electricity | **6** solely supply gas and 2 electricity

Domestic market shares

Gas

28% - small and medium suppliers
72% - large suppliers



Electricity

27% - small and medium suppliers
73% - larger suppliers

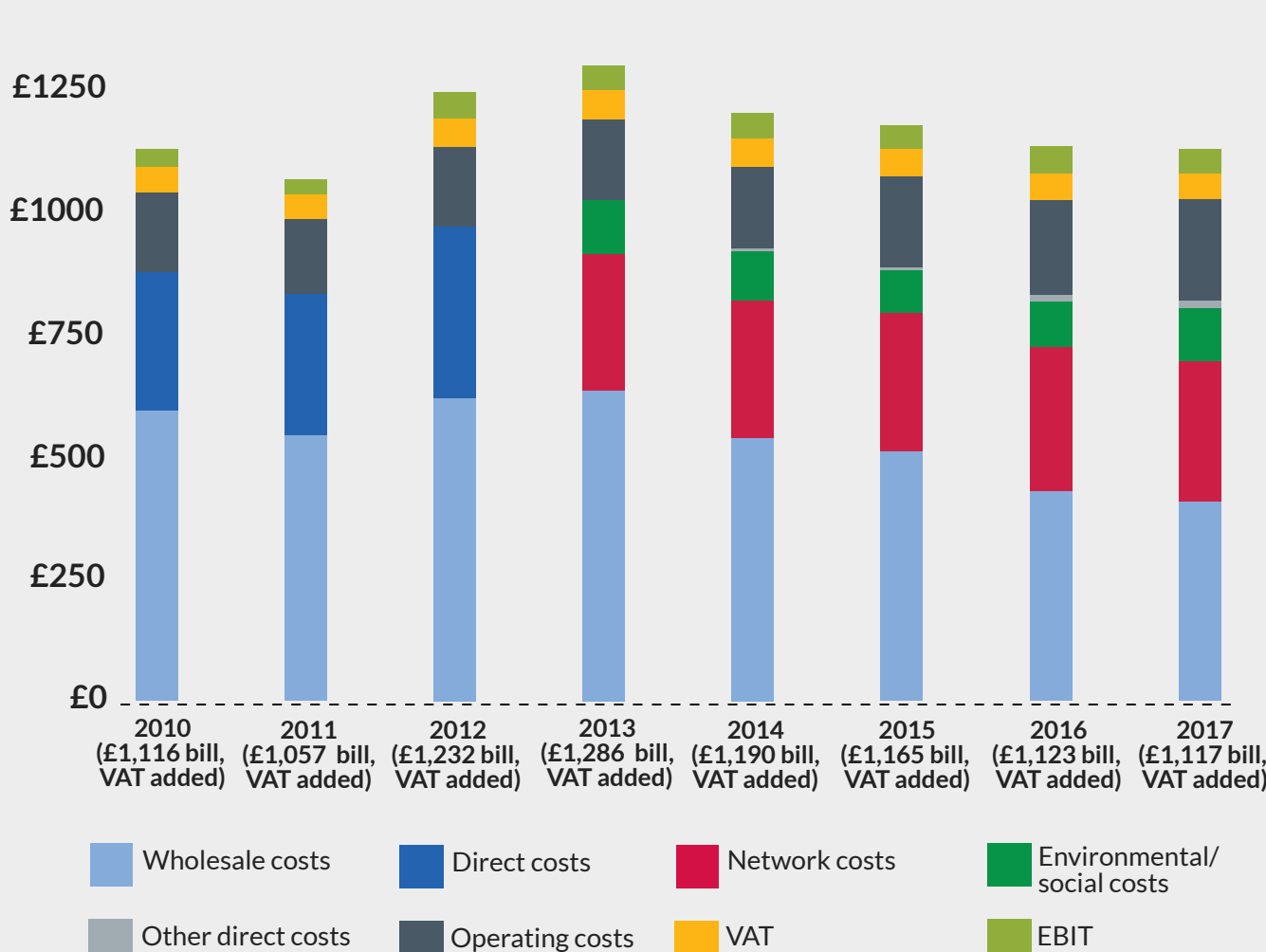


In 2009, we told energy companies they must publish annual statements (CSS) showing separately their revenues, costs and profits for how they generate and supply energy so profits are clearer for consumers.

Prices and profits of the larger energy suppliers

The latest numbers show:

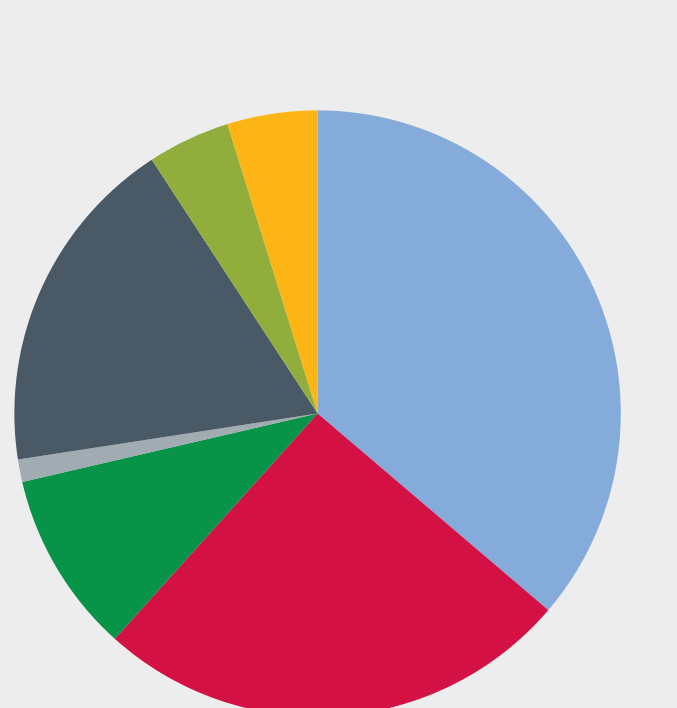
Large suppliers: Domestic dual fuel bill breakdown over time (GB)



Data based on realised costs, as reported by the six larger energy companies in their annual consolidated segmental statements 2017.

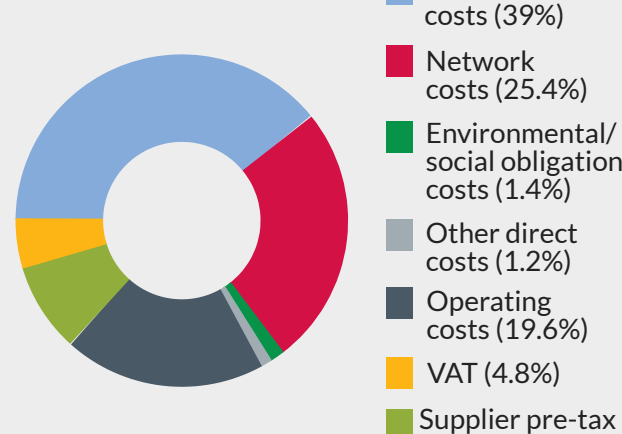
What makes up your energy bill?

Dual fuel bill



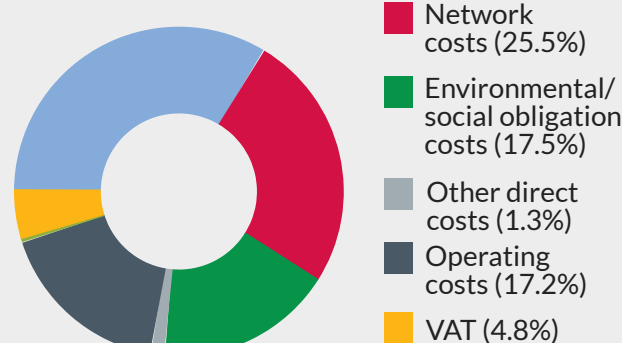
Wholesale costs (36.2%)
Network costs (25.4%)
Environmental/social obligation costs (9.7%)
Other direct costs (1.2%)
Operating costs (18.2%)
VAT (4.8%)
Supplier pre-tax margin (4.4%)

Gas bill



Wholesale costs (39%)
Network costs (25.4%)
Environmental/social obligation costs (1.4%)
Other direct costs (1.2%)
Operating costs (19.6%)
VAT (4.8%)
Supplier pre-tax margin (8.7%)

Electricity bill



Wholesale costs (33.5%)
Network costs (25.5%)
Environmental/social obligation costs (17.5%)
Other direct costs (1.3%)
Operating costs (17.2%)
VAT (4.8%)
Supplier pre-tax margin (0.4%)

Data based on realised costs, as reported by the six larger energy companies in their annual consolidated segmental statements 2017 (£1,117 for dual fuel bill, £540 for gas only, and £577 for electricity).

Average available tariffs

At April 2019:

Standard VARIABLE TARIFF
AROUND
£1,254 PER YEAR¹

compared to

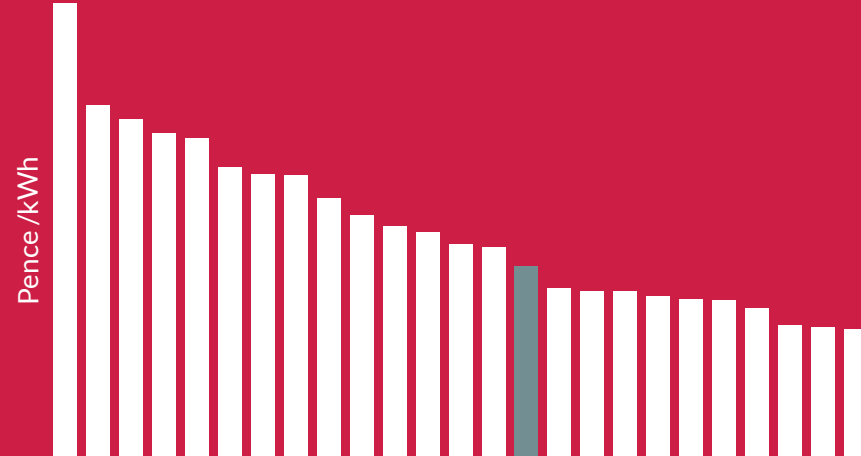
Cheapest AVAILABLE TARIFF
AROUND
£873 PER YEAR²

¹ Based on average of dual fuel, direct debit and available paper tariffs from the six large suppliers at June 2019. A price cap applied to these tariffs from March 2019.
² Based on dual fuel average available paperless tariff paid by direct debit with typical domestic consumption values at July 2019.

How do UK prices compare with Europe?

UK ranks **BELOW AVERAGE** on gas prices and **AROUND AVERAGE** on electricity prices

Average domestic gas price (medium user)



Average UK domestic gas price (incl. taxes) for medium user customer for period January to December 2018 is below the median EU price.*

Average domestic electricity price (medium user)



Average UK domestic electricity price (incl. taxes) for medium user customer for period January to December 2018 is above the median EU price.*

*Source: Department for Business, Energy & Industrial Strategy

When it comes to energy shopping...

From January - May 2019...



2.03 MILLION

Gas customers switched

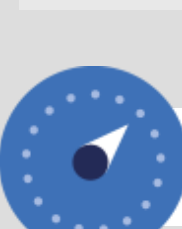


2.49 MILLION

Electricity customers switched

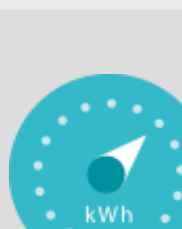
During this time ...

32% of total switches across both fuels moved to small and medium suppliers (net gain)¹



647 THOUSAND

moved to small or medium suppliers for gas (net gain)¹



784 THOUSAND

moved to small or medium suppliers for electricity (net gain)¹

Market structure and share figures from Distribution Network Operator and Xoserve data. Prices and profits of the larger energy suppliers from Ofgem Consolidated Segmental Statements. Average available tariffs calculated from EnergyHelpline data. Figures based on dual fuel tariffs paid by direct debit (Typical domestic consumption values: 12,000kWh for gas and 3,100kWh for electricity). Average variable tariffs based on dual fuel direct debit standard variable tariffs available from the six largest suppliers. UK/Europe price comparison figures from the Department for Business, Energy and Industrial Strategy. Switching figures to small/medium suppliers are calculated taking the gross gains for medium/small suppliers then subtracting the losses to calculate a net gains value. Ofgem switching figures calculated from Network Operator data accounting for total number of meters for fuel type.

Information correct at July 2019

Find out more at www.ofgem.gov.uk/facts-and-figures

ofgem

Making a positive difference for energy consumers