



Unit 5

Charging for Fuel

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Introduction

Meters are used to measure how much energy has been consumed at the consumer's property. These measurements are used as the basis for calculating how much a consumer must pay for their fuel.

The stages of the consumer's journey addressed in this unit are as indicated below:



The following issues will be discussed in this unit:

Section 1: How fuel is measured and meters

Section 2: Charges for fuel, bills and statements

Now let's look at each of these in turn.

Section 1

How fuel is measured and meters

All consumers have meters that measure how much energy they use. Readings from these meters are used by the supplier to calculate the consumer's bill. It is the supplier who is responsible for supplying the meter and for other metering issues. They usually work with meter operators who are responsible for providing, reading and maintaining the meter.

The main legal requirements in relation to the use of electricity and gas meters can be found in the Electricity Act 1989 (EA), schedule 7, and the Gas Act 1986 (GA), schedule 2B.

In this section you will find the following:

- How fuel is measured
- Types of meters
- Reading the meter
- Responsibility for the meter & meter boxes
- Meter accuracy
- Movement of meters
- Meter tampering

How fuel is measured

(a) Electricity

Consumers are charged for the number of units of electricity that they use. This is measured in kilowatt-hours (kWh) and each unit is 1 kWh. The bill is based on how many kWhs have been recorded on the meter since the last reading was taken.

(b) Gas

Gas is billed in kWh but gas meters measure by volume rather than kWh and therefore the reading needs to be converted to kWhs for billing purposes. The conversion of the reading takes into account the temperature and pressure, which affects how much gas is delivered and the calorific value which is the measure of energy given off when fuel is burned. Some consumers may require help to understand this. An explanation of the calculation can be found at the end of this unit.

Some meters are imperial and measure the volume in terms of hundreds of cubic feet, whilst others are metric and measure in cubic metres. Imperial readings must first be converted to metric readings before the reading is converted into kWhs. To do this the figure on the meter is multiplied by 2.83.

Imperial meters – these have a four digit display and will have the symbol f3.

Metric meters – these have a five digit display and will have the symbol m3.

Practical tips

Sometimes gas suppliers bill consumers on the basis that the consumer has an imperial meter rather than a metric meter. If this is the case the bill may be roughly three times higher than expected.

You may sometimes get queries from consumers who want to know if they can work out what their gas or electricity bill is likely to be. There is guidance on how to do this on the Citizens Advice website (citizensadvice.org.uk), search for 'how to read your energy meter'.

Types of meter

There are a number of different types of meters available. The main types of meters are explained below. This information will help you to understand about the different meters available and may be useful when advising consumers to enable them to make informed choices. Information about how consumers can actually pay for their fuel can be found in unit 6 'Paying for fuel'.

Credit meters

The consumer is billed for the energy after they have used it. This is the most common type of meter. The meter will be read on a regular basis (see meter readings below) and a bill will be sent to the consumer after this reading. If a meter reading is not provided the bill will be estimated.

Advantages

There is an element of choice as to when and how to pay the bill and there are also a variety of payment methods available. Discount schemes may also be available (for example, when paying online). The actual cost of the fuel and standing charges are often cheaper on credit meters.

Disadvantages

Consumers may receive estimated bills which can cause a number of problems. There is also the possibility of accruing debt, particularly for those who pay less regularly.

Pre-payment meters

PPMs are used for consumers who pay in advance for their energy supply. They are credited by using a token, key or card (see below for details). Consumers can buy credit for their PPMs at selected Post Offices and PayPoint / Payzone outlets (available at selected shops and petrol stations). Some suppliers also allow consumers to top up online.

If they do not credit the meter in advance, this will prevent the supply of energy and this can be very inconvenient. However, meters usually have an emergency credit facility enabling the consumer to obtain a supply or the supplier may arrange for an engineer to visit and carry out an 'emergency wind-on' where the engineer puts credit onto the meter which is then repaid by the consumer when they re-credit the meter.

Practical tips

If the consumer runs out of credit completely (they have already used the emergency credit facility), they should contact the supplier immediately. In some circumstances the supplier may be willing to arrange a visit to the property to provide emergency credit but they may charge for this visit.

If emergency credit has been used, in order to get re-connected, the consumer must obtain enough credit to cover the amount of emergency credit plus the standing charges for the period of the emergency supply.

Consumers who have difficulty in paying their bills can request a PPM and those who are in arrears should be offered one as an alternative to disconnection. The meter can be set to repay the debt over a period of time. If the supplier offers PPMs or the consumer requests one, the supplier must provide specific information about them including: the advantages and disadvantages, where the consumer can get information or assistance if the PPM or the device used to charge it is not working properly and the procedures for resetting the meter if there are any changes to the charges. The supplier must take reasonable steps to ensure that the meter is reset within a reasonable time. PPMs and arrears will be discussed in further detail in unit 8 'Debt and disconnection'.

Advantages

PPMs can be used to help consumers budget and may ultimately help to reduce fuel consumption. As the consumer pays for the energy as they use it, they do not experience the problems associated with estimated bills. The PPM itself also displays useful information such as the price per unit of fuel and information regarding the consumer's debt.

Disadvantages

Consumers are faced the potential inconvenience and costs associated with obtaining facilities to credit their meter (e.g. the cost of transport to the authorised outlet). If the consumer does not have the ability to pre-pay for their energy, their supply is effectively disconnected. The term for this is 'self-disconnection'.

Generally, the discount schemes that are available to consumers using credit meters are not available to those on PPMs. Problems may also occur if the meter has not been set to the correct tariff / debt repayment terms. The consumer can experience difficulties if the payment facility is faulty, damaged or lost. There may be a delay in receiving a replacement facility (note they may have to pay for a replacement in the case of lost cards or keys).

PPMs are not always suitable for consumers. The elderly or disabled may find them difficult to operate and understand. In some cases there may not be any outlets offering credit facilities within a reasonable distance of the consumer's property.

Note that quantum meters are only used for gas and they are the only form of PPMs available for gas.

Practical tips

Consumers who want to replace their PPM with a credit meter may contact Citizens Advice for advice. This should be considered by consumers moving into a property that already has a PPM installed. They should check with their supplier to see if they satisfy the necessary conditions to enable them to change (for example, that the consumer has had the meter for a certain period of time and has paid any arrears in full). Some suppliers may charge for the removal of a PPM. The supplier should give details of these charges when the consumer asks for their meter to be removed and inform them if they must be paid before the work is done. A failure to provide this information may amount to a breach of CPR.

Security deposits

The consumer should be warned that they might have to pay a security deposit to the supplier for the credit meter, although this may be refunded with interest if the consumer pays on time over a specified period. The consumer should check with the supplier how much they would charge in these circumstances. The supplier may also request a security deposit from new consumers who have no credit history or existing consumers who have a history of late payments. The deposit must be for a reasonable amount. Security deposits are discussed in further detail in unit 8 'Debt and disconnection'.

Token and card meters

The consumer buys a token or card, which is then inserted into the meter and the consumer can then use electricity to the value of that card or token. Some token meters operate via the use of a single use plastic device whereby the end breaks off and drops into the meter when inserted. These can be purchased in varying denominations. The consumer has an account card that is credited when the tokens are purchased from an authorised dealer. Token meters may be used to pay arrears at a set rate. This means that the consumer will be paying more for their electricity as the token will be paying both the current usage and the arrears. If the consumer runs out of credit, there is an emergency facility that they can use which enables them to use a limited amount of fuel (for example, £5 worth). The token meter needs to be adjusted manually to reflect any price changes. If this is not done the consumer will not be paying the correct price for their fuel. There are now only a small number of these types of meters being used and most have now been replaced with a key meter or smart card meter.

Key meters

The consumer receives a key that they can re-charge at authorised outlets. This differs from the device mentioned above as this is re-used and is electronically coded. The key will only operate the consumer's meter. The meter will receive information such as tariff changes through the key and some of them will read

the consumer's meter and communicate this information to the supplier when the meter is charged. Key meters can also be used to pay arrears at a set rate and emergency credit is often available.

Smart card meters

The consumer receives a card that can be charged at authorised outlets. These operate in the same way as key meters. The meter will receive information through the card. The card can also gather information from the meter and send this back to the supplier. Smart card meters can also be used to pay arrears and emergency credit may be available.

Quantum meters

These are used by consumers who wish to control their budget by paying in advance for their gas. Quantum meters may also be used to collect debts (usually an agreed weekly figure), or may be used in place of credit meters when the consumer is deemed to be a credit risk. These meters are operated by the use of electronic cards. They generally operate in the same way as smart cards. Emergency credit is available on the meter. The consumer can choose to deduct a limited amount of credit from the card so that the remainder can be used later.

Dual rate / multi-rate meters also known as Time of Use meters

These meters are only used for electricity and are used when the consumer is being charged for their supply at differing rates at differing times of the day e.g. Economy 7/10 (E7/10). The consumer will often get cheaper electricity at night for an electric heating system. These may be available as credit meters or PPMs. Gas consumers may have a two-tier tariff but the meter will only have a single register (see tariffs in section 2). Problems may occur if the meter readings are transposed between the rates, or if the time switch fails, as the meter may get stuck on either the day or the night rate and all units are then charged at that rate. Upon the discovery of such a problem the supplier should attempt to estimate the usage on the rate that was not recorded. This estimate will be based on a percentage and the consumer should have a say about whether or not they agree.

Smart meters

All households in England, Scotland, and Wales are to be offered a smart meter by the end of 2020; they are not obligatory. A smart meter system sends meter readings directly to the supplier to give accurate bills. They are to be installed at no additional cost by the C's energy supplier. Ultimately all C's will pay for smart meters via their energy bills regardless of whether or not they have one fitted. Each supplier will roll-out smart meters in stages; when C is offered a smart meter will depend on a number of factors.

The role of Smart Energy GB

Smart Energy GB is the 'voice' of the roll-out. It is there to provide information to the public about what smart meters are and how they work. It is independent of both government and suppliers (though it is funded by suppliers and was created by government).



It works in partnership with other organisations, such as Citizens Advice, with 'Champions' from each organisation who help spread the word about smart meters and provide extra support to those who may need it such as those with a disability or those who don't speak English. More information on Smart Energy GB can be found on its website.

Rented properties - For both private and socially rented properties; if the C pays their bills directly they do not need the landlord's permission to have a smart meter installed. However, they should still inform them. If energy bills are included in the rent the C will have to check their tenancy agreement before arranging for a smart meter to be fitted.

The meter -

C could receive two pieces of equipment. There is the meter itself, and an In-Home Display (IHD), sometimes called a smart meter display or a smart energy monitor.

If the supplier is installing a smart meter they have to offer an IHD. Cs will be offered a smart meter for both gas and electric, but only one IHD will be needed. However, they may get a smart electricity meter and a smart gas meter at different times (so some Cs may get 2 IHDs for their gas and electricity though either would be able to display both energy types). Although all smart meters have to meet specifications set by the government there is currently no national 'standard' meter, so each supplier's meter and IHD could look different from each other.

The meter updates information about usage wirelessly (using radio waves) to a secure network on a regular basis. Although it is a wireless system the C does not have to have Wi-Fi and the smart meter will not use their Wi-Fi connection if they do have it.

The IHD will display the amount of energy the C is using in pounds and pence for credit meters (or kWh if they prefer), and for prepayment meters the amount of credit remaining, and debt outstanding. IHDs will also be able to provide historical data about energy usage. Smart meters can be credit or prepayment and can be switched between these two modes by the supplier providing they follow the current safeguarding processes.

How data is processed

Information from the meter is sent to the supplier via a secure network set up solely for smart meters by the Data Communications Company, overseen by Ofgem. The C can determine how often energy usage information is provided to the supplier (half hourly, daily, monthly); by default the supplier will take monthly meter readings but they may prefer to take daily readings and they have to notify the C of this including the fact that the C can refuse. The supplier has to gain explicit consent for anything more frequent. C can also determine if meter readings can be used by the supplier for sales marketing purposes, and if data can be shared with other organisations such as price comparison sites.

The smart meter has information about how much gas and electricity has been used, but doesn't store other personal information that could identify the C such as their name, address or bank account details. The supplier will receive information about the amount of energy used and when, but not what the energy was used for.

Potential benefits of smart meters -

More accurate bills

Currently many C bills are estimated, this can lead to a C paying too much for energy consumed or conversely paying too little and owing an amount of money which they may then struggle to repay. Smart Energy GB have produced a number of adverts outlining how current bills are estimated, this can be seen on



their website: www.smartenergygb.org

Easier for prepayment customers to top up

Smart meters will allow prepayment customers to top up online, by phone or through an app in addition to current methods. Credit will be automatically added to C's account without any need to put a key or card into the meter which means it will be easier to top up a meter that is difficult to access. It will also be easier to switch from prepayment to credit or vice versa as the meter itself will not have to be changed.

Easier for C to be more energy efficient

As the C is able to monitor their energy usage in near real time, they will be able to identify situations where they are using a lot of energy and make adjustments accordingly. This will be of particular use to those Cs on a time of use tariff such as Economy 7.

The process of getting a smart meter -

All smart meter installers have to comply with the Smart Metering Installation Code of Practice (SMICOP) which is a requirement of the Standard Licence Condition, any breach of this code of practice should be handled in line with current processes. SMICOP covers marketing and sales, the installation itself, post installation support, and additional support for vulnerable Cs. More information about SMICOP including the code of practice is available on the Energy UK website.

Marketing and sales -

The C has to give prior explicit consent for the promotion of any chargeable goods or services, such as warranties, from the energy supplier prior to the installation visit. If they do not, the installer is not allowed to offer such services. In addition, even if the C has given permission but then changes their mind the installer should stop providing this information. No sales transactions are permitted during the installation visit.

Arranging an installation visit -

C should receive prior notification (by whatever method the supplier deems most appropriate) that their meter is due to be replaced with a smart metering system, and when the supplier anticipates this will happen. The C has to be provided with relevant contact details to arrange an installation visit. Date and time band should then be confirmed with the C by any appropriate means, Cs should be offered at least a half-day window and they can always ask for a 2 hour appointment window.

When scheduling an installation, the supplier should accommodate reasonable C requirements, e.g. any arising from specific cultural traditions or religious beliefs, and the needs of vulnerable Cs.

If a C requests to cancel or reschedule an installation visit it should be accommodated in line with the supplier's policies. No charge can be applied if the C gives more than two working days notice, suppliers must make clear to the C during the pre-installation period any charges that may be applied if the customer cancels or reschedules an installation visit.

The Performance Standards Regulations still apply so if the supplier cancels the installation visit without the required notice, compensation may be payable to the C.

Prior to the installation visit -

The C should make sure that the meters to be replaced are easily accessible, this includes keeping pets out of the way. C will also need to ensure that they (or a nominated responsible adult) are at home for the duration of the installation visit.

If the C has the same supplier for both gas and electricity then both meters will normally be replaced at the same time. If the C has separate suppliers there will be two visits and the second supplier could connect their smart meter to the existing IHD provided by the first supplier. While the second installer may be happy not to have to provide an IHD a consumer may view it as an opportunity to get one more appropriate to their needs, or if there's a long gap between installations a newer model that may have more features.

SMICOP requirement - Installations are always by appointment. The installer must provide Cs with notification prior to the installation visit and explicitly state that the C will not be charged any up-front or one-off fee for installation.

The installation visit -

Installation has to be carried out by a qualified installer who complies with SMICOP. The supplier has the responsibility to organise installation but it may not be carried out directly by supplier. If a supplier wishes to use another company to install the smart meter, details of the company have to be given to C during the scheduling of the installation where possible. All installers have to show photo ID.

If C has both gas and electricity with the same supplier the visit will take approximately 2 hours. While the meter is being replaced, C's gas and/or electricity will need to be switched off for approximately 30 minutes each (i.e. 60 minutes if both meters are being replaced). The installer will the 'pair up' the smart meter/s and the IHD. The installer will remove the old meter.

If the gas meter is being replaced the installer will need to undertake a purge and relight activity on gas appliances in the home (this is expected to include the boiler by default, but could be expanded to other appliances) and will perform a safety check on those devices. If an appliance is found to be unsafe it will be disconnected from the gas supply.

If a C is on a low income and requires help around purchasing a replacement appliance they should be signposted to their Local Citizens Advice as they will be aware of any assistance that is available.

SMICOP requirement - After the new meter has been installed the installer has to show the C how to use the smart meter and IHD in a clear and accessible manner that is appropriate to the C.

SMICOP requirement - If the meter is going to be used in prepayment mode the prepay functions, emergency credit and debt screens, have to be demonstrated.

SMICOP requirement - Leave, or subsequently provide, instructions on how to use the smart meter and IHD in a way that is appropriate for the C.

SMICOP requirement - provide the C with information of who to contact at the energy supplier for: further support, to answer queries and to provide feedback to. Plus, make the C aware of other sources of impartial advice and assistance that are available.

SMICOP requirement - Offer energy efficiency advice in a way that is suitable for the C. Guidance should be framed in terms of how the C can use the smart meter and IHD to improve energy efficiency. If required, give information about where C can access additional information about energy efficiency.



Vulnerable Cs may require additional support -

SMICOP states that: "A Customer is Vulnerable if, for reasons of age, health, disability, or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household"

Installers have been trained to identify Cs that may be vulnerable. When arranging an appointment the supplier has to take all reasonable steps to identify any vulnerability. Where appropriate the installation appointment will be scheduled for when a carer or person with legal responsibility for C can be present. For housing that is known to be sheltered accommodation, approval should be gained from the warden, or other person in authority before making approaches to the residents.

Any demonstration or provision of information to a vulnerable C, such as energy efficiency advice or how to use the IHD, should take into account the vulnerability.

SMICOP requirement - The installer should be responsive to the the needs of vulnerable Cs and refer their details to the energy supplier's Priority Services Register where appropriate.

SMICOP requirement - The installer has to report vulnerabilities identified during the visit to the energy supplier where they have not previously been notified.

Post-installation support -

Energy suppliers should provide post installation support and advice. If during the installation visit the C requested that energy efficiency guidance was given at a later date this should be recorded by the installer and followed up on by the supplier.

Moving into a home that has a smart meter installed -

If the C moves into a home with a smart meter they should contact the supplier to inform them of the date on which they started to use the energy. If there is no IHD (the previous occupant may have taken it with them) the supplier may be able to provide a new IHD. The C should contact the supplier so they can check what type of meter the C has and arrange for a smart meter installer to visit. The installer may provide a new IHD and pair it with the existing smart meter.

Using the smart meter -

During the installation the installer will demonstrate to the C how the IHD works and set it up for the C. The IHD will display the C's energy usage as a monetary amount or in kWh. This information is then shared via the Data Communications Company, with the supplier. The C can determine how often energy usage information is provided to the supplier (half hourly, daily, monthly), by default the supplier will be able to collect one meter reading per day and have to gain explicit consent for anything more detailed. The C will then be provided with an accurate bill which can be paid in the normal manner.

Prepayment smart meters -

The C will be able to see on the IHD how much credit they have left without having to manually read or access the meter. The C will be able to top up when and where they want to, this could include topping up online, with an app, on the telephone, or via text message. The C will still be able to top up in person at a local store/outlet, without any need to put a key or card back into a meter. Payments will automatically be added to their account.

Meter/IHD problems -

If the IHD becomes faulty within 12 months the supplier should replace it at no cost.

If the C did not want an IHD at the time of installation but has since changed their mind they are still entitled to receive one at no extra cost up to 12 months after their smart meter installation date. They should contact their energy supplier to arrange for an installer to provide one and pair it up with the smart meter. If the C has had their smart meter for longer than 12 months they may be required to pay for the IHD.

The first bill after a smart meter has been installed may still be an estimated bill, subsequent bills should be accurate.

Moving home -

If the C is moving home they should not take the IHD with them as it will not work with any smart meter that it has not been paired with.

Switching suppliers -

If the C is considering changing energy supplier, they should check if their new supplier can support smart metering technology before they agree to switch.

Some Cs who had a smart meter installed during the early stages of the national smart meter roll-out may find that they need to start sending in meter readings again in order to get an accurate bill if they switch suppliers as some functionality of their metering system may be lost. This is because they may have a SMETS1 meter, this is an early type smart meter which cannot communicate effectively with other suppliers. Their smart meter will still be able to send information to their IHD for them to monitor their energy usage but cannot communicate with their new supplier.

This is a temporary situation. The Data Communications Company is due to come online in July 2016 which means that once their smart meter has been brought into the network, it will once again be able to deliver its full range of functions.

Debt and disconnection -

One of the aims of having a smart meter is to try and reduce the number of Cs in energy debt by enabling a C to monitor their energy usage in near real time. Any C who calls regarding an energy debt or complaint about their energy supplier should be dealt with as normal.

The suppliers still have to comply with all current rules regarding administering energy debts and disconnection even though smart meters can be switched between prepayment and credit modes.

Suppliers will technically be able to disconnect remotely. However, there is a whole series of proactive steps that Ofgem expects suppliers to take before it would be acceptable to disconnect a customer remotely.

These come from new Guidance which Ofgem published. This includes:

- reviewing the customer's accounts to check for evidence of vulnerability of the customer at the premises
- reviewing written contact with customers who are struggling to pay to ensure that it is in plain English and that the customer is encouraged to ask for help and is also directed towards independent sources of help
- making **multiple attempts** to make personal contact with the customer by various means and at various times of day
- undertaking **personal visits to the property** which is at risk of being disconnected at **various times of day** and completing a visual check of the premises looking for signs of vulnerability
- checking whether a property appears to be temporarily or permanently unoccupied
- checking whether there has been a change of occupancy
- attempting to check with any appropriate advice or other agency such as local authority or housing association
- obtaining senior management authorisation prior to any disconnection being carried out.

Key point

Ofgem has stated that "it will **take compliance with these very seriously** and is likely to consider enforcement action to be a proportionate response to **a single case** of breach". So if you get any cases where a customer has been switched remotely, or disconnected remotely or had their supply of energy restricted in a way that has caused detriment please follow RAST protocols.

Reading the meter

Suppliers generally use independent meter reading companies to read meters. If the supplier cannot gain access when they visit to read the meter they will usually leave a card for the consumer to send their own reading. In some cases, where it has not been possible to obtain a reading, the meter reading is **estimated** by the supplier. The meter reading will appear on the bill and suppliers use different abbreviations to indicate the type of meter reading. The main abbreviations are listed below.

Summary

A = actual reading (taken by the meter reader)

C = consumer reading

E = estimated

R = reading taken upon removal of the meter

Note - suppliers use different abbreviations and the consumer should be advised to check the key code on the bill.

Practical tips

Estimated readings may result in the consumer being over or under charged for their fuel. Consumers should be advised to provide a corrected meter reading to the supplier as soon as possible after receiving the estimated reading. Suppliers should have the facility to enable consumers to correct an estimated reading either online or over the telephone.

It is always advisable for consumers to provide a meter reading to the supplier when moving into a new home or switching supplier. It is also good practice for consumers to take regular (eg monthly) meter readings as it gives supplier regular and actual info about consumption, useful for direct debit calculations and personal projection

Suppliers' meter reading obligations

Ofgem have removed the licence obligation for gas and electricity suppliers to inspect their customers' meters every two years. The obligation required suppliers to:

- check for evidence of deterioration that might affect the safety or proper functioning of the meter
- check for evidence of tampering or theft and take a physical meter reading, and
- take a physical meter reading to ensure accurate customer bills.

Ofgem had agreed an exemption to this licence obligation for British Gas, which was effective from 1 April 2013 - 31 March 2016. This allowed British Gas to inspect meters once every five years, except for customers on the Priority Services Register, whose meters still had to be inspected once every two years.

Ofgem are committed to regulating in a way that minimises costs imposed on consumer and industry. Their policy objectives are now more effectively and efficiently achieved through other supply licence conditions and existing legislation. The rollout of smart meters will reduce the need for suppliers to visit consumer premises to read meters as the meters will be capable of sending consumption information wirelessly to suppliers.

SLC changes effective from 1 April 2016

Licence	Licence obligation from 1.4.16
Electricity supplier (12.14-12.16)	No meter reading obligations remain.
Gas supplier (12.8-12.6 and 17.12)	One requirement to pass the date of the last safety inspection of the meter to the gas shipper, who will pass it to the gas transporter.
Gas transporter (5.8g, 8.6,A50.8 and	One requirement is to keep records of the date of the last meter inspection.

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Rights of entry

Suppliers and gas transporters have the right to enter the consumer's property to inspect the meter (GA and EA)). They do not have to give the consumer any advance notice of their visit. The company can only access the consumer's property without their consent if they obtain a warrant under the Rights of Entry (Gas and Electricity) Act 1954 from the Magistrates' Court or if there is an emergency. If a consumer obstructs the supplier whilst they are trying to gain access using a warrant they could be fined up to £1,000. The supplier will have to pay compensation for or make good any damaged caused whilst entering premises. They must also leave the premises as secure as they found them. Rights of entry in relation to disconnection of meters for non-payment will be discussed in unit 8 'Debt and disconnection'.

You may receive complaints or queries from consumers about the supplier's right to enter their property or to report that the supplier has not followed the correct procedures. Consumers should be advised of the above provisions permitting entry to their property. Note that if the supplier has to obtain a warrant they may charge the consumer for the extra costs incurred.

Practical tip

If it appears that the supplier has entered premises when they do not have the right to do so or have not followed the correct procedure the case should be referred to EHU in accordance with RAST protocols or alternatively advised to obtain independent legal advice.

How to read meters

You may be contacted by consumers who want to know how to read their meters. An explanation of how to read the different types of meters along with illustrations of some of the different meters can be found on the Citizens Advice website (search for 'how to read your meter'). The consumer may have one of the following meters:

- ✓ Electricity dial or digital meters
- ✓ Electricity variable rate meters (for example, dual rate meters)
- ✓ Gas dial meters

- ✓ Gas imperial digital meters

- ✓ Gas metric digital meters

Practical tip

If the consumer has difficulty in understanding the meter, they should request that the supplier sends out a meter reader or apply to register on the PSR if applicable. Note that the supplier may charge the consumer if they have to send out a meter reader if this visit falls outside of the PSR scheme.

A guide to calculating the bill from a meter reading (simple tariff) is at the end of this unit.

Inaccurate readings

Sometimes the information that the consumer receives regarding their fuel consumption from their supplier (on a bill or statement) does not correspond with the consumer's reading of the meter. There could be a number of reasons for the inconsistencies.

Reader error

The meter reader or the consumer may have made an error when taking the reading, for example, they may have recorded one or even a number of digits incorrectly or they may have transposed the numbers when writing them down or swapped the readings for day and night rates on an E7 meter (this is a common problem).

Example

Mrs Jones has an E7 meter and between April and July she used 700 units on the day rate and 1500 units on the night rate. Her bill was higher than expected because the supplier had charged her 1500 units at the day rate of 28 pence per kilowatt hour and 700 units at the night rate of 4.162 pence per kilowatt hour.

Advice

Mrs Jones should be advised to contact her supplier and provide them with the day and night meter readings. She should register the complaint and confirm this to the supplier by WRDKC / COP in accordance with the supplier's complaints procedure. An amended bill showing the correct charges should then be issued to Mrs Jones.

Inaccurate account records

There may be a number of reasons why the supplier may have the incorrect details for the consumer's account. These include:

- ✓ Meter records have become crossed and someone else's reading has been put onto the account. Sometimes the MPRN / MPAN gets switched so that somebody else's supply is registered at the consumer's address
- ✓ The reading is allocated to the incorrect meter (this may be an issue in houses of multiple occupation where meters are often situated together)
- ✓ The consumer has a metric gas meter but this has been billed as an imperial meter and vice versa
- ✓ The meter has been exchanged and this has not been recorded
- ✓ The consumer has been billed on the basis of an inaccurate estimated meter reading

Example 1

Jennifer received a bill for her gas consumption for the last quarter. It seemed to be much higher than usual. She has compared it with her bill for the same period last year and it is about three times higher. The advisor asked if her meter displayed a series of dials and / or if the meter displayed a row of numbers. Jennifer confirmed that the meter had an LCD display which showed a row of five black numbers followed by a decimal point and three red numbers.

Advice

It appears that the Jennifer has a digital metric meter but the supplier may have billed her on the basis that she has an imperial meter. Jennifer should contact the supplier and inform them of the correct reading. She should register the complaint and confirm it in writing in accordance with the supplier's complaints procedure. She should WRDKC / COP. The supplier should amend the bill accordingly, or may make arrangements for a reader to visit the property to check the information.

Example 2

Nigel has just received a gas bill from his supplier for the last quarter but he had already received a bill only 2 weeks ago covering the same period. The details on the bill are different, although they are both in his name. He has noticed that the meter point reference numbers on the bills are also different.

Advice

It appears that there is a problem with the supplier's records. They seem to have more than one meter point reference registered for his site. Consumers should only have one meter point reference. Nigel should contact his supplier with the relevant details and follow this up in writing in accordance with the supplier's complaints procedure. He should send the letter WRDKC / COP.

Practical tip

As advisors you will have access online to Xoserve (the online information service for gas), Envoy for independent gas transporters and ECOES (online information service for electricity meters). These websites may be used to get details of the consumers MPAN / MPRN and details of who is supplying the property.

Readings when the consumer has switched supplier

When a consumer switches suppliers it would be normal practice for the new supplier to take a reading on the date of the transfer and pass this on to the previous supplier. This would then be used by the previous supplier to generate the final bill and close the account, and by the new supplier to open the account and create the first bill. The Energy Retail Association (ERA) has a Code of Practice for Accurate Bills. This states that both suppliers should agree upon appropriate opening and close readings for the time of the transfer. The consumer should receive a final bill on the basis of these readings within 30 days or the supplier should provide an explanation of why the bill has not been issued.

Sometimes the new supplier does not take a reading and as a result the opening and close reads of the account have to be estimated. The consumer may then be faced with an inaccurate bill based upon an estimated read. The consumer should check the meter to ensure that they are not being billed for fuel that they have not yet used. Note that some suppliers will not re-agree a reading that it is within 25-100 units of the estimated final reading because the change to the bill would be minimal.

There may be a dispute between the suppliers in relation to the readings for opening and closing an account. The Master Registration Agreement, clause 29 (3) states that the supplier may dispute the change of supplier reading within 12 months of the date of the transfer. However, it is open for the consumer to object after that time.

Sometimes consumers in these situations receive a bill from each supplier. If the previous supplier has not received or agreed a final reading and not yet closed the account, it may continue to bill or take direct debit payments. However, once it has agreed a final reading the account should be closed with this reading and any overpayment refunded to the consumer.

Example

Suzanne used to be supplied by ABC Energy but on 10 May, she transferred to XYZ Energy. Suzanne's last bill from her previous supplier recorded an actual reading of 13151. The bill that she has just received is based on a reading of 13599. Suzanne has taken her own reading and the figure is 13402. Suzanne does not recall having a visit from a meter reader from her new supplier or old supplier when she transferred her supply.

Advice

It appears that the new supplier has billed Suzanne on the basis of an estimated transfer read on the date of the transfer. Suzanne should contact both ABC and XYZ and state that she disputes the transfer reading. The dispute should help to prevent possible debt recovery action for non-payment of charges. Suzanne should contact the previous supplier to ensure that they put a block on any debt recovery action until the read has been adjusted. Any amendments to the transfer read must be instigated by the gaining supplier.

Practical tip

If the consumer feels that the supplier has provided an inaccurate reading they should contact the supplier as soon as possible to report this. The supplier may then adjust the account on the basis of the reading provided by the consumer or send somebody out to investigate further if necessary.

Responsibility for the meter and meter boxes**(a) Meters**

The GA and EA explain who is responsible for the meter and this is generally the owner. In most cases the meter will be owned by the supplier, the electricity distributor or the gas transporter and they will be responsible for maintaining the meter and ensuring that it is accurate.

(b) Meter boxes

A meter may be housed in an external box that locks with a key (usually a white or cream box). Suppliers sometimes provide these free of charge, or consumers may purchase them from retailers. Once the box has been installed it then becomes the property owner's responsibility.

The consumer is responsible for any damage or wear and tear that occurs. The supplier / distributor / transporter will only be liable for any damage caused by their representatives.

Meter accuracy

The design and construction of gas and electricity meters must be approved to ensure that they comply with the legal requirements. The approval is now carried out by the National Measurement Office. If the meter complies it will be certified or stamped and the meter will be sealed. The seals are designed to be tamperproof. The certification / approval will be valid for a limited period of time. This should be stated on the meter itself and will usually be between 10 – 20 years. At the end of the period the meter should either be re-certified or replaced. The meter operator should be able to inform the consumer when the type of meter that they have is normally replaced.

Gas meters will be considered to be accurate if they vary no more than +2 to – 2 per cent. Electricity meters must be accurate within +2.5 to -3.5 per cent. The Measuring Instruments (Gas Meters) Regulations 2006

and the Measuring Instruments (Active Electrical Energy Meters) Regulations 2006 define the accuracy limits for meters in the UK.

Consumers who receive unexpectedly high charges for their fuel may suspect that the meter is faulty and they can request that the meter be tested. However, in many cases meters that are tested are found to be accurate. Most meters will usually work without any problems for approximately 20 years. Since the consumer will normally be charged for tests that are passed, an official meter test should be a last resort. It is likely that the high fuel charges have been caused by something else and the consumer should consider whether their consumption has actually increased.

Practical tip

The consumer could check to see if consumption has actually increased by comparing this year's consumption with their consumption for the previous year. They can get this information from their previous bills, or if they do not have these, they can request the information from their supplier. They can also contact the Energy Savings Trust (EST) who can provide details of average consumption.

(a) Reasons for increased fuel consumption

Fuel consumption may increase for a number of reasons, some of which are explained below.

- ✓ The consumer or other members of the household may have spent more time in the property. Possible explanations include: unemployment, working from home, retirement, arrival of a new baby, illness and more people being at the property (for example, visiting friends and relatives)
- ✓ Faulty appliances, circuits or other installations or a gas boiler that needs servicing could increase consumption
- ✓ New additional appliances could explain the increased fuel consumption levels
- ✓ The consumer may have a new heating system and they may not understand how to use the system properly or may still be getting used to the controls (this can be a particular problem with storage heaters and E7)
- ✓ Consumers may forget to switch off their immersion heater, electric fire or leave their central heating system running continuously
- ✓ Seasonal variations may explain the increase. More fuel is used during the winter than over the summer months. There may have been an exceptional period of bad weather that may have

resulted in much higher consumption compared to previous years, for example, an unusually long period of snow and icy conditions

Practical tips

The consumer can check to see if their circuit or installation is defective by switching off all appliances and pilot lights. If the meter is still registering then this means that there is a problem. This could be the result of a gas leak. Alternatively, in the case of electricity there could be a short circuit or a leak to earth. If this is the case the consumer should take immediate action as these situations are dangerous.

In the case of a gas leak the consumer should be advised to call National Grid Gas Emergencies on 0800 111 999 (This is a 24 hour emergency line).

If there is an electrical power cut the consumer can dial 105 which will put them through to their local electricity network operator – the company that manages the cables, power lines and substations that deliver electricity into homes and businesses in their area.

105 is just one of the ways that customers can contact their electricity network operator. They can also contact them by phone or via their website, and most network operators are on social media too. 105 is a free service for people in England, Scotland and Wales.

Customers can call 105 no matter who they choose to buy electricity from.

Customers can also call 105 if they spot damage to electricity power lines and substations that could put anyone in danger. If there's a serious immediate risk, they should call the emergency services too.

If the meter does not move when switched off the consumer could then gradually start to switch on some of their appliances and check the meter (sometimes referred to as 'the kettle test').

In the case of a faulty appliance remember that a consumer may have a right to claim for faulty goods and consequential loss under the Consumer Rights Act or other applicable legislation. Alternatively, they may be able to claim in negligence or under the Consumer Protection Act. If the cause is a faulty appliance the call should be handled in accordance with RAST protocols.

Example

Christopher receives a bill which is almost double the amount of his previous bill and he has contacted Citizens Advice consumer service for advice as he suspects that his meter may be faulty.

Advice

Christopher should be advised to check if the reading on his bill is accurate as it may be that the high bill is the result of an inaccurate or estimated reading. Christopher should also be advised to consider whether there may be other reasons why the bill has suddenly increased as explained above. If these issues do not account for the increase, Christopher should contact his supplier to register his query and follow this up by WRDKC / COP in accordance with their complaints procedure.

(b) Meter testing

If the consumer feels that the meter is faulty they should report the matter to their supplier and consider having their meter tested. The following guaranteed standards will apply in this situation:

GS reference	Standard	Further details in:
GS(E)17(S)	Meter inaccuracy	Annex 1
GS(G)4(S)	Meter disputes	Annex 1

If the consumer reports that a PPM has broken, is not taking the correct amount for debt or the credit they have bought does not transfer properly then the following guaranteed standards will apply:

GS reference	Standard	Further details in:
GS(E)18(S)	PPM faults	Annex 1
GS(G)5(S)	PPM disputes	Annex 1

- Action taken by the supplier

The supplier may do the following:

1. Request that the consumer takes meter readings over a period of seven days.
2. Install a 'check meter' next to the consumer's meter for a few weeks. This is a second meter that is installed and runs next to the current meter to see if it records the same levels of consumption.
3. Carry out a 'standard load test' for an electricity meter. This is where use is restricted to appliances with known power consumption rates so that the meter can be tested to ensure that it is registering consumption accurately.

If a fault is found the consumer would not have to pay for these checks but otherwise the supplier may charge the consumer. If the meter appears to be faulty or the consumer is not happy with the outcome of the supplier's investigation, an official test can be requested. Consumers should be advised that the whole process is likely to take at least six weeks, and in the case of electricity, may take a number of months.

- **Official meter tests**

This service is offered by Ofgem and the testing is done by an independent company called SGS. The consumer may be asked to pay upfront for the fee but this will be generally refunded if the meter is found to be accurate (note that if it is the supplier who suspects that the meter is inaccurate and they initiate the test then they should pay for the cost of the test). Consumers should be advised to check whether or not an upfront fee will be payable for their test.

In the case of electricity meters, the process usually involves the meter being tested on-site and then being removed for further tests and checking only if necessary. Gas meters have to be removed from the outset and a replacement meter is installed. The supplier usually arranges for the removal and replacement to be carried out via National Grid. The meter is then sent to the examiner.

The decision of the meter examiner is final and legally binding on both parties. A document will be issued which will either clarify whether or not the meter is accurate (copies of the documents are given to the consumer, the supplier and the meter owner). If the condition of the meter renders it unsuitable for testing, an appropriate settlement must be reached between the supplier and the consumer.

If the meter is found to be inaccurate, the supplier must either refund the consumer if they were being overcharged, or charge them extra if they were being under-charged. The amount will be based upon how long the meter has been incorrectly recording and by how much. The supplier will also replace the meter for one that is accurate (or repair if appropriate).

Practical tip

If a meter is removed for further testing the consumer should make a note of the serial number and the reading at the time of removal to help to avoid disputes if the account is reassessed.

Whilst the matter is in dispute the consumer does not have to pay the disputed amount (they cannot be disconnected for non-payment in relation to a genuine dispute under the EA and GA). It would be advisable for the consumer to pay a sum representing the energy that they think that they have definitely used and only withhold the disputed sum.

Movement of meters

Consumers may wish to re-position their meters for a number of reasons including: accessibility, property renovations or because the current location of the meter is unsafe. Generally, the property owner is responsible for arranging alterations to the position of the meter and would have to pay for the move. However, if the consumer is on their supplier's PSR and they find it difficult to access the meter, they may be able to have the meter re-sited free of charge. They also would not have to pay if the supplier has told them that the meter needs to be moved as part of their programme of replacing old meters.

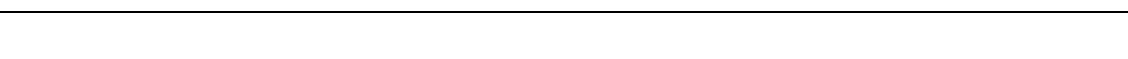
Work in relation to gas and electricity is split into contestable and non-contestable work. **Non-contestable work** is work that can only be carried out by the network operator or supplier. **Contestable work** is work that can be carried out by a third party. Some contestable electrical works must be carried out by a qualified third party provider listed on the Lloyds Register. The register is a database of third party connection providers that are able to undertake certain contestable connections works. Other contestable work may be done by an independent electrician or Gas Safe engineer. Depending upon the work that is necessary in relation to moving the meter, the consumer may be able to have some or all work in connection with a meter move done by a third party. Some work is classed as '**civils**' and this can be carried out by the consumer themselves. It may be necessary to have the work agreed and / or inspected by the transporter or supplier.

Example

Sandra wants to move her gas meter as she wants to convert her cellar. She has contacted the supplier who stated that it would cost approximately £900. Sandra would like to know if she could get the work done elsewhere cheaper.

Advice

Sandra could request that the transporter provides a breakdown of the quote into contestable and non-contestable work. She could also ask them to clarify what elements, if any, could be carried out by a provider on the Lloyds register, and what work can be carried out by Sandra or her own contractor. Sandra could then obtain quotes from the a provider on the Lloyds register and an independent contractor where appropriate and compare them with the quote provided from the transporter via her supplier to see if it would work out cheaper to get the work done independently. Sandra should also ask the transporter to clarify if any of the works carried out by an independent contractor need to be agreed with the transporter or inspected by them.



Practical tip

If the consumer is not happy with the standard of work that is provided they should complain to the operator using the complaints procedure.

Remember that if the consumer is not happy with the any work carried out by an independent electrician / gas installer, they may have rights under the CRA if the supplier has not carried out the work with reasonable care and skill, or alternatively they may have a claim using the law of negligence. Such complaints should be handled in accordance with RAST protocols.

Meter tampering

Consumers sometimes tamper with their meters in order to steal electricity and gas by preventing the meter from registering the use of energy or reducing the amount of energy being registered. Methods of tampering include by-passing the meter by fixing wires or pipes to it and fixing a wire to the meter so that the disc rotates backwards. Signs that a meter may have been tampered with include damaged or missing seals and damaged meter casing. The meter reader may notice signs of tampering or the supplier may suspect tampering as a result of unusual consumption patterns.

Theft of electricity and gas is dangerous, and it is illegal to tamper or interfere with the meter. This is a serious offence under the GA and EA and suppliers may involve the police. It would be for the supplier to decide if the tampering was a police matter but suppliers do not always involve the police. They would consider various factors including the estimated value of the energy that has not been paid for and whether or not this is the first time that the consumer has attempted to tamper with the meter.

(a) Action taken by the supplier

The supplier has rights of entry as discussed above in relation to meter reading, and these fall under the GA and the EA. In the case of meter tampering, the supplier will usually obtain a warrant to enter the property if they suspect that tampering has occurred. If the owner will not allow them into the property or they are not present, the supplier can force entry. If the examiner cannot see obvious signs of tampering they may remove the meter for further inspection and leave the consumer with a replacement. Suppliers may take the following steps:

- ✓ remove and disconnect the supply until the consumer makes arrangements to pay (cases where the supplier disconnects or there is an immediate threat of disconnection should be referred to the Extra Help Unit (EHU) in accordance with RAST protocols)

- ✓ leave the meter at the property but attempt to protect it (for example, install a protective casing)

- ✓ install a PPM if the meter that has been tampered with is a credit meter

Practical tips

If a consumer states that the supplier is alleging that they have tampered with their own meter, they should request that the supplier provides them with copies of any evidence that they have, such as investigation reports. The supplier will retain the meter for a specified period of time in accordance with their own code. The consumer could arrange to have the meter inspected by their own examiner if they wish to challenge the results. If a consumer states that they suspect that their meter has been tampered with by somebody else they should be advised to contact their supplier to report this.

Where a consumer has been disconnected the case should be referred to the EHU in accordance with RAST protocols.

Those who have been accused of meter tampering could be signposted to obtain independent advice.

(b) Charges for fuel

The supplier might charge the consumer on the basis of estimated usage during the period of tampering (based on the consumer's previous average consumption during a similar season). The consumer may dispute the estimates made by the supplier. Note that the consumer may apply to court to get an order for the supplier to reconnect their supply if the consumer alleges that the supplier has exceeded their powers, for example, charging excessively for the supply during the period of tampering and refusing to reconnect until the consumer pays.

The supplier may charge the consumer for the following:

- ✓ Fuel that has not been paid for and associated administration costs (including for the calculation of the estimated consumption)
- ✓ Visits to the consumer's property in order to investigate the suspected tampering and take any necessary action
- ✓ A reconnection fee if the consumer resumes supply and / or a security deposit plus the cost of replacing any damaged meters

Example

Kathryn was visited by her electricity supplier yesterday who disconnected the supply and removed the meter stating that the meter had been tampered with. Kathryn's partner has since admitted to tampering with the meter. Kathryn is very worried about her father as he has a dialysis machine that runs from the electricity supply and at present, they do not have a supply. The supplier has requested fees of almost £700 to reconnect the supply, and Kathryn does not have the means to pay this immediately.

Advice

The supplier is entitled to disconnect the supply when the meter has been tampered with. The case should be referred to the EHU in accordance with RAST protocols as the supply has been disconnected and Kathryn's father is vulnerable.

Summary

- Energy companies base their bills on meter readings. Electricity meters measure in kWhs but gas meters measure the volume of gas and as a result the readings need to be converted.
- Consumers may have a credit meter where they are billed for the fuel that they use or a PPM where they 'pay as they go' for the fuel using tokens, keys or smart cards.
- Credit meters offer more flexibility in terms of payment methods and intervals but consumers may accrue debt.
- PPMs may assist those who are in debt and facilitate budgeting. However, consumers usually have to pay more for their fuel and face more practical obstacles in the use of these meters, in particular the risk of no supply if they do not credit the meter. Consumers experience problems if their credit device is lost, damaged or faulty, or if they use somebody else's device to credit the meter.
- A consumer may be asked for a security deposit if they do not have a credit history, or if they have a previous record of late payments. They may also have to pay one to change from a PPM to a credit meter. The deposit should be reasonable and is usually repaid with interest if the consumer keeps up with their payments.
- Readings may be inaccurate for a number of reasons including: reader error, inaccurate account records and disputed readings.
- The supplier is usually responsible for the maintenance and accuracy of the meter. The consumer is responsible for the meter box.
- Gas meters are deemed to be accurate if they register + or – 2 per cent. Electricity meters are deemed to be accurate if they are within a tolerance of +2.5 or -3.5 per cent.
- Consumers may suspect that the meter is faulty due to receiving a higher bill than expected. This could be the result of increased fuel consumption as a consequence of: more people being present at the property, people spending more time at the property, faulty appliances or circuits, getting used to new appliances, meters or heating systems, seasonal variations or the failure to turn off appliances.
- If a consumer suspects that their meter is faulty they could carry out their own tests and report the problem to the supplier. An official test may be necessary and the decision of the meter examiner is binding.
- Consumers wanting to move their meter need to enquire if the work is contestable or non-contestable to determine who can do the work.
- Meter tampering is a criminal offence and may result in disconnection. Those who are disconnected should be referred to the EHU.
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Section 2

Charges for fuel, bills and statements

In this section consideration will be given to how consumers are charged for fuel and the documentation that must be sent by the supplier in relation to fuel charges and energy consumption (the bill and the annual statement).

In this section you will find the following:

- Charges for fuel
- Tariffs
- Price rises
- Bill frequency
- Understanding the bill
- Estimated bills
- Refunds
- Landlords: charges for fuel
- Statements

Charges for fuel

In this section we will consider what energy consumers will be expected to pay for. Their bill will consist of a number of charges, not just the actual cost of the fuel. These will include standing charges, tariffs, VAT and other charges. These charges will now be discussed in turn.

(a) Wholesale energy costs

This makes up the largest proportion of charges to the consumer. It is the cost of the energy to the supplier, that is, the price of gas and electricity.

(b) Delivery costs

This is the cost that the supplier bears in delivering the energy to the property through pipes and wires. The supplier has to pay fees to the companies that own the pipes and wires for using them.

(c) Energy supply costs

This includes the costs associated with meters, billing, providing access to consumer services (for example, telephone enquiry lines, online assistance), collecting payment from consumers and the supplier's profit margin.

(d) Value Added Tax (VAT)

All users of energy pay VAT on all parts of the bill including any standing charges. Domestic and charity users pay at a rate of 5 per cent. Businesses are charged at a higher rate.

Sometimes problems occur when a domestic consumer has been billed on a business account in error. The consumer may then be charged VAT at the incorrect rate and / or the wrong tariff. This problem may occur when the previous occupier was a business.

Practical tips

Any enquiries relating to the charging of VAT should be referred to HM Revenue & Customs (HMRC).

Complaints that a consumer has been billed as a business consumer in error would be dealt with at Citizens Advice.

(e) Government obligations

The government places obligations on energy suppliers and the cost of complying with these obligations is factored into the consumer's bill. This would include the cost of providing environmental schemes, for example 'Renewable Obligations'.

(f) Other charges

The supplier may charge the consumer for other items that are relevant to that particular consumer. For example, they may charge for disconnection or reconnection fees or a security deposit. They may also charge for the replacement of meters.

Tariffs

The 'tariff' for gas or electricity is the price that a consumer will pay for the units of gas or electricity that they use.

There are a number of different tariffs available. The main types of tariff are explained below.

(a) Single rate

If a consumer has a single rate tariff, they will be charged the same rate per unit regardless of what time of the day or night the energy is used. There are a number of single rate tariffs available. The supplier's **standard tariff** is their basic tariff that they offer which does not usually include any discounts. This is usually a single rate tariff.

(b) Multi-rate

Consumers are sometimes charged more than one rate for the energy that they consume. Some of these tariffs are explained below. In the case of electricity, the consumer will usually have a multi-rate meter which will measure their usage of electricity at different times during the day.

- **Economy 7**

Consumers who have a two-rate meter may have access to an off-peak tariff. They will be charged a lower price for the electricity that is used during the night and a higher price for the rest of the day. These are ideal if the consumer uses most of their electricity at night, and those with electric storage heaters. There are a number of variations to the off peak tariff but the most common is known as 'E7'. A lower rate is charged for units used during a seven hour period, typically between 9 pm and 9 am. In effect consumers will get seven hours of cheaper electricity. The timing of the discounted period differs between suppliers. A timing system enables the meter to change over from day to night readings. Not all suppliers offer E7 but some may offer alternative off-peak tariffs. This tariff may be available to those with PPMs.

- **Economy 10 (Heatwise)**

This works in a similar way to E7 but the consumer receives ten hours of cheaper electricity which are typically split over three periods. The timings of the discounted periods vary between suppliers. Not all suppliers offer an E10 tariff. The consumption is measured on three registers on the meter. Consumers on these tariffs may have difficulty in transferring supplier as not all suppliers support this tariff and if the consumer wants to change to a different tariff they may need to have their meter replaced. **Note these multi-rate tariffs are known as 'White Meter tariffs' in Scotland.**

Total Heating with Total Heating Control and Comfort Plus

These are three tier tariffs that are available only in Scotland from specific suppliers. (Comfort Plus in the south via Scottish Power and Total Heating Control in the north by Scottish Hydro Electric). They are available for properties with a storage heating system. The meter is controlled remotely by a teleswitch. The rates include a normal rate, an off-peak rate and a separate rate for the use of storage heaters and heating hot water. Consumers on these tariffs may experience similar problems to those on E10.

Potential problems

It has previously been explained that problems may occur with multi-rate meters including transposed readings and time-switch failures. Other problems that may arise include:

- ✓ The supplier charges the consumer at a single rate by adding the total number of units used together
- ✓ The consumer has had a new meter installed and the supplier has not updated the meter exchange details correctly
- ✓ The consumer moves into a new property which is supplied through an multi-rate meter but the previous tenants had requested to be billed on a single rate charge

Example

Mr Smith has an E10 meter. He has received the bill for the last quarter which shows that he has used 1500 units but they have all been charged at one rate.

Advice

Mr Smith should be advised that it appears that the supplier has simply added all of the units together and charged at one rate, instead of applying 3 different rates to the specified time periods on the tariff. Mr Smith should contact the supplier regarding the complaint and follow this up by WRDKC / COP in accordance with their complaints procedure.

(c) Dual fuel

If the consumer gets both their gas and electricity from one supplier they will usually be offered a dual fuel tariff providing a discount. The convenience of dealing with one supplier may make the account easier to manage. However, a dual fuel tariff may be combined with other energy tariffs such as online tariffs.

(d) Green tariffs

These are energy tariffs that are marketed as helping the environment. The tariff funds renewable energy projects - a supplier using these tariffs does not actually provide energy sourced from green or renewable energy projects. In effect, the consumer pays more for their energy using green tariffs rather than alternative options, but the supplier invests this money into environmental projects.

(e) Online tariffs

Suppliers may offer a tariff that is cheaper than their standard tariff to those who can manage their account online. The consumer must be able to switch supplier online, provide online meter readings and receive their bills by e-mail ('paperless billing'). They are not required to pay the bill online and can contact their supplier by telephone to discuss queries. These tariffs are currently some of the cheapest available. Sometimes consumers complain that they are unable to access the account online due to technical difficulties. This may prevent them from reading their bills / statements and otherwise managing the account. If the consumer has changed their e-mail address and has not notified the supplier they may not then receive notifications from their supplier that their bill is now available online.

Example

Justine has signed up to her supplier's online tariff. Justine has been online today as she wanted to pay her most recent bill. She is able to access her account but when she clicks on the link to access her bill nothing happens.

Advice

The supplier may not have set up the account properly or there may be a problem with the supplier's website. Alternatively the problem may be with the consumer's computer or internet connection. Justine should e-mail her supplier and explain the problem to them. She should explain that there may be a delay in receiving the payment as she is unable to access the information. If the problem continues it would be advisable for Justine to actually contact the supplier by phone and to ask them for the information from her bill so that she can make the necessary payment arrangements.

(f) Fixed price

A fixed price tariff ensures that the price paid per unit of gas or electricity will not change for a fixed period of time for that consumer despite any increases or reductions in the supplier's prices. These types of tariffs often have a penalty clause (an exit fee) if the consumer leaves the tariff before the end of the fixed period. Some suppliers incorporate an extra premium as part of the tariff and therefore they are often more expensive than non-fixed tariffs. These tariffs often appeal to consumers who are worried about future price rises.

(g) Capped price

This type of tariff guarantees that the price per unit will not increase beyond a set level for a specified period of time. If the supplier's standard prices decrease during this period, the price charged to the consumer may decrease. Consumers on capped tariffs may have to pay an exit fee if they leave the tariff scheme.

(h) Renewable Obligations and Feed-in Tariffs

Renewable Obligations operate in the UK and this is the means by which the government are supporting the large scale generation of renewable electricity as there is a target (set by Europe) that the UK must source 15 per cent of its energy from renewable sources (for example, wind, the sun, water and biofuels that do not release CO₂ into the atmosphere) by 2020. Suppliers have an obligation to source a set annual amount of electricity sales from renewable sources. If they do not meet this obligation they must pay a penalty. The obligations are administered by OFGEM who issue Renewable Obligation Certificates (ROCs) to suppliers for eligible renewable electricity generated and supplied to customers. Suppliers meet their obligations by presenting sufficient ROCs. Where suppliers do not have sufficient ROCs to meet their obligations, they must pay an equivalent amount into a fund, the proceeds of which are paid back on a pro-rated basis to those suppliers that have presented ROCs.

Feed-in tariffs

Microgeneration is the generation of energy from low carbon and renewable resources by consumers and communities. Anyone who has installed eligible renewable energy systems producing electricity on or after July 15th 2009 is eligible to claim feed-in-tariffs as long as they produce less than 5MW of power. This would include most domestic properties in the UK. Note that some small energy companies are entitled to refuse to accept feed-in tariff customers.

Generation Tariff

This is paid on the renewable energy that is generated, regardless of whether the customer uses it themselves or exports it to the grid. The amount paid will be dependant upon the type of energy used and the capacity of the system.

Export Tariff

The customer is paid for each kwh that is transported to the grid. This tariff is the same regardless of the type of energy used. Ultimately, the aim is to meter the exported energy. However at present, the export element will be 'deemed' to be 50 per cent of the power generated by the system for domestic generators. Generators who believe their exports are substantially higher than this may be allowed to install suitable export meters and be paid on the metered level of exports.

Remember that the customer will also save money on their electricity bill as they will not have to buy as much electricity from their supplier.

Currently, the following technologies (amongst others) are eligible to be part of the scheme:

- ✓ Solar electricity (panels that generate electricity)

- ✓ Wind power
- ✓ Anaerobic digestion to produce biogas for electricity generation (micro-organisms breakdown biodegradable material to release energy)
- ✓ Hydro-electric power (power generated through the energy of flowing water)

Non-renewable gas-powered combined heat and power (Micro-CHP) is also included (this is where heat and electricity are produced at the same time in property - a gas central heating boiler is replaced by a CHP unit which provides heat and hot water and also provides electricity).

Energy companies will only pay the feed-in-tariff when the consumer has had their system installed by a 'Microgeneration Certification Scheme' (MCS) registered installer. MCS is an independent scheme that certifies micro generation products and installers against specific criteria. Consumers can find registered installers by visiting the MCS website (www.microgenerationcertificate.org). The consumer will be issued with an eligibility certificate which must be provided to the energy supplier.

Suppliers will register eligible installations, process generation data and make payments. OFGEM is the administrator for the scheme.

Consumers can find out how to access feed-in-tariffs by contacting the Energy Savings Trust (www.energysavingtrust.co.uk).

(i) Social tariffs

Each supplier is required to offer reduced tariffs to vulnerable consumers. This includes the elderly, those on a low income and disabled consumers. The consumer may also get free services as part of the scheme. Each supplier has their own tariff and their own eligibility criteria for each scheme. The consumer should contact the energy suppliers for more details. Further details of the schemes can be found on the Adviceguide.

Price rises

Energy price rises are a continuing issue. The supplier must give the consumer notice of any price rises. They must give them 30 days notice in advance of the price rise, SLC(G&E)23 came into affect 28 April 2011. The consumer has twenty working days to tell the supplier that they wish to end the contract after receiving the notice of the increase. The increase will then be avoided providing that within 15 working days of the consumer notifying the supplier, the supplier then receives a notice as part of the transfer procedure, that another supplier will be supplying the consumer within a reasonable period. If the consumer tells the supplier that they want to transfer and they do not transfer, the price rise will then catch up. Note that the supplier may be able to prevent the transfer in some circumstances and there are additional factors if the consumer is in debt. This is discussed in more details in unit 4 'Energy supply contracts' and unit 8 'Debt and disconnection'.

If the supplier has increased prices the consumer has 30 working days to clear the debt and switch supplier without being charged the price increase retrospectively in accordance with SLC(G&E)23(S).

Practical tips

Those affected by price rises with their current supplier should be advised to 'shop around' to see if they can get a cheaper deal by switching or even by changing to a different tariff with their current supplier if possible. Consumers should be careful to check with other suppliers to see if they also intend to increase their prices in the future and if so by how much.

Bill frequency

Suppliers do not have any legal obligations in terms of how often they should bill consumers.

(a) Credit meter consumers

Most suppliers will send bills to consumers at the end of each quarter. Suppliers have their own individual codes of practice on the payment of bills which will indicate when bills should be sent out and consumers could request this information from the supplier. Consumers sometimes complain that they have not received their bills as often as they expected or they would like. If the supplier delays billing the consumer, and the consumer gets billed for a longer period than usual, this could result in a build up of debt for the consumer.

The 'Back Billing Code' may apply if the supplier has been at fault in not supplying a bill (see below for details). Consumers who are concerned that they have not received their bill when they expected to receive it should be advised to contact the supplier as soon as possible to report this.

Example

Mr Cross usually receives his bills on a quarterly basis. He did not receive a bill for the last quarter and his charges for that quarter have appeared on the bill that he has just received, in effect covering two quarters.

Advice

Mr Cross should be advised that there are no legal requirements as to how often the supplier should bill the consumer. He could ask the supplier what their code of practice states in

relation to when bills should be received. He could explain to the supplier that the high level of the bill is due to the supplier's delay and request more time to pay.

Consumers who are on payment plans such as monthly direct debit, weekly, fortnightly or quarterly equal payment schemes will get a statement of account rather than a bill. The content of the statement of account is largely the same as the information that must appear on the bill.

(b) PPM consumers

As a general rule, consumers on PPMs do not receive bills. Consumers will receive statements explaining how much energy they have used on an annual basis (some suppliers may provide these quarterly). The requirements for annual statements are discussed in unit 6 'Charging for fuel'.

(c) Delays in getting the bill when the consumer has transferred supply

Consumers sometimes contact Citizens Advice stating that they have not received their final bill from their supplier after transferring their supply. This sometimes occurs when the supplier has not obtained a final reading or there is a dispute over the date that the consumer left the property. It can also occur when there has been a disputed final read (this was discussed earlier in section 1 when discussing reading meters).

Example

Mrs Stockhill moved out of her property six months ago. She is concerned because she did not receive a bill from her supplier for the last quarter of her consumption.

Advice

Mrs Stockhill should be advised to contact her supplier and inform them of the problem. This often occurs when the supplier did not obtain a final reading for the property. As she is no longer at the property it may be that the supplier has to estimate the final bill. Mrs Stockhill should contact her supplier to register her complaint and WRDKC / COP in accordance with their complaints procedure.

(d) Bills not received

When consumers move into a new property, they may not receive a bill because the supply has not been registered by the electricity supplier or gas transporter if the property does not have an MPAN / MPRN. This is often referred to as a shipperless site. If this is the case the consumer should report this to the supplier. In some cases the consumer may not know who the supplier is.

Practical tip

If the consumer does not know who their supplier is you can check on the Xsoerve / ECOES system.

(e) The Code of Practice for Accurate Bills – back billing for domestic consumers

The major energy suppliers have agreed to adopt the principles that are set out in the ERA Code of Practice for Accurate Bills (also referred to as the 'Back Billing Code'). It is important to note that this is not the law, it is a voluntary code of practice. The main elements of the Code have been noted but this is not an authoritative statement of the Code.

The Code states that as of 1 July 2007, if the supplier is at fault in not previously billing a consumer, they will not bill that consumer for any energy that was consumed more than one year previous to the bill that they issue. This period of one year relates to continued supply with the same supplier. There are some exemptions to this rule. It does not specifically apply to pre-payment consumers but suppliers have agreed to apply similar principles to such consumers where a debt is more than 12 months old.

Practical tip

Consumers should not be informed that they will not have to pay if the supplier has not billed for this period, they should be advised that they should request that the supplier investigates and considers applying the Code if appropriate.

As a general rule, a supplier should not, for example, recover charges over a year old where:

- ✓ They have issued previous bills based on estimated readings and have failed to use readings provided by the consumer or a meter reader

- ✓ The consumer has provided correct readings but the supplier has rejected them without further investigation
- ✓ Meter readings or details have been transposed on the billing system
- ✓ Meter readings are crossed and the supplier had an opportunity to recognise the matter but did not investigate further
- ✓ The meter details have not been updated by the supplier following an exchange
- ✓ They have failed to set up an account or bill a consumer when they have clear instructions that the consumer is using supply
- ✓ They have failed to reassess a direct debit payment arrangement within 15 months (this will not apply if the supplier has written to the consumer asking for a meter reading in order to reassess the account).

The code states that consumers are obliged to assist suppliers and will have to pay for their energy if:

- ✓ They have been using the supply but have not made any attempt to contact the supplier to make or arrange payment
- ✓ The consumer has wilfully avoided payment
- ✓ The consumer has not cooperated with the supplier's attempts to obtain meter readings or resolve queries requested by the supplier.

Example 1

Mr Harris has just received a bill from his supplier. His previous bills since July 2009 were based on estimates and he has been billed now for the difference between the estimates and the actual usage. The supplier had attempted to gain access a number of times but Mr Harris was not present. Mr Harris admits that he did not respond to requests posted by the supplier to provide an actual meter reading. Mr Harris wants to know if he will have to pay this bill, he has the means to pay it but wants to know if he has to pay it.

Advice

Mr Harris should be advised that the supplier will be entitled to charge for his actual usage. The Back Billing Code will not apply as the supplier had no choice but to provide estimated bills in the circumstances.

Example 2

Paula switched supplier on 1 June 2009. Paula did not receive her first bill until July 2010. Although the supplier had all of the relevant information, they did not create an account for Paula until 1 October 2010. Paula has contacted CA for advice.

Advice

Paula would normally be responsible to pay for the energy that she has used. However, she could request that the supplier applies the Back Billing Code so that she is only billed for 12 months from the date of the bill that she receives. Paula should contact the supplier by telephone to discuss this. She should also write to the supplier, send the letter by recorded delivery post or obtain a certificate of posting. Paula should call back if the matter is not resolved.

Practical tip

There appears to be an established principle within the industry that if the consumer has accrued debt, they should be allowed the period of time that it took to accrue the debt to pay it back.

The Limitations Act 1980 prevents anyone in England and Wales from bringing an action for breach of contract after six years has elapsed. This is sometimes referred to as the 'limitation period'. It is likely that the limitation period runs from the date that the consumer last made payment or last wrote to the creditor. If the consumer has not previously made a payment under the agreement or written to the creditor the limitation period is less clear but it is likely to be interpreted as being from the date of the agreement'. In Scotland the relevant period is five years (Prescription and Limitation Period (Scotland) Act 1973). The limitation period is discussed in further detail in unit 8 'Debt and disconnection'.

Understanding the bill

You may receive queries from consumers who would like your help in gaining an understanding of the bill or statement of account, or they may make reference to specific parts of the bill during the call. Therefore it is imperative that you understand the contents of a typical bill. Note that those on the PSR may arrange for duplicate bills to be sent to a nominated person who can assist the consumer in reading and understanding the bill.

The ERA Code of Practice for Accurate Bills aims to ensure that consumers receive timely bills that are clear, accurate and informative. Note that the elements of the bill that now have to be included as a result of the Energy Supply Probe can be found in SLC(G&E)31A.

Contents

A sample bill is illustrated below and further sample bills for each supplier can be found on the Knowledge Base. The bill is often spread over two pages. The first page of the bill would generally include the following:

- ✓ Supplier's contact details
- ✓ Consumer's name and address
- ✓ Consumer reference or account number
- ✓ Date of the bill
- ✓ Name of the energy package
- ✓ A summary of the bill may be included comprising of:
 - The balance of the account from the previous bill (balance brought forward)
 - Energy charges
 - Discounts
 - VAT
 - Total amount due (clear and in bold font)
 - Specific site supply reference number (MPR / MPAN) – this sometimes appears on the second page.

The next page will usually include the following:

- ✓ Balance on the account before the bill
- ✓ Amounts and dates of payments made since the last bill
- ✓ Previous and current meter readings, including whether they are actual (a), consumer readings (c) or estimated readings(e)
- ✓ Number of units used
- ✓ Price per unit (note that the consumer may have different rates on the bill depending upon the type of tariff that they have)
- ✓ The name of the current tariff *
- ✓ Amount of any applicable standing charge –
This covers the suppliers' fixed costs such as the preparation and distribution of bills, meter readings and maintenance of the distribution system and will remain the same regardless of how much energy the consumer has used (in recent years there has been a reduction in separate standing charges, with these costs being incorporated into the unit price charged to the consumer)
- ✓ Details of any applicable discounts
- ✓ VAT
- ✓ Total now due (clear and in bold)
- ✓ The consumer's consumption for the past 12 months in kilowatt hours, except where the consumer has been with the supplier for less than 12 months*
- ✓ An estimate of the cost of the consumer's supply for the next 12 months if the consumer remains on the same tariff, if the tariff rate is unchanged and if the consumer uses the same amount of energy*
- ✓ Emergency contact numbers
- ✓ Telephone number for Citizens Advice consumer service
- ✓ Details of the Energy Ombudsman.



* Required as of 1st July 2010.



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DOMESTIC ELECTRIC
POSTAL_ADDRESS_LINE_1
POSTAL_ADDRESS_LINE_2
7799 977

- www.southern-electric.co.uk
- Your Customer Account Number
12345 67890
- Call us with any enquiries
0845 071 3953

yourelectricityaccount



Bill date 2 August 2010

We'd like to send you an accurate bill. Please call us with your meter reading and customer account number.

Meter line **0800 220 995** (24 hr)
8am - 8pm Mon - Fri, 8am - 2pm Sat
(You can leave a message outside office hours)

**Small changes.
BIG SAVINGS.**

How's this for an easy way to save energy?

Replace your ordinary light bulbs with energy saving ones. Each energy saving light bulb that you fit could save you up to £6 a year or £40 over its lifetime.*

Find more tips at
www.southernenergytips.co.uk

Dear Domestic Electric,

Thank you for paying by Direct Debit. You have received our maximum discount by paying this way.

This is your electricity statement for 01 May 2010 until 30 July 2010.

As you are spreading your electricity costs throughout the year, we will carry forward the balance we owe you of **£73.14** as payment towards your future bills.

Please turn over for details of how we have calculated your charges and discount.

* Source: energy saving trust

S 01 999 100
20 0000 9999 999

Watch out... phone chargers left plugged in suck up enough electricity to supply 141,622 homes per year!



Have a question or moving home?

It's quicker and easier for us to answer your questions straightaway if you call us on the number below. Or if you are moving home please call us on the same number with your final meter reading and new address details. Thank you.

0845 071 3953

Customer Service, Southern Electric,
PO Box 7506, Perth PH1 3QR

www.southern-electric.co.uk

Please note, to help us improve our service further, we may record customer phone calls from time to time.

Emergencies

Power cut? Call 08000 72 72 82.

Our commitment to you

If you would like to know more about the service standards we promise to all our customers, visit our website for details of our Domestic Energy Customer Charter or call us.

If we have let you down in any way, please call us. If our adviser can't help, please ask for a manager. If you remain unhappy, write to our Head of Customer Service at Inverlmond House, 200 Dunkeld Road, Perth PH1 3AQ or send an email to headofcustomerservice@southern-electric.co.uk. If you are still not satisfied, you can contact the Energy Ombudsman on 0845 055 0760 or www.energy-ombudsman.org.uk or Consumer Direct who can offer impartial, clear and practical advice on 08454 04 05 06 or www.consumerdirect.gov.uk

VAT registration number 553 7696 03
Tax point date 2 August 2010

Your usage this period was 14.70 units per day on average. Your usage this period last year was 14.55 units per day on average. This has been calculated using estimated meter readings so may not be accurate.

Your electricity statement explained

This bill is for the period 01 May 2010 to 30 Jul 2010

TOTAL FROM PREVIOUS BILL	-£150.
Payment received 01 Jun 2010	-£80.00
Payment received 01 Jul 2010	-£80.00
Payment received 01 Aug 2010	-£80.00

LESS YOUR PAYMENTS, THANK YOU	-£240.
Refund direct to bank account 10 May 2010	£150.44

ACCOUNT ADJUSTMENTS	£150.
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YOUR ELECTRICITY USAGE - ESTIMATED

	Reading last time	Reading this time	Units
Meter: D09C99999			
Standard energy	7369	8707 (E)	1338

YOUR ELECTRICITY BILL

Your Tariff is General Domestic

Standard energy	
1338 units at 11.52p each	£154.14
Standing charge at 13.720p for 91 day(s)	£12.48
Less your Monthly Direct Debit Discount	-£7.70

Total charges before VAT	£158.92
VAT at 5.00% on charges of £158.92	£7.94

TOTAL CHARGES THIS BILL INCLUDING VAT	£166.
--	--------------

TOTAL FOR YOUR ACCOUNT	-£73.
-------------------------------	--------------

The £73.14 we owe you will be carried forward to your next bill

Thumbs up to great value →

ESTIMATED METER READINGS
We'd like to send you an accurate bill. Please call us with your meter reading and customer account number.

GREAT - YOU'RE GETTING YOUR DD DISCOUNT
You've chosen our cheapest payment method.

ENERGYPLUS REWARD NOT CHOSEN
Don't miss out on your energyplus reward. Call us to find out more.



Southern Electric and Southern Electric Gas are trading names of the Scottish and Southern Energy Group of which SSE Energy Supply Limited Registered in England & Wales No. 3757502 and Southern Electric Gas Limited Registered in England and Wales No. 2716495 are members with their Registered Offices at 55 Vastern Road Reading RG1 8BU southern-electric.co.uk

Practical tip

The consumer's bill is worked out by using the following calculation:

1. Multiplying the daily standing charge number of days covered by the period (if applicable)
2. Multiplying the units used by the relevant price per unit
3. Adding the above figures together
4. Deducting any discounts
5. Adding VAT

Note – this calculation can be found on the Citizens Advice website.

The bill includes a lot of information and some consumers find the information difficult to understand. It could be that they do not understand some of the abbreviations that are used. Alternatively, they may not understand why they are being charged for certain elements.

Example

Richard received his electricity bill recently. The bill states that he is being charged a fee for 'government obligations to help the environment'. He is not charged such a fee on his gas bill. Richard wants to know why this item has appeared on his bill.

Advice

The government place environmental obligations on energy suppliers and the cost of complying with these obligations are factored into the consumer's bill. Currently, there is an obligation for electricity providers to source a set amount of their supply from renewable sources.

Estimated bills

Suppliers may bill the consumer on the basis of an estimated reading if they have not been able to obtain an actual reading by a meter reader or a reading from the consumer. The ERA Code of Practice for Accurate Bills states that if a supplier is unable to gain access to the property to read the meter, the supplier will explain how the consumer can provide their own reading (they usually leave a card which explains how consumers can read their meter and suggests that they contact the supplier by phone or online to provide their meter reading).

Estimates are usually based upon the records of the consumer's previous consumption and therefore are often inaccurate. If the supplier over-estimates the consumer's consumption, the consumer is being charged

for fuel that they have not used. If the supplier under-estimates the consumption the consumer will be in arrears and may receive a large catch-up bill. Consumers may feel very worried and confused when they receive a catch-up bill. The consumer will generally have to pay for the energy that they have used (subject to the Back Billing Code).

Example

Mr Kelly received an estimated bill for the last quarter from his gas supplier. He checked his meter in accordance with the advice on the bill and contacted the supplier to inform them of his actual reading. Mr Kelly has now received a bill for the difference between his estimated consumption and the actual consumption over the last quarter. He is upset that he has received another bill when he had taken the trouble to supply the correct reading to the supplier, he could have chosen not to do this and then would not have received another bill. He wants to know if his supplier should have issued another bill.

Advice

Mr Kelly should be advised that the supplier is entitled to bill for the actual energy that he has used. Suppliers do not need to obtain actual meter readings on a regular basis. They are required to take all reasonable steps to inspect and take a meter reading at least once every two years. It is advisable that a consumer always contacts the supplier to provide an actual meter reading where the supplier has estimated the consumption. Had Mr Kelly not done this, at some point in the future when the meter was read, Mr Kelly could have ended up with a larger catch-up bill.

Refunds

Consumers making regular payments may build up a credit balance. The consumer's statement will state credit next to the total amount due. There are a variety of reasons for this happening, for example, making duplicate payments in error, paying bills which are overestimates, or having regular payments which have been set too high.

If the consumer believes they are owed a refund they need to establish the reason for the credit balance. Consumers on regular payment schemes like direct debit often build up a credit balance over the summer months when usage is lower. The higher usage in winter months usually balances out the account. The supplier would not normally refund the consumer during the summer months as the idea behind the monthly direct debit plan is that the cost is spread over the year, building up credit for the colder months.

The supplier may defer issuing refunds as SLC(G&E)27 states that the supplier may withhold a refund if it is fair and reasonable in all of the circumstances (although they must explain to the consumer why they hold this view). Otherwise however, the supplier should refund the consumer if requested. Suppliers do not

usually pay these amounts automatically and will usually suggest that the consumer leaves the money on the account in the event that they use extra energy in the future. There is no set timescale as to when the money should be refunded to the consumer.

Practical tip

Each supplier has their own code of practice that sets out when they will refund consumers (the value of credit and whether or not it is done automatically or only upon the consumer's request). Under the ERA Code of Practice for Accurate Bills suppliers are supposed to reassess payment schemes every 15 months.

Landlords: charges for fuel

When a consumer lives in a rented property the rent may be inclusive of the cost of the fuel. However, where this is not the case the landlord / landowner will charge the consumer separately for the fuel that they use. In this situation there are limits on how much the landlord / re-seller can charge and this is known as the 'Maximum Resale Price' (MRP).

Ofgem sets the MRP using its powers under the Utilities Act 2000. This applies whenever gas or electricity is bought from an authorised supplier and then sold on for domestic use. Examples of when the MRP would apply include:

- ✓ Landlords who re-sell gas or electricity to their tenants and freeholders who re-sell gas or electricity to their leaseholders
- ✓ Houseboat owners who purchase fuel from the operator of their mooring and caravan park residents who buy their fuel from the park owner
- ✓ Gas or electricity which is re-sold for use in student or holiday accommodation

The rules about MRP do not apply where gas or electricity is re-sold for use at commercial or industrial premises or where there is a re-sale of liquid petroleum gas (LPG) fuel.

(a) Charges

The re-seller can only charge what they themselves have been charged for the fuel by the supplier plus VAT at the domestic rate. The re-seller can also charge the standing charge by dividing it between the tenants / users on a pro-rata basis.

The landlord or re-seller must not include other charges, such as for administration, lighting common areas, etc. within a bill for gas and electricity. This would need to be separately billed and is not part of the MRP.

(b) Calculating the bill

Where a meter is in place, the landlord or re-seller should bill for the units used together with the pro rata contribution towards the standing charges at the same price that he paid his supplier.

If there is no meter available, the landlord or re-seller should use his best endeavours to accurately estimate the amount of energy used. Any estimated charges must be recalculated when the landlord receives information on the actual cost of the energy used, e.g. from their supplier. The landlord or re-seller must provide an explanation of the method used for calculating the bill upon request. If the consumer is querying the charges they could ask to see the landlord's bill.

Example

Samantha lives in a rented property. She states that her landlord has recently increased her fuel bill (both gas and electricity) by over 100 per cent. Samantha wants to know if the landlord is entitled to do this. Samantha has her own meters for her property.

Advice

Landlords can only charge what they themselves have been charged by their supplier - known as the MRP. Where a meter is in place, the landlord or re-seller should bill for the units used together with the pro rata contribution towards the standing charges at the same price that he paid his supplier. He can also charge VAT but only at the domestic rate of 5 per cent. The landlord or re-seller must not include other charges, such as for administration, lighting common areas, etc within a bill for gas and electricity. This would need to be separately billed and is not part of the MRP. Samantha could ask the landlord how he has calculated the bill and request to see a copy of the bill that he has received from the supplier. She should explain the advice that she has been given regarding the MRP.

Practical tips

There is helpful information on the Ofgem website in the form of a 'Guidance for Resellers' fact sheet regarding the rules for MRP which can be downloaded from the website at www.ofgem.gov.uk. This is useful for both landlords and tenants. The consumer can alternatively access this via a link on the CA website.

If parties cannot settle a dispute that they may have regarding the MRP, this is a civil issue that ultimately would need to be resolved via court action. The claim may include the recovery of over-paid charges together with interest.

It may be necessary to signpost the consumer to CLA or LCA to seek further legal advice if their issue is not covered by the MRP. Examples may include disputes about the amount charged for elements such as rent or site fees.

Statements

Suppliers are now obliged to provide an annual statement to their consumers. The aim of the statement is to encourage consumers to consider whether or not they are receiving a good deal and to consider switching to another supplier or to a better deal with their current supplier. If they wish to switch the statement should give them the information that they need to do this and signpost them to sources of impartial advice.

SLC(G&E)31A refers to the obligation to provide such a statement and the contents required. The statement must include:

- ✓ The name of the current tariff

- ✓ The consumer's consumption for the past 12 months in kilowatt hours, except where the consumer has been with the supplier for less than 12 months



- ✓ An estimate of the cost of the consumer's supply for the next 12 months if the consumer remains on the same tariff, if the tariff rate is unchanged and if the consumer uses the same amount of energy

- ✓ Information on the principal terms and conditions of the current tariff

- ✓ Details of any premiums or discounts that apply to the current tariff or may be available to the consumer if they switch to another tariff or payment method with the same supplier

- ✓ A reminder that the consumer can switch with advice on how to do this

These requirements ensure that the consumer will have all of the necessary information that would be needed to compare prices in one document.

Summary

- Consumers will be charged for a number of items, not just the actual cost of the units of fuel that they use.
- The tariff is the price that consumers pay for the units of energy that they use. There are a number of tariffs types available.
- If the supplier increases their energy prices they must give the consumer 30 days advance notice of any change and should inform them that they can switch supplier.
- There is no legal requirement as to the how often bills should be sent but they are usually sent quarterly.
- Delays on bills may result in a large bill and the Back billing code may apply if the supplier is at fault in not supplying a bill. They will not generally charge for energy consumed more than 1 year prior to the date the bill is issued but there are some exceptions to this. The supplier can only recover charges for up to six years in England and Wales and **five years in Scotland**.
- The ERA Code of Practice for Accurate Bills and the SLC(G&E) set out the content for bills.
- Bills may be estimated if the supplier has not been able to obtain a reading but the consumer should have the facility to correct the reading.
- Consumers may build up a credit balance and they can request a refund. The SLC(G&E) state that the supplier only has to refund if it is fair and reasonable.
- Landlords and other sellers of fuel are restricted by the MRP which states that they can only charge the amount that they have been charged when re-selling the fuel.
- Consumers should receive an annual statement from suppliers containing certain information. These aim to encourage consumers to switch supplier or to consider switching to a better deal with their own supplier. The document contains the information that they need to make comparisons.

Converting gas meter readings into kWhs

The information below explains how to convert gas meter readings into kWhs as the meter does not measure in kWhs.

Summary of calculation

1. Meter reading (cubic feet) x 2.83 = cubic meters
(only if the meter is imperial, otherwise go straight to stage 2)
2. Cubic meters x 1.02264 = corrected volume.
3. Corrected volume x calorific value (found on the bill) = unconverted energy
4. Unconverted energy divided by 3.6 = kilowatt-hours

Explanation of Calculation

Stage 1

This only needs to be carried out if the customer has an imperial meter. The calculation is used for converting the reading from cubic feet into meters (from imperial into metric).

Stage 2

This stage takes the metric reading and factors the temperature and pressure into the calculation as these affect the volume of gas that is delivered. At higher temperature or pressure there is more gas per cubic metre. As a result this must be factored into any calculation of the amount of gas that has been used. The temperature and pressure correction factor is used.

The figure of 1.022640 is for domestic customers and business users who use less than 73,200 kWhs of gas a year. The Gas (Calculation of Thermal Energy) Act 1996 contains the formula for calculating volume correction factor.

Note that businesses using over 73,200 kWhs may have a different correction factor and they should contact their supplier to find out how this is calculated.

Stage 3

The calorific value of the energy is calculated. This is the measure of energy that is given off when the gas is burned. The calorific value is taken as an average over the period that the bill covers.

The figure is shown on the bill and is usually between 37.5 and 43. The figure varies because the gas supplied is a mixture of a number of different gases extracted from below the ground and the level of heat that the consumer gets out of the gas can differ depending upon the actual mixture that is extracted. The

calorific value is constantly monitored and therefore a different figure will be used to calculate the bill on each occasion to ensure that the customer is paying a fair price for the level of heat that the consumer receives.

Stage 4

The last stage of the process is to convert the figure into kWh.

Calculating the bill from the meter reading (simple tariff)

In order to calculate the bill the consumer needs to know their previous and current meter readings. Guidance is provided below on how the consumer can calculate they are billed using a simple tariff. If the consumer has a two –tier, Economy 7 or other special tariff (see unit?section?), they should contact their supplier to get details of how they are billed.

Electricity

The calculation is simple and the caller should be advised to carry out the following steps:

1. Deduct the current meter reading from their previous meter reading.
2. Multiply the units by the tariff price.
3. Add any applicable standing charge.
4. Finally add VAT at the relevant figure: five per cent for domestic users or 17.5 per cent for business customers.

Gas

You would need to talk them through the process of converting the reading from their gas meter into kilowatt-hours first and then how to calculate the bill. The whole process is explained below and that this is quite a long calculation. Guide the caller to carry out the following steps:

1. Read the meter.
2. Deduct the previous meter reading from the current reading.
3. If the meter is imperial (a four digit display and the figure) they need to convert this reading into cubic meters by multiplying the figure by 2.83.



4. Multiply the cubic meters used by 1.02264 (this factors in the temperature and volume correction).
5. Multiply this figure by the calorific figure shown on the bill (a figure between 38 and 43).
6. Divide the answer by 3.6 to calculate how many units have been used.
7. Multiply the units by the tariff price.
8. Add any applicable standing charge.
9. Finally add VAT at the relevant figure: five per cent for domestic users or 17.5 per cent for business customers.