

# Affordable Warmth: How to manage your energy bills effectively

## Energy tariffs and switching



## What is an energy tariff?

- A tariff is the amount you pay per kWh or unit of energy.
- Many tariffs charge more than one rate depending on how much energy is used – a primary and secondary rate.
- Some tariffs have one set rate no matter how much energy you use but also have a standing charge.

### For example if your tariff has two rates:

A primary rate **17.312p** for the first **222** units

A secondary rate **8.635p** for the remaining units

If you were to use **805** units of energy (kWh) then

First **222** kWh @ **17.312p** = **£38.43**

Next **583** kWh @ **8.635p** = **£50.34**

You would have a bill of **£88.77**

## What is a standing charge?

A standing charge is a fixed amount you pay daily to your energy supplier. Standing charges are used to cover the energy supplier's costs such as meter readings, maintenance and the cost of keeping you connected to the network. Not all tariffs have standing charges.

There can be as many as 300 tariffs currently available which can be very confusing. It is important that you check that you are on the best tariff available for you. Examples of some of the tariff names currently available are:

- **Standard tariff** – This is the basic energy deal you will receive from the energy supplier. They are usually not discounted and customers will receive quarterly bills (every 3 months) which can be paid by cash, cheque, credit card or standing order.
- **Variable** – This means that the tariff is subject to change; energy suppliers can increase or decrease the amount you pay for your gas and/or electricity.
- **Fixed** – This tariff guarantees the rate that you pay for your gas and/or electricity for a specified length of time. If your energy supplier decides to increase the cost of gas and electricity you will not be affected by the price increase. However, this also means that you will not benefit from any price drops either.
- **Capped** – This means that your tariff will not rise above a certain level and if the price of your gas and/or electricity is reduced, your bill will come down. Capped tariffs run for a fixed length of time. There may be an exit fee if you wish to switch to another tariff before the end of the capped period.

## Am I on the right tariff what can I do?

Start by working out how much you pay per year for both your gas and electricity. Then, if you feel that you are not necessarily on the best tariff you can contact your energy supplier and ask them if you are on the right tariff for you. Your current supplier may have a much better deal for you.

You can also log on to one of the comparison websites to find out what other cheaper tariffs are available. This may be with your current supplier or it may be with a different energy company.

## Changing tariffs: things to consider

Switching to an online tariff can be cheaper as the administration costs are reduced. However these tariffs tend to be paperless which means you will only be able to view your bill online. If the option is available for you to receive a paper bill then the energy companies may charge an extra fee for this service.

Most suppliers will read your meter at least once a year. However, if you are on an online tariff then you may be asked to give a meter reading every 90 days to your supplier. Remember you can provide your own meter reading to your supplier at any time.

### You can usually receive a discount on your bill:

- if you choose a tariff that allows you to pay by direct debit either monthly or quarterly
- by choosing both electricity and gas (dual fuel) with the same supplier.

### Some of the comparison websites currently available are:

- [energyhelpline.com](http://energyhelpline.com)
- [uswitch.com](http://uswitch.com)
- [energychoices.co.uk](http://energychoices.co.uk)
- [confused.com](http://confused.com)
- [moneysupermarket.com](http://moneysupermarket.com)
- [saveonyourbills.co.uk](http://saveonyourbills.co.uk)
- [ukpower.co.uk](http://ukpower.co.uk)

### Comparison websites will need some or all of the following details:

- postcode
- current energy supplier e.g. npower, Scottish Power
- name of current tariff
- current payment method
- current usage or current spend (it is always best to insert how many kWh you have used over the course of a year as it will give you more of an accurate result).

Once you have inserted the information on the comparison site, this will then display the names of other tariff options - the energy company, tariff name, the estimated cost of your bill for a year and the potential cost saving.

Note: You can sort the results by either price or the company service rating. If by price then the results will be displayed starting with the energy company that can provide you with the most savings.

## I have found a cheaper tariff what do I do now?

If you have found a cheaper tariff and it is with your current supplier then all you have to do is contact them and inform them that you wish to change. They will send you a letter to confirm the change.

If you change via the internet your energy supplier should send you an email confirmation and also send you a letter confirming your change.

## Changing supplier: things to consider

- If switching to a new supplier than you need to contact them to agree a contract.
- How often will your new supplier read your meter?

- How often will your supplier send you a bill?
- Once the contract is signed it should take about 6 weeks to complete.
- Your new supplier should keep you informed of the progress and will usually do all the work needed to change your supply to them.
- You need to give your old supplier 28 days notice that you are changing supplier.
- Your old supplier will send you a final bill and it is up to you to pay off any outstanding bills or they may prevent you from switching.
- Take a meter reading on the day you change supplier. Make sure that both your old and new suppliers are given this reading so they can calculate your new bill.

**Note:** Remember you have 7 days to cancel your new contract if you decide not to switch. You must contact your energy supplier within the 7 days or you may incur a cancellation fee.

## More information

For For more information please call **Kirklees Direct** on **01484 414888**. For general advice on domestic energy efficiency please call the **Energy Saving Trust** advice line on **0300 123 1234** see [www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk)

# Information in other formats

Kirklees Council are committed to ensuring that our communication is clear, plain and available for everyone. This information can be made available in languages other than English. It can also be made available in large print, audio CD and Braille. Full details are available by telephoning 01484 414933.

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这些资料备有其它语文、大字体、语音光碟、录音带和凸字版本可供索取。请致电 01484 414933 查询详情。(Chinese)

Te informacje można nabyć w różnych językach, w powiększonym druku, na płycie kompaktowej lub na taśmie i Braille. Proszę telefonować na numer 01484 414933. (Polish)

