Understanding Bills and Tariffs

An explanation of how our energy use is measured and priced on our bills

Finding out the amount of energy we use (electricity and gas)

Exploring different types of tariffs

Electricity

For domestic energy consumption we use the unit ‘kilo-Watt-hours’.

And these are the units on our electricity meters

1 Kilowatt = 1000 watts (Power)
1 hour = 3600 seconds (Time)

Power x Time = Energy

How much energy is a kilowatt-hour?

Example 1

Ten incandescent lightbulbs of 100W would use 1 kWh in an hour and produce a lot of heat as well as light.

But ten modern LED lightbulbs of 100 W equivalence would take nearly 7 hours to use 1 kWh

Example 2

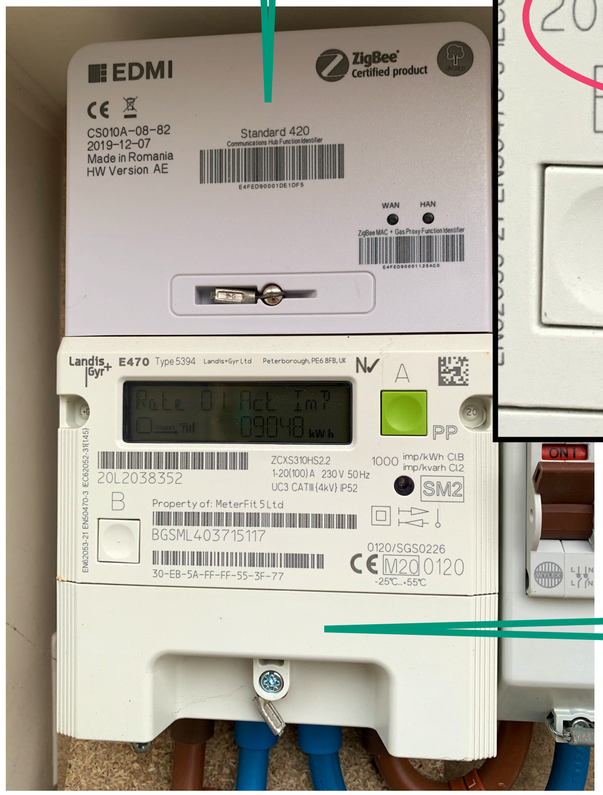
You have an electric iron which uses 1000 watts
and have a big pile of ironing that takes two hours to be done.

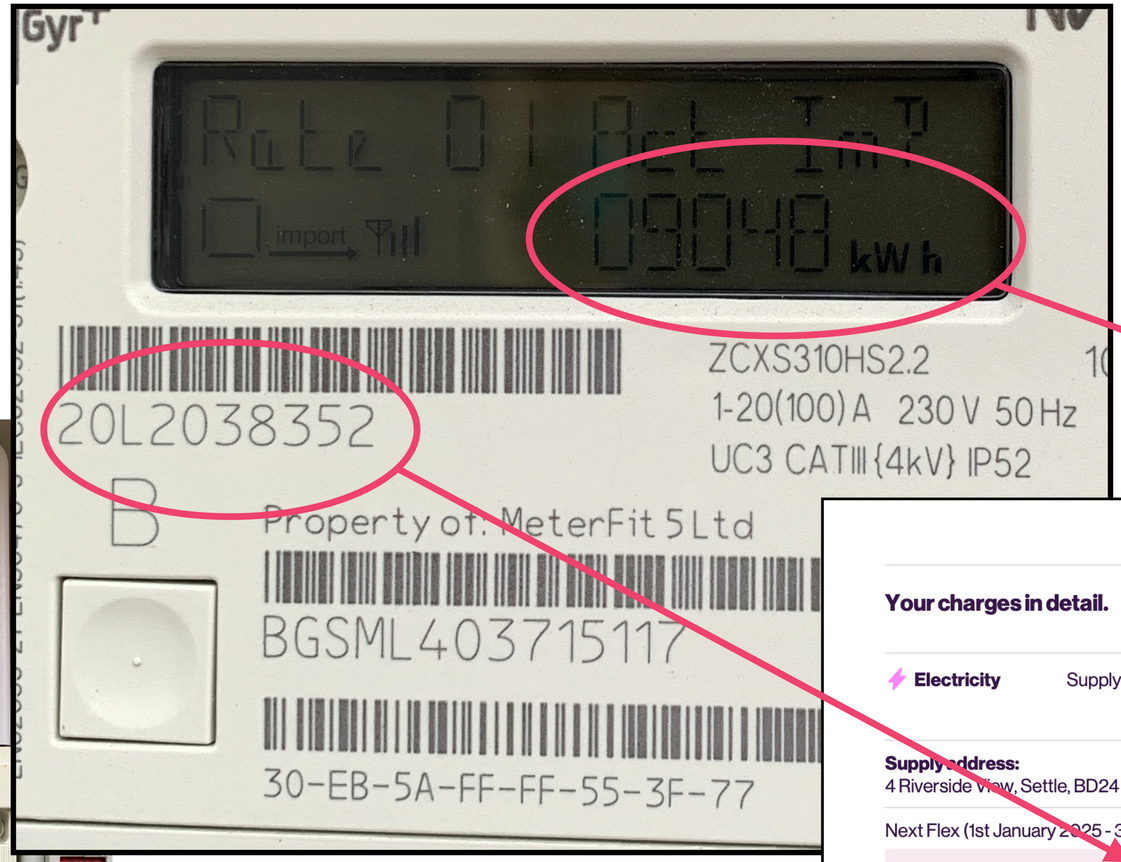
The iron switches on and off with its thermostat, but it's actually on for about half that time, so one hour altogether.

1 hour x 1000W= 1 kWh

You will also have warmed the house slightly, saving heating energy in the winter months.

Communications Hub (to DCC)





Smart meter (SMETS2)

Your charges in detail.

Electricity Supply number S 1 801 511 1640000929759

Supply address:
4 Riverside View, Settle, BD24 9FP

Next Flex (1st January 2025 - 31st January 2025)

Electricity charges for meter 20L2038352		
1 Jan 2025	8791.0 Customer reading	
1 Feb 2025	9048.0 Customer reading	
Electricity used	257.0 kWh @ 24.148p/kWh	£62.06
Standing charge	31 days @ 49.550p/day	£15.36
Subtotal of charges before VAT		£77.42
VAT @ 5%		£3.87
Total electricity charges		**£81.29**

Your electricity tariff.

Prices don't include VAT unless stated.

Electricity

Tariff name	Next Flex
Product type	Variable
Payment method	Direct Debit
Unit rate	24.148p/kWh
Standing charge	49.550p/day (£180.86/year)
Price guaranteed until	Not applicable
Early exit fee	None
Estimated annual usage	2452.7 kWh

ACE Action Climate Settle&area EMERGENCY

Energy Local Settle

Gas

Gas is measured in cubic metres (m^3), but we pay by the kilowatt-hour (kWh).

The gas supplied doesn't always have the same energy content as measured in calories (its calorific value)

There's also a gas pressure conversion factor to account for temperature and changes in pressure, expansion and contraction.

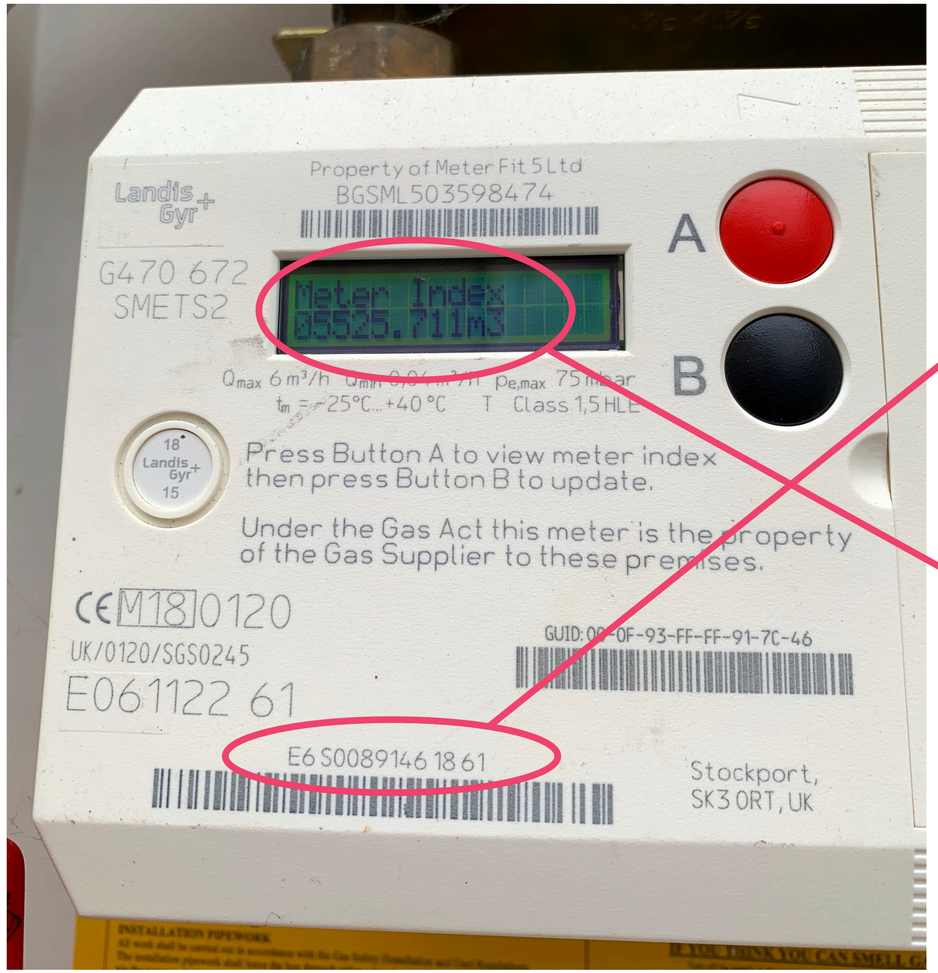
So there is a calculation to be done by the supplier to work out how much actual energy we have used.

1 m^3 = in a balloon would be 1.24 m in diameter

Gas units conversion

$$\frac{\text{Cubic metres (m3) used} \times \text{Calorific Value of the gas (about 39.8 MJ/m}^3\text{)} \times \text{Correction Factor (1.02264)}}{\text{kWh Conversion Factor (3.6)} = \text{kWh.}}$$

So 1 m^3 gas contains approximately 11.3 kWh energy



Your gas usage

Gas meter number: E6S00891461861

01 Aug 24 - 14 Aug 24	**Cancelled energy charge from previous statement(s)**	£5.83 **CR**
01 Aug 24 - 01 Oct 24	**Revised charge based on meter read** **631.9 kWh at 5.141p per kWh** Calculated for **56 gas units at 39.7 calorific value** 5349 - Actual read 01 Aug 24 5405 - Actual read 01 Oct 24	£32.48
1 Aug 24 - 14 Aug 24	**Cancelled standing charge from previous statement(s)** **14 days at 30.09p per day**	£4.21 **CR**
01 Aug 24 - 30 Sep 24	**Standing charge** Calculated for **61 days** at **30.09p** per day	£18.36

Gas meter number: E6S00891461861

01 Oct 24 - 10 Nov 24*	**1,356.7 kWh at 5.864p per kWh** Calculated for **120 gas units at 39.8 calorific value** 5405 - Actual read 01 Oct 24 5525 - Actual read 10 Nov 24	£79.55
01 Oct 24 - 10 Nov 24*	**Standing charge** Calculated for **41 days** at **30.249p** per day	£12.40

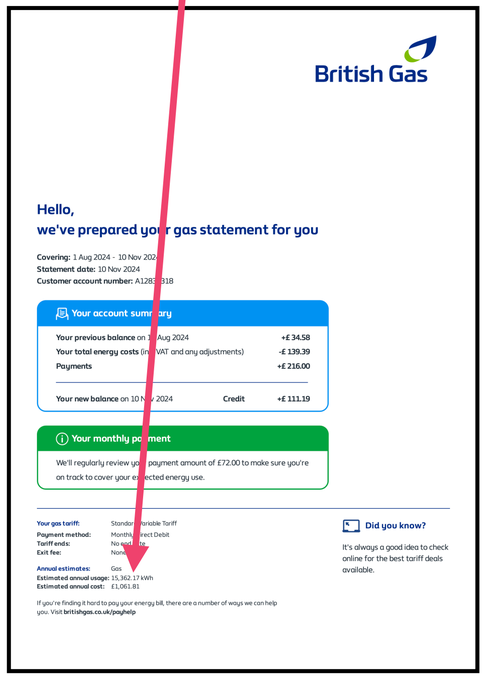
*Your price changed on 01 October

01 Aug 24 - 10 Nov 24	**Subtotal**	£132.75
	Gas VAT at 5%	£6.64
	Total gas costs (incl. VAT)	**£139.39**

Your total energy costs (inc. VAT and any adjustments)

01 Aug 24 - 10 Nov 24	Gas costs	£139.39

Annual estimates: Gas
Estimated annual usage: 15,362.17 kWh
Estimated annual cost: £1,061.81



British Gas

Hello,
we've prepared your gas statement for you

Covering: 1 Aug 2024 - 10 Nov 2024
Statement date: 10 Nov 2024
Customer account number: A1283318

Your account summary

Your previous balance on 1 Aug 2024		+£34.58
Your total energy costs (inc. VAT and any adjustments)		-£139.39
Payments		+£216.00
Your new balance on 10 Nov 2024	**Credit**	+£111.19

Your monthly payment

We'll regularly review your payment amount of £72.00 to make sure you're on track to cover your expected energy use.

Your gas tariff: Standard Variable Tariff
Payment method: Monthly Direct Debit
Tariff ends: No end date
Exit fee: None

Annual estimates: Gas
Estimated annual usage: 15,362.17 kWh
Estimated annual cost: £1,061.81

If you're finding it hard to pay your energy bill, there are a number of ways we can help you. Visit **britishgas.co.uk/payhelp**

Did you know?

It's always a good idea to check online for the best tariff deals available.

ACE Settle&area Action Climate EMERGENCY

Energy Local Settle

Gathering information about our annual energy usage

We can collect data from our bills over the course of a year

You can subtract the meter reading taken one year ago from the most recent reading

You can get these by downloading previous bills from your customer account at the supplier's website,
or look at the most recent bill where you should find an estimate annual usage.

Without this information, when comparing tariffs, the supplier will estimate usage based on the size and age of the property and the number of inhabitants.

This estimate might be calculated differently from one supplier to another,
so it helps to get a more accurate comparison by giving each supplier the same information

Where to compare Energy Prices

Start by looking at the tariffs available from your current energy supplier.
Less hassle to change tariff with your usual supplier.

But LOYALTY IS NOT REWARDED, so don't feel guilty about switching away from your current supplier.

Some price comparison websites have signed up to Ofgem's voluntary code.

This means that these websites have to:

- be clear about what the energy tariff listed on their website includes, for example if you need a smart meter to get the tariff.
- be clear that the energy tariff can be arranged directly through their comparison website and those that cannot.
- list tariffs in price order

Energylinx

The Energy Shop

Money Supermarket

My Utility Genius

Simply Switch

Switch Gas and Electric

Quotezone

Unravel It

Uswitch

Uswitch search results based on

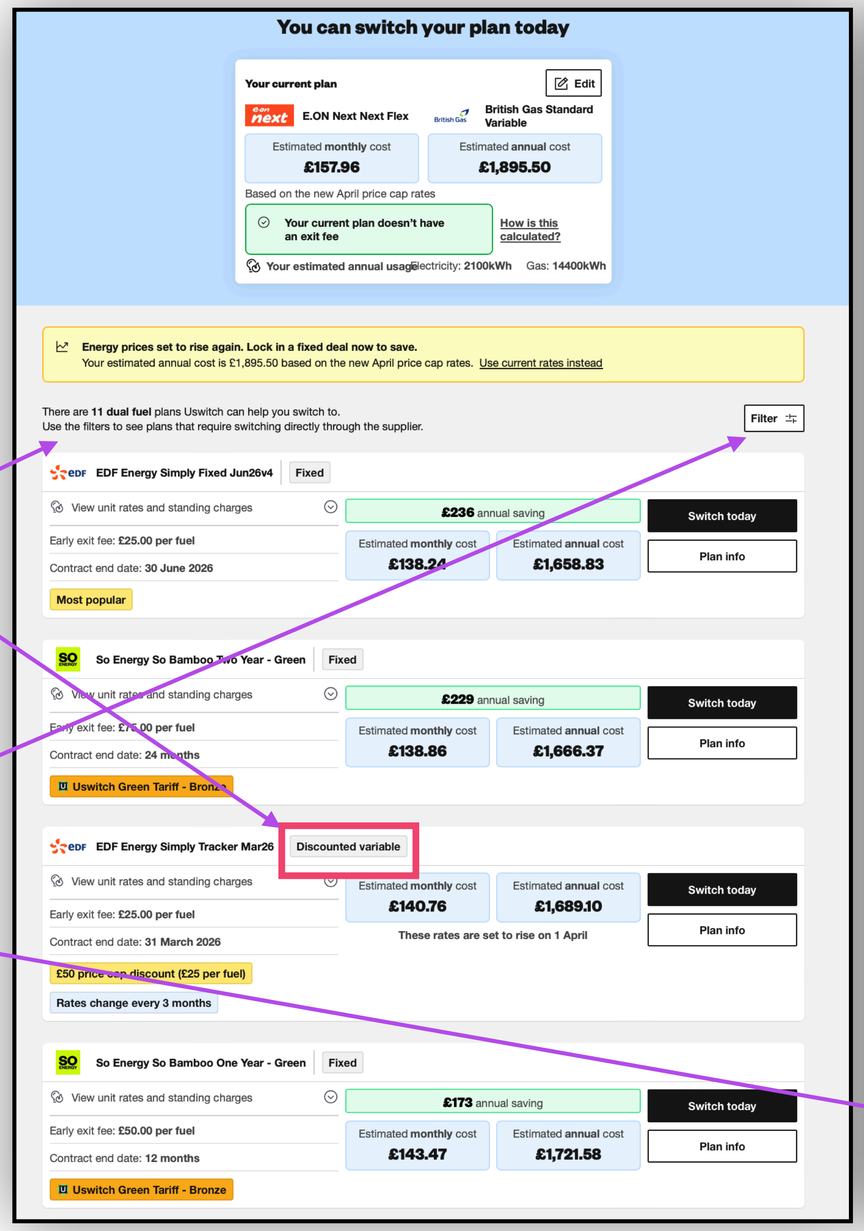
- Dual Fuel (Gas & Electricity)
- Fixed Price Tariff
- Paying monthly by Direct Debit

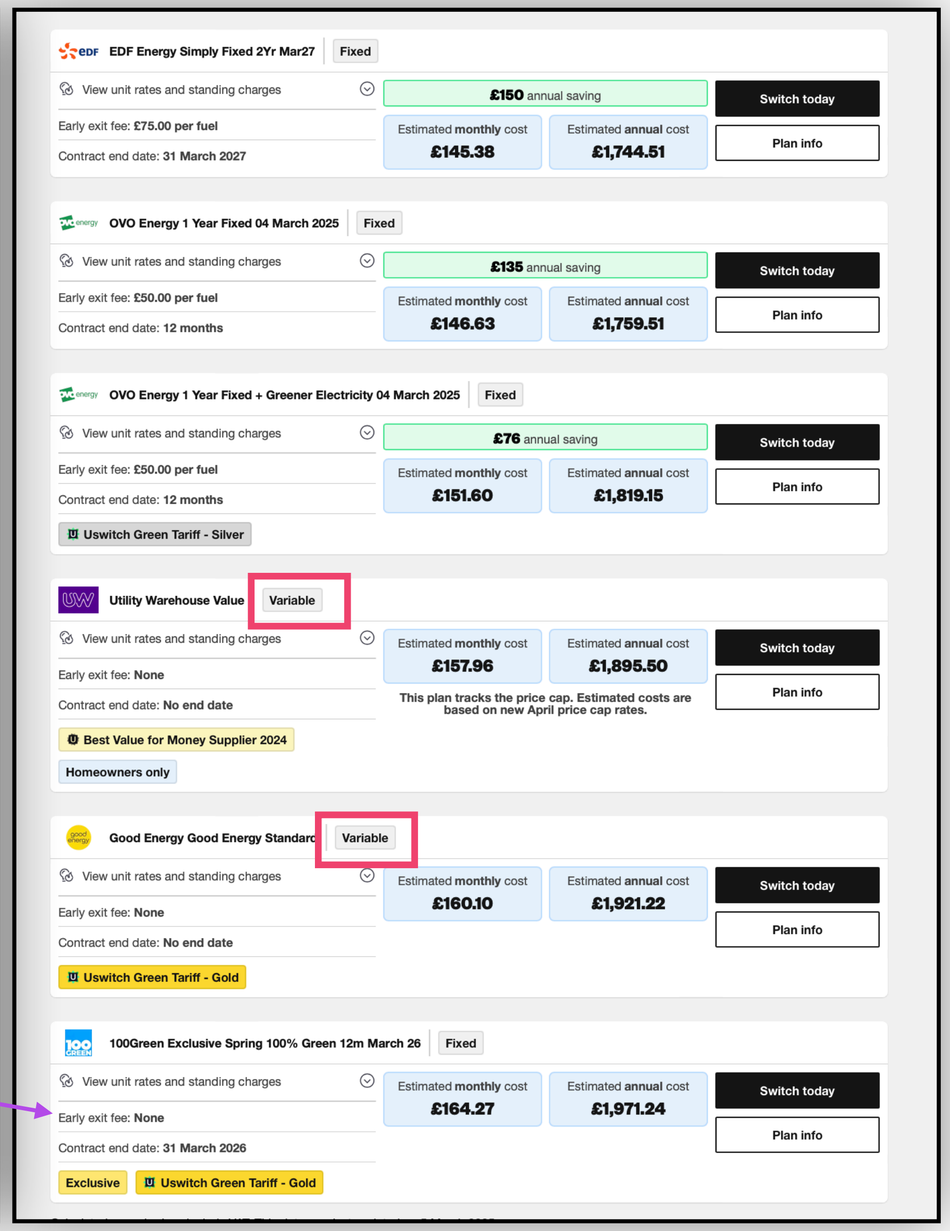
- Some of these shown are not fixed as requested

- This list shows 11 plans that Uswitch can help you switch to

- Change the filter settings to see all plans.

- If you go for a Fixed Tariff look for low or zero exit fees





Choosing a suitable tariff

You should choose your energy tariff based on how much energy you use, and your own circumstances.

Energy tariffs are the set rates that you pay to your energy provider for gas, electricity or both.

It can be beneficial to use the same supplier for both your gas and electricity, as this is often referred to as a "dual fuel tariff" and can sometimes offer cheaper deals compared to having separate suppliers;

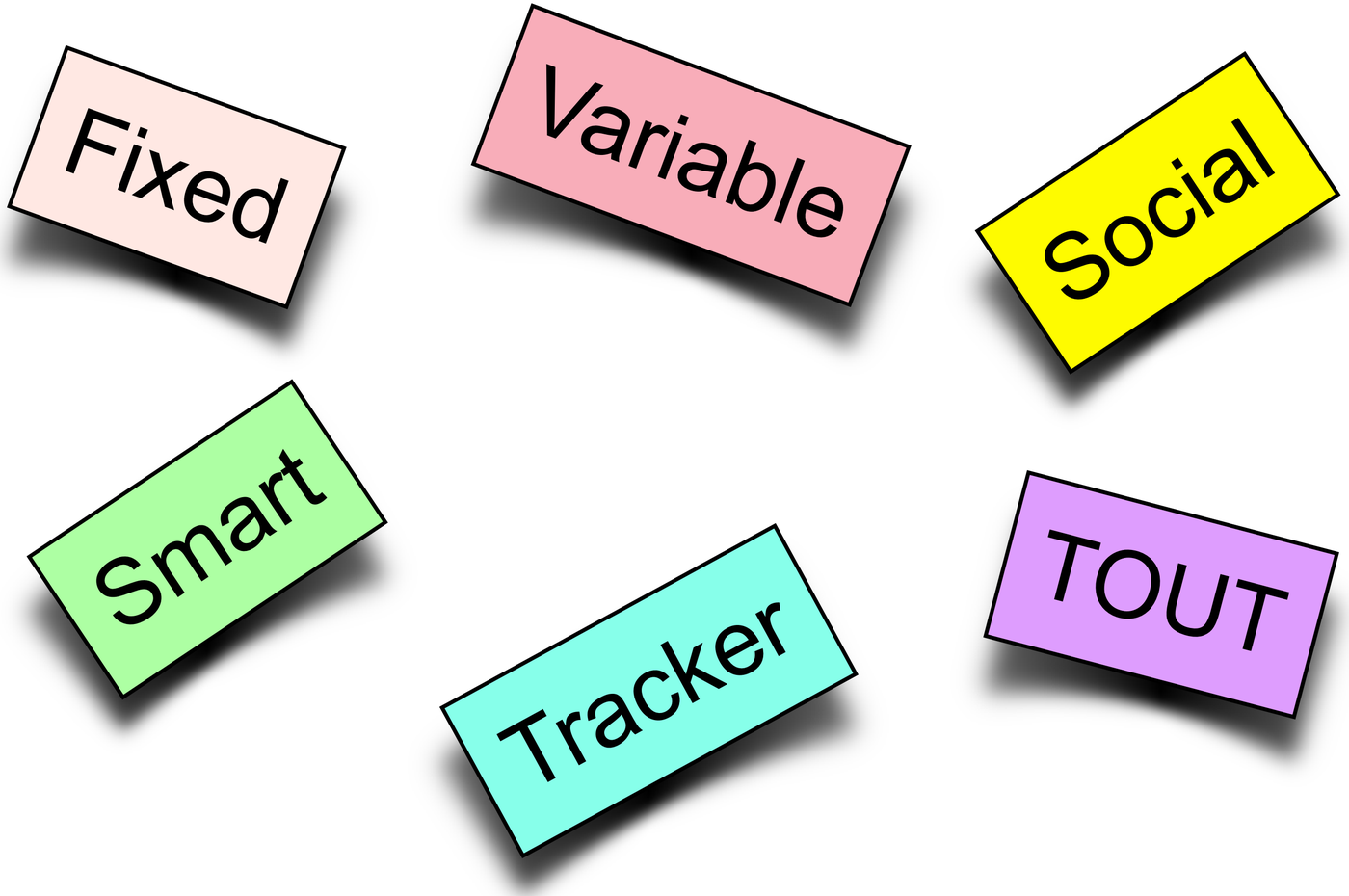
You may have to pay a fee, called an ‘exit fee’ if you switch tariffs or suppliers before your fixed rate tariff ends.

Which type of tariff suits your household best depends on:

- how much certainty you want over the price you pay
- how often you want to switch provider or tariff.

Use an energy comparison service to compare gas and electricity prices and find the best provider for you.

What are the different types of energy tariff?



Variable tariffs

The price changes each time your supplier changes its rates.
You might not notice straight away if you pay monthly by direct debit as the bill is averaged over the year.

They're known by several names:

- standard variable tariffs
- default tariffs
- out-of-contract tariffs

If you didn’t switch provider or renew your tariff after your last fixed deal ended,
it's very likely that you're on a standard variable tariff or default tariff.

Variable tariffs

They don’t tie you in with a contract or exit fees, so you can leave whenever you like.

A good option if you want flexibility and don't want to be tied into a contract.

Prices can increase or decrease, though suppliers have to give you a month's notice of any changes to your rates

and variable tariff prices are limited by the **energy price cap.**

This is effectively a cap on the price charged for each unit of energy, and the standing charge, rather than a cap on your total bill, and is reset by energy regulator Ofgem every three months based on the cost of the energy production.

The Energy Price Cap

(Until 30th June 2025)

	Energy price cap per unit and standing charge 1 January to 31 March 2025	Energy price cap per unit and standing charge 1 April to 30 June 2025
Electricity	24.86 pence per kWh 60.97 pence daily standing charge	27.03 pence per kWh 53.80 pence daily standing charge
Gas	6.34 pence per kWh 31.65 pence daily standing charge	6.99 pence per kWh 32.67 pence daily standing charge

When publishing these figures, to make them more understandable to the public, a ‘typical household’ is used as an example.

“ Between 1st April and 30th June 2025, the energy price cap is set at £1,849 per year for a typical household who use electricity and gas and pay by Direct Debit. This is an increase of 6.4% compared to the cap set between 1 January to 31 March 2025 (£1,738).”

Fixed rate tariff

You agree to a deal for a given period of 12 months, or longer.

A fixed rate tariff means that if energy prices go up, you will still pay the same price for each unit of energy you use.

But if energy prices go down, the price you pay will be the same.

There is likely to be a charge to switch away from this type of tariff during the agreed contract.

If you need to know exactly what you will be paying each month, a fixed tariff might suit

Social tariff

A social energy tariff is a discounted energy deal for low-income households that helps prevent fuel poverty.

- Social tariffs are typically below the cheapest available energy tariff
- Can be a discount from normal tariffs, a specifically discounted tariff, or a combination of both
- Targeted at households that spend a disproportionate amount of their income on energy bills

Who qualifies

- Households that receive universal credit, income-related employment and support allowance, pension credit, income support, or income-based jobseeker's allowance

Benefits

- Social tariffs help vulnerable consumers heat and power their homes
- They can help prevent and reduce increasing levels of fuel poverty

Time of Use Tariff (TOUT)

(Usually for electricity only)

The price will be less at certain times of day when there is less demand, or plenty of renewable generation.

Electricity could even be free for a time.

Economy 7 (The original TOUT)
Cheaper electricity at night 12 am -7 am

Economy 10 Cheaper at these times
[12 am - 5 am] [1 pm - 4 pm] [8 pm -10 pm]

Energy supplier's own customised TOUT

Customers might need to adapt their usual routines to take advantage of lower prices.

If you use less than 30% at the cheaper rate times, you might be better on a single-rate tariff

For these tariffs you need a meter which records two sets of readings - for the cheaper and not so cheap rates,

or a smart meter recording the usage during the different time periods.

Check that the meter is doing this,
or the bill won't be accurate.

Tracker tariffs

Tracks daily, the energy wholesale price

The fee changes daily based around the energy wholesale price, so a daily meter reading is required.

A working smart meter is essential.

Tracks the Energy Price Cap

Prices are reviewed every three months to keep in step with the Energy Price Cap as it changes

Smart tariffs

If you have an electric vehicle to be charged at home, battery storage,
or solar panels generating electricity that you won't be using yourself,
there are other special tariffs available,

but choosing the most suitable can be quite complicated
as it depends on your own household requirements throughout the year.

If you have generated surplus electricity from solar, you might want to consider how much the energy company will pay you for the electricity you send back to them.

Thank you for listening