



BRIEFING PAPER

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Energy Prices

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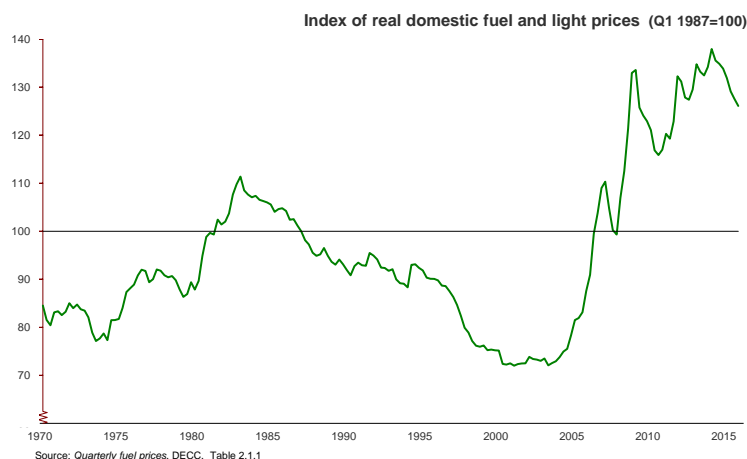
Summary

The price of domestic gas and electricity has been relatively stable over the past five years after increasing steadily through 2000-2008. There have been some price cuts over the past few years, but these have been smaller than the price rises. The cost of heating oil has fallen over the last three years with particularly large falls in the most recent year. In January 2016 heating oil was 22.81 pence per litre compared to the peak price of 64.5 pence per litre in February 2013.

Domestic energy suppliers have been under pressure for some time to cut prices in response to drops in wholesale energy prices. In the medium to long term the pressures on price appear to be mixed as companies consider the reduction in wholesale price as well as rising infrastructure costs. The most reliable way consumers to reduce their bills in the medium to longer term is through energy efficiency improvements.

This note focuses on trends in the domestic market - the costs of gas, electricity and other fuels used for heating and the impact on fuel poverty. Most data is in price indices the statistical literacy guide on [index numbers](#) gives some advice on interpreting them. An analysis of the impact of earlier price trends on levels on consumption can be found in [Energy price rises and their impact on demand](#). The note [Fuel Poverty](#) looks at trends, patterns and projections of fuel poverty and the article [Energy prices and fuel poverty](#) gives a brief snapshot of trends in prices, fuel poverty and prospects for the future. The article [Ensuring affordable energy](#) considers the key issues faced during the current parliament in securing affordable energy. [Help with Energy Bills](#) gives information on sources of financial and practical help for individuals. The Energy and Climate Change Select Committee Report [Energy Prices, Profits and Poverty](#) contains information that many readers of this note may find useful. The article on [UK energy market competition](#) analyses the history of political and regulatory intervention designed to increase the competitiveness of domestic energy markets as well as detailing the findings from the CMA.

Ofgem's detailed analysis of the retail energy sector can be found on their [Retail Market](#) pages. A detailed analysis on how energy bills are calculated is included in [understanding energy bills](#). The Department for Energy and Climate Change (DECC) produces an annual [analysis](#) of the impact of energy and climate change policies on average bills. This looks at current bills and forecasts through to 2020 and beyond. DECC's [Quarterly Energy Prices](#) contains comprehensive national and international statistics. This note does not look at road fuel prices. Trends in these are summarised in [Road fuel prices: Social Indicators page](#) and crude oil price trends are described in [Oil prices](#).



1. Domestic sector

Summary of energy use

In 2014 the domestic sector was responsible for 26.5% of final energy consumption in the UK. Gas made up 63% of total domestic energy use, followed by electricity (25%), petroleum products (7%) and coal/solid fuel 4%. Total energy use by this sector fell by 14.4% in 2015, in large part due to the milder winter but also greater energy efficiency.

1.1 Price changes

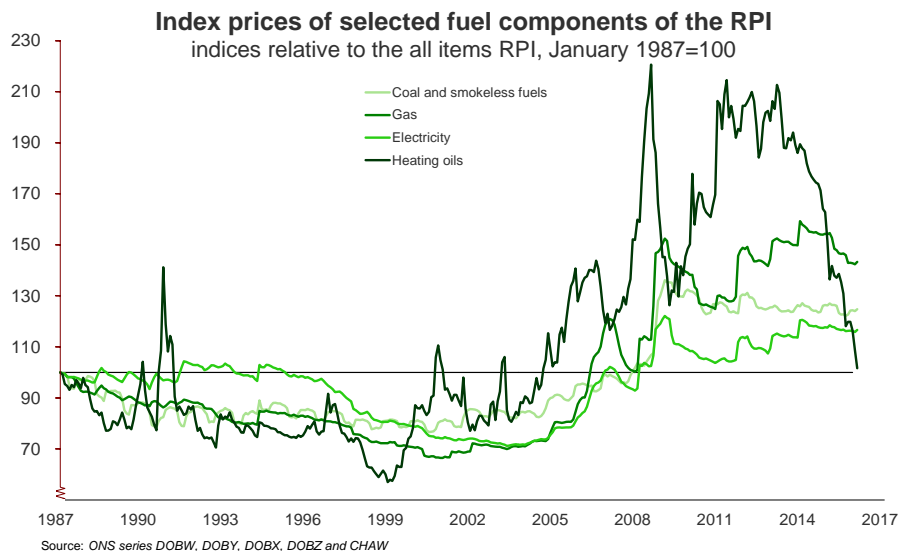
The first chart opposite gives monthly index values for selected fuel components of the Retail Prices Index (RPI) since 1987. This shows how the real price of each component has changed over time and helps compare trends. The second chart below separates out each series to better identify the trends for individual fuel types. This data is summarised in Table 1 at the end of this note.

Gas prices fell consistently during the late 1980s and 1990s, with the exception of 1995 when VAT was introduced. By late 2000 prices were one-third below their January 1987 level in real terms. The main reasons for the price falls up to 2000 were price controls set by the regulator, the impact of competition, and relatively

easy supply/demand pressures. The price rose relatively slowly over the following few years and more rapidly from autumn 2005 to the end of 2006. Prices peaked in January 2007 at a level 82% above the late 2000 low and above the January 1987 (immediately post-privatisation) level. Prices increased again in early 2008 and in summer 2008. There were price cuts in early 2009 and early 2010, but price rises in autumn 2011 and winter 2012/13 meant that spring 2013 prices exceeded the winter 2008/09 peak levels. Gas prices dropped slightly during the middle of 2013, but by December had reached their highest ever price. Throughout 2014/15 gas prices decreased to their lowest level since October 2012.

Electricity prices changed little until the mid-1990s after which they started a period of consistent falls. Continued price reductions over the following eight years saw a real reduction in the price of around 30%. Regulator-imposed controls on prices and, since 1999, supply competition were again partly responsible for the price reductions, as were the reductions in the Fossil Fuel Levy from 1996 onwards.

Electricity prices have increased since spring 2003 and, as with gas, price increases have been greater since autumn 2005. The January 2007 price



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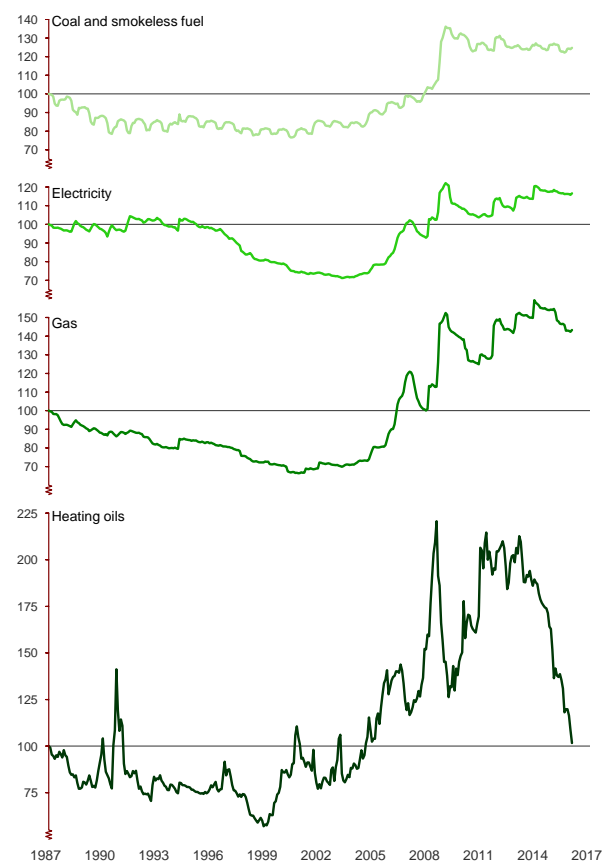
peak was 44% above the 2003 low and 5% above the level immediately after privatisation (January 1991). As with gas, prices increased in early 2008 and summer 2008 and fell back slightly in early 2009. However, unlike gas there have been no major cuts in prices since then. The autumn 2011 electricity price rises were smaller than those seen for gas, the winter 2012/13 price rises were slightly lower than those for gas. These took cash prices beyond their winter 2008/09 peaks, but real electricity price levels are still slightly below this level. The winter of 2013/14 saw electricity prices rise to their highest levels since the winter peak of 2008/09. Throughout 2014/15 prices have consistently fallen.

If prices rise in autumn and fall in spring by the same amount the total amount paid by consumers across the whole year will be higher than if they had remained the same throughout the year because more energy is used in the colder months. Gas (and to a lesser extent electricity) prices have followed this pattern in some recent years

The price of **heating oil** tends to mirror quite strongly trends in crude oil and hence it has been extremely volatile over this period with numerous sharp spikes and a rapid rise from mid-2007 to mid-2008 and a rapid fall afterwards. Prices have increased since early 2009 and the latest real price was 91% above the January 1987 level and 235% above the late 1998/early 1999 low. The cold spell in November/December 2010 resulted in a steep price spike for heating oil as demand increased and in some places supplies were short due to the harsh weather conditions. Sustained higher crude oil prices in 2011, 2012, in part linked to the political unrest in the Middle East and tension between Iran and the West, have meant heating oil prices have remained high in subsequent years.

However, heating oil prices have dropped sharply since the high prices in 2012/13 and as of January 2016 are at their lowest since early 2007. It is anticipated that further drops in heating oil prices will occur as prices for crude oil continue to fall.

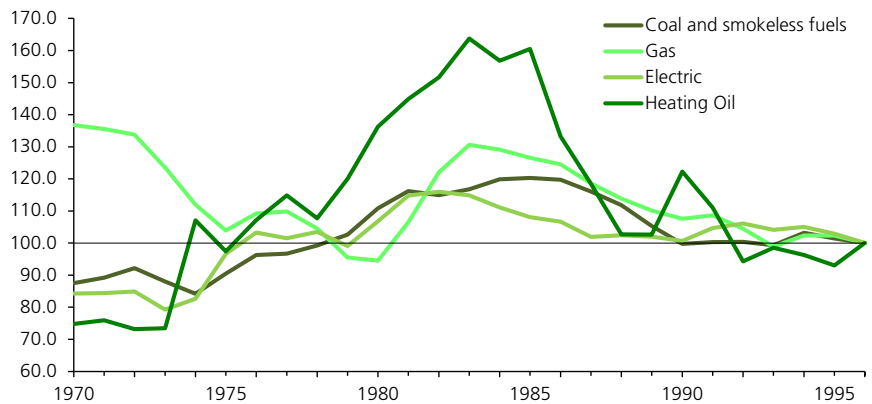
Coal prices have shown a greater seasonal trend than the other fuels. The underlying trend was downwards or static during the late 1980s and 1990s. There has been a general upwards trend since then. The large rise in prices in late 2008 has not been reversed, but subsequent winter peak prices have been somewhat lower in real terms.



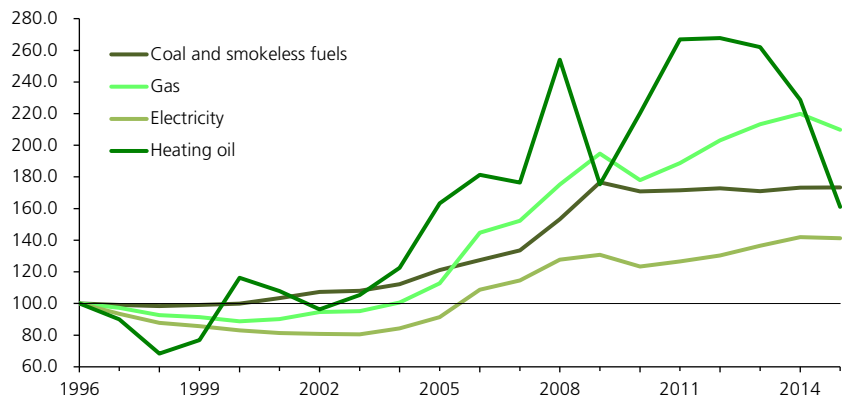
The next two charts looks at annual data from 1970 to 2014. Index values are again expressed relative to the RPI/CPI to show how the price of these fuels has changed relative to the general price level.¹ The annual index values given here smooth out season factors and large monthly changes that were shown in the earlier charts.

The RPI chart shows that most energy prices increased during the 1970s and early 1980s. Heating oil increased by the greatest proportion and all these fuels saw a sharp increase during the oil shocks of the late 1970s. Gas was the exception to this general trend as its price generally fell during the 1970s. The price of all of these fuels peaked in the early 1980s as the Miners' Strike meant rising coal prices and increased demand for the other fuels.

Index prices of selected fuel components of the RPI 1970-1996
annual indices relative to all items RPI, 1996=100



Index prices of selected fuel components of the CPI 1996-2015
annual indices relative to the all items CPI, 1996=100



Source: Quarterly Fuel Prices, DECC. Table 2.1.1

Through the new millennia energy prices began to increase. Average oil prices peaked in 2011 in real terms while coal and smokeless fuels peaked in 2009. Since 2013 oil prices started to reduce as a result of global oil over-supply while the price of other energy components has continued to increase.

1.2 Domestic expenditure on energy

Average gas and electricity bills for typical consumers

The RPI data in the previous section has the advantages of a long time series, monthly data and being up-to-date. However, it does not give actual costs. The most meaningful indicator in this respect is the average bill for a 'typical' consumer. DECC and its predecessor departments have published this series back to 1990.

The cost of gas and electricity can vary according to supplier and type of payment. According to DECC the average gas bill for 2015 in cash terms

¹ In previous years a time series of RPI was calculated. From this publication forward energy components of the RPI will be shown until 1996 and CPI for 1996 onwards.

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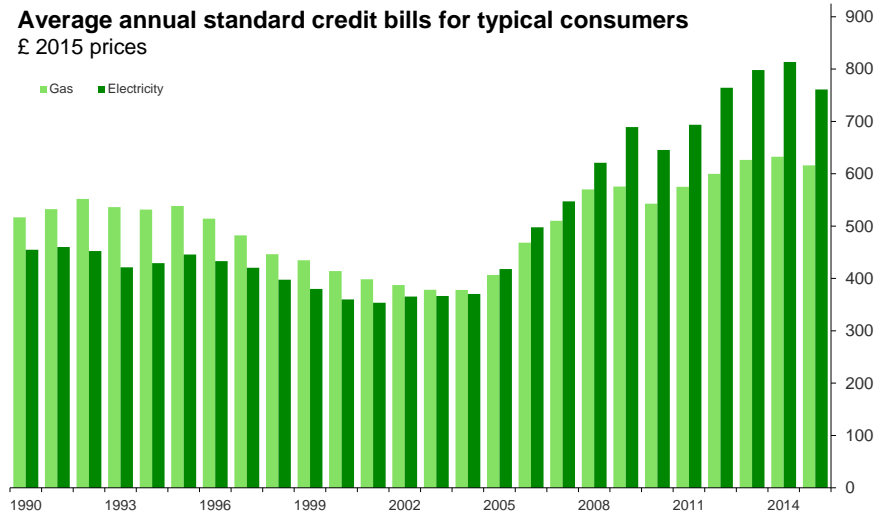
across all payment methods was £715. Table 2 at the end of this note includes these figures going back to 1990 in 2015 real term prices; trends are illustrated in the chart below. More recent data also reflects savings made from switching from the former monopoly supplier.

The average standard credit gas bill fell by a total of £102 (in 2015 prices) between 1991 and 2001 (22%), but subsequently increased by £408 by the year 2015.

Table 3 includes equivalent information for electricity bills. Trends in average bills are also included in the earlier chart. The average electricity bill in cash terms for 2015 was £560-£618, depending on payment method. Average bills have followed a similar trend to

the RPI data with consistent real falls in average standard credit bills totalling £174 in 2015 prices (31%) between 1992 and 2003, and a £238 increase between 2004 and 2014. In 2015 average bills dropped slightly compared to 2014.

Average annual standard credit bills for typical consumers
£ 2015 prices

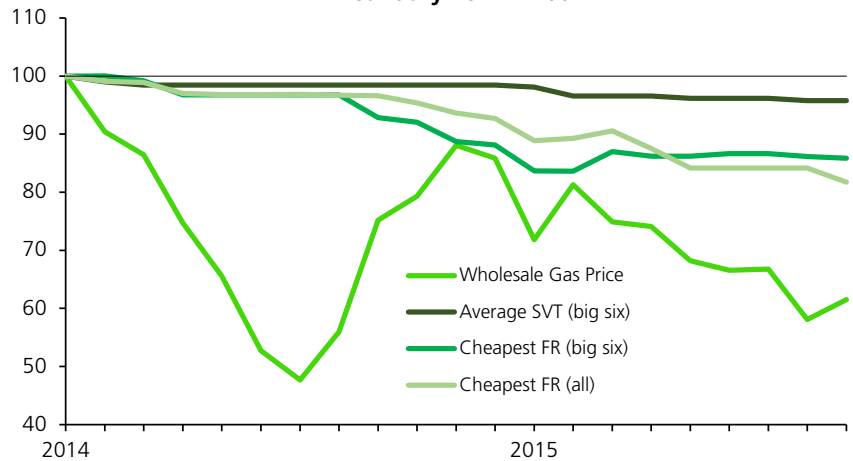


Ofgem estimates

Data published by Ofgem mirrors the general trends identified in the earlier analysis. Whereas DECC has produced information on the average annual bill that customers typically pay, OFGEM provides a breakdown on the average price by tariff type. The chart opposite shows an index of the price of the average standard variable tariff of the big six energy companies, their cheapest

fixed rate tariff, and the cheapest fixed rate tariff on offer from all companies operating in the market. It also shows an index of the wholesale gas price based on data produced by Ofgem. As can be seen throughout 2014 and 2015 the wholesale price of gas dropped sharply whilst the average tariffs on offer by the energy companies remained relatively stable in comparison. While the tariff prices did begin to drop in the autumn of 2014 and continued into 2015 they have not reduced as quickly, or to the same extent, as the wholesale gas price.

Index of Annual Domestic Energy Bills & Wholesale Gas Price, January 2014 = 100



Other estimates of average bills

The DECC data for 2007 to 2012 uses prices covering the whole calendar year. Prior to 2007 official figures used prices for the year to September. They are both essentially backward looking, so gives a lower figure when prices are rising. In addition the average bill data produced by DECC uses 'typical' domestic consumption levels of 3,800 kWh and 15,000 kWh for electricity and gas respectively.²

While the level of 'typical' consumption used has no effect on trends in average bills, it does affect the absolute value and hence the impact in pounds and pence of any given percentage change. In 2015 the average domestic consumption of electricity and gas was 4,115 kWh and 14,263 kWh respectively.³ The gas figure especially has fallen over time. Ordinarily this is connected to a mild winter, but high prices and improvements in energy efficiency will also have been a factor over recent years. Gas consumption had been 20,000-20,500 kWh per household over the period 2001-04. Actual 2015 consumption levels would cut around £36 a year off the figure for a 'typical' gas consumer and *add* around £50 a year to the figure for the 'typical' electricity consumer.⁴ Mean consumption levels can be skewed by a relatively small number of very high users. It is likely that households with electric central heating skew the mean electricity figure above the median value and the 'typical' consumption level is closer to consumption levels for households with other forms of heating.

Heating oil and coal prices

The average price for deliveries of up to 1,000 litres of heating oil in January 2016 was 22.81 pence per litre. The trend in prices is illustrated in the earlier charts. The price peaked at 64.5 pence per litre in February 2013 which was just above the earlier peak of 64.4 pence in April 2012, it was below 20 pence per litre in the first months of 2004 and 10 pence a litre in early 1999.⁵ The average price of 50kg of smokeless fuel in January 2016 was £20.88. This was up from £12.36 December 2005; a real increase of 31%.⁶

² Previously these figures were 3,300 and 18,000 respectively.

³ *Energy consumption in the UK 2015*, DECC

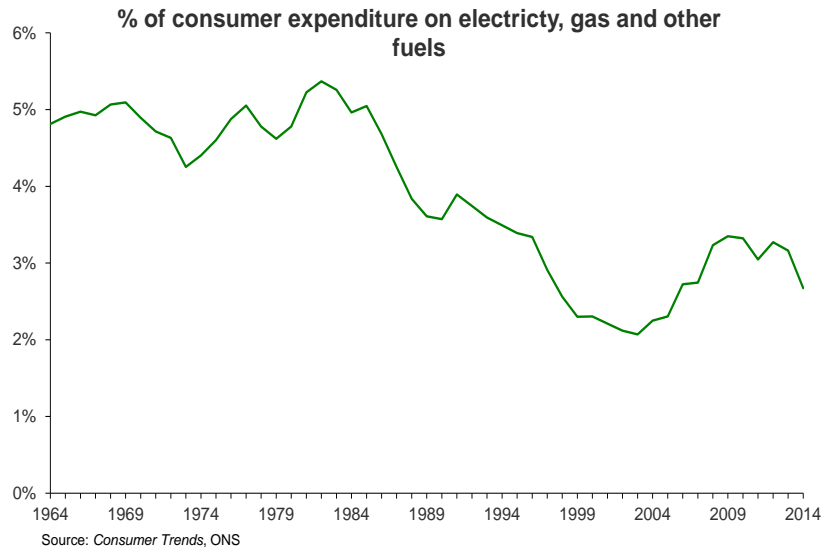
⁴ Based on average cost per kWh from Tables 2 and 3

⁵ *Quarterly energy prices*, DECC. Tables 4.1.1 and 4.1.2

⁶ ONS series CZMN

Actual household expenditure

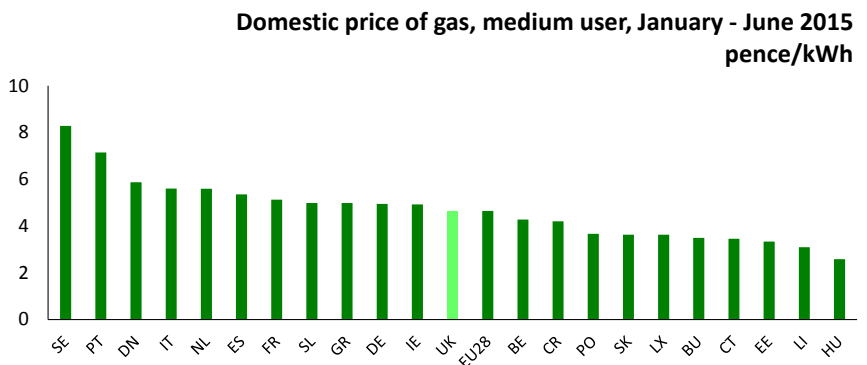
In 2014 UK households spent a total of £13.5 billion on electricity, £13.1 billion on gas, £1.6 billion on liquid fuels (fuel oil and heating oil) and £240 million on solid fuels. Total expenditure on these fuels was £28.4 billion up from below £15 billion in 2003. The chart opposite illustrates total spending on these fuels as a proportion of total consumer expenditure. Spending on fuels broadly kept pace with total consumer spending over the first 20 years shown here. Since the mid-1980s total consumer spending has increased at a faster rate. The proportion spent on fuels fell from its 1982 peak of 5.4% to 2.1% in 2003. It increased in each subsequent year up to 3.3% in 2009, the highest share since 1995.⁷



International comparisons

In the first half of 2015 domestic prices for **gas** were fairly average compared to other countries in the EU. The chart below shows average unit prices for a 'medium' domestic consumer of gas (5,600-56,000 kWh a year), including taxes, for EU states. The UK figure of 4.6 pence/ kWh was the same as the EU median.

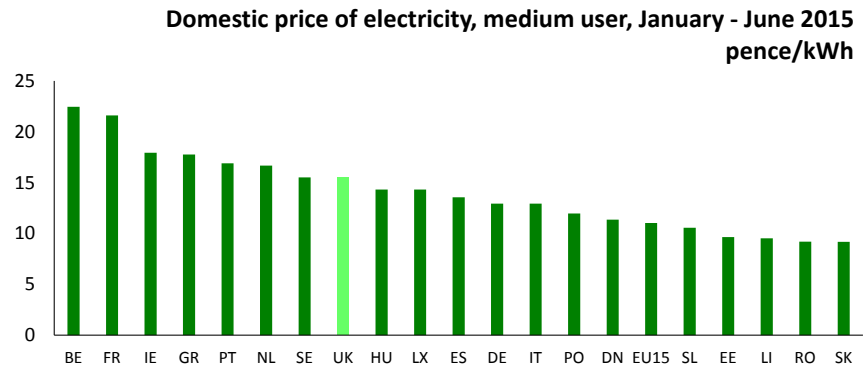
Prices in the UK have become relatively cheaper due to the strength of the Euro since early 2008. Even its more recent weakness against Sterling has not reversed much of the earlier gain. The majority of countries with lower prices were new (post 2004) member states. Sweden had the highest price at 8.28 pence/kWh.



The next chart gives data on the average cost of **electricity** for a medium user (2,500 to 5,000 kWh a year), including taxes, for EU states. The price in the UK was just ranked in the top half.

⁷ Consumer Trends quarter 2 2013, ONS. Uses revised data from 1997 onwards only.

VaasaEtt, an energy think tank, publishes monthly domestic gas and electricity prices for major cities in EU countries. Their [latest Household Energy Price Index](#) (December 2015) broadly confirms the relative picture shown above. London was ranked 6th and 10th most expensive for electricity and gas respectively compared to 29 EU cities. However, once based on purchasing power standards London was ranked 22nd and 25th respectively for electricity and gas. Once PPS is used it can be seen that London is relatively cheaper than prices in Central and Eastern Europe. The report also breaks down these prices by their constituent parts. Cities with the highest prices tended to have particularly large percentage contributions from energy taxes and VAT.



1.3 Impact on fuel poverty

A household is said to be in fuel poverty if the cost of keeping their home at a reasonable temperature is above the national median level, and if they were to spend that amount they would be left with a residual income below the official poverty line. This is known as the 'Low Income, High Costs' (LIHC) definition and was adopted in England in 2013. Prior to this, a household was defined as fuel poor if they needed to spend more than 10% of their income on fuel to maintain a reasonable home temperature. This definition continues to be used by the devolved governments in Scotland, Wales and Northern Ireland.

The LIHC indicator produces two measures of fuel poverty: the number of fuel poor households and the 'fuel poverty gap', which represents the difference between the required fuel costs of fuel poor households and the median required fuel costs. The fuel poverty gap is closely related to changes in energy prices – since 2003, higher prices have been associated with a larger gap between fuel-poor and non-fuel-poor households. In 2013 the gap reduced despite an increase in energy prices, primarily because of rising incomes amongst fuel poor households.⁸

Energy prices do not have a substantial effect on the number of households defined as fuel poor under LIHC. Because the measure is relative, price changes that have a similar effect on all households do not cause the number of households defined as fuel poor to increase. In 2013, 2.35 million households in England were defined as being in fuel poverty – 10.4% of all households.⁹

⁸ [Annual fuel poverty statistics report 2015](#), DECC

⁹ [Annual fuel poverty statistics report 2015](#), DECC

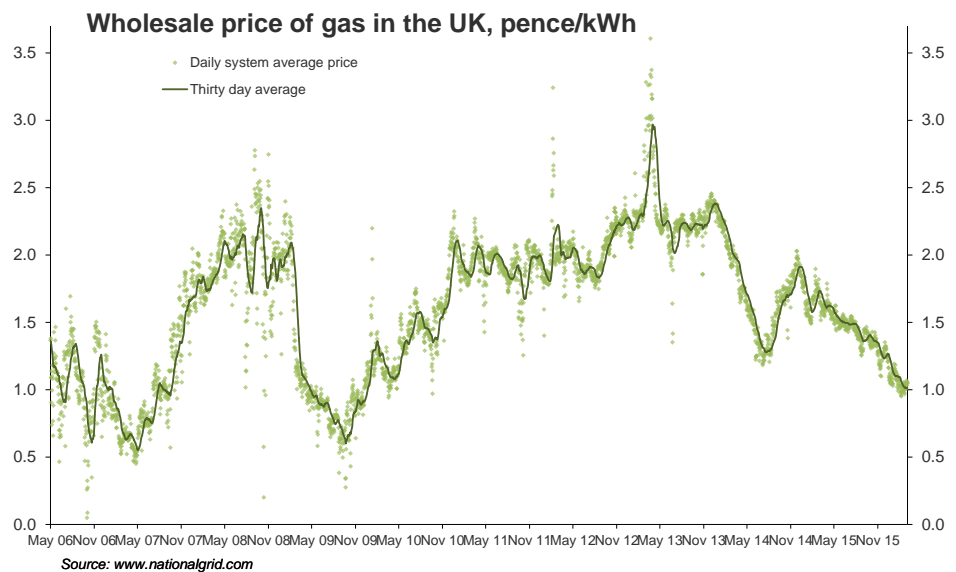
2. Price fluctuation

There have been three ‘waves’ of increased prices for domestic gas and electricity prices since the late 1980s; 2005/2006, 2008 and 2011/12. The earlier analysis has shown that trends in gas and electricity prices have been similar, but there has been some difference in the size of and timing of price spikes. Gas has generally been the single most important fuel used to generate power,¹⁰ so we would expect some connection between prices. Generators can switch to other fuels (mainly coal) to a limited extent, but this additional demand increases the price of these fuels.

Broadly speaking there are five elements that make up a customer’s energy bill; the wholesale cost of fuel, the costs of supply –transmission, distribution and metering, costs of Government/EU policy, VAT and supplier margins. Ofgem estimates that wholesale fuel costs are the largest single element; 42% of typical dual fuel bills.¹¹ Network costs amount to around 23% a bill.¹² VAT has remained at 5% since 1997. Ofgem’s estimate of supplier margins for a dual fuel customer was 9% of their bill and company operating costs around 14%.¹³

2.1 Spot wholesale gas prices

The chart opposite illustrates trends in wholesale gas prices in the UK to early March 2016. This clearly shows the very sharp peaks in late 2005 and early 2006 and the generally higher prices during this period. There have been large relative price changes since then, but not on the same scale. There is some evidence of lower levels of price volatility in 2007 and, apart from early 2013, most of the period since 2009. The chart also shows a steady increase in the wholesale price of gas from spring 2007.



The peak in the wholesale price of gas and electricity in late summer 2005 fed through quickly to higher industrial prices and more slowly to higher domestic prices. Falling wholesale prices in the second half of 2006 meant lower industrial prices, domestic prices started to fall in early 2007.

¹⁰ Recent higher gas prices have meant that more coal is used to generate power in the UK than gas, but variations in gas prices still provide a good guide to changes in costs of marginal generation

¹¹ [Understanding Energy Bills](#), Ofgem (2016)

¹² *Ibid.*

¹³ *Ibid.*

The 2005/06 price spike

There were specific aggravating factors behind this spike; the lack of UK import and storage capacity and insufficient imports through the gas interconnector with France. A written answer stated that there was 'general concern' that other governments' rules were diverting supplies of liquefied natural gas away from Great Britain and that supplies through the interconnector were not fully responding to recent strong price signals.¹⁴ Higher UK wholesale prices in winter 2005/06 should have resulted in greater quantities of gas flowing from continental Europe to the UK than were actually seen. The preliminary findings of a European Commission inquiry identified a range of market distortions that have the effect of driving up prices and reducing choice. These were said to largely result from former monopoly suppliers on the continent remaining in dominant positions and effectively preventing new suppliers from entering the market.¹⁵ Increased LNG capacity and new pipelines to the Netherlands and Norway have helped to diversify gas import sources and hence reduce the possibility of supply squeezes.

The more recent price rises are less clear from the earlier chart as it is dominated by the price spikes in 2005/06. They are clear in the chart opposite which starts in spring 2006. Prices increased from 0.5-1.0 pence per kWh in early 2007 to more than 2.0 pence per kWh in spring and summer 2008. Increased wholesale prices led to a round of price rises in early 2008. Continued high forward prices were said to be behind further price rises announced in summer 2008.

There was a large amount of volatility after the summer 2008 peak in oil prices, but these daily wholesale prices did not start to fall until February 2009. They reached their recent low of around 0.5 pence per kWh in early autumn 2009. The first domestic price cuts following these price falls did not happen until February 2010. They averaged 6%, a similar price cut to that seen a year earlier.¹⁶ Wholesale prices increased steadily back up to around the 2.0 pence per kWh level from early 2011 onwards. The 30-day average neared 3.0 pence per kWh in early 2013, but soon returned to close to its earlier levels. There was a steep drop in prices throughout 2013 before a peak towards the end of 2014 reaching nearly 2.0 pence per kWh. Through 2015 prices continued to drop and as of March 2016 are just above 1.0 pence per kWh.

¹⁴ HC Deb 15 December 2005 c2254w

¹⁵ *Towards an Efficient and Integrated European Energy Market – First Findings and Next Steps*, European Commission Conference, Energy Sector Inquiry – Public Presentation of the Preliminary Findings. 16 February 2005

¹⁶ ONS series DOBY

Falling energy prices

Retail gas and electricity prices have begun to reduce, albeit slowly, against the background of a substantial fall in crude oil prices that have fallen dramatically since mid-2014 with the Brent crude oil price falling from \$110 per barrel in June 2014 to less than \$30 per barrel by January 2016. UK wholesale gas did not match the collapse in oil prices; by January 2015, the gap between Brent oil prices and wholesale gas prices was the narrowest since the 2009 recession. Earlier wholesale gas prices had fallen between January and June 2014 as a result of the extraordinarily warm weather in the winter of 2013-14. This left the entire European market with excess stock at the end of the winter and depressed demand for storage injection in the summer months of 2014. The slide in wholesale gas prices was all the more remarkable, because it occurred against a background of persistent fears that there would be an interruption to Russian gas supplies to Europe arising from the Ukraine-Russia crisis and European and US sanctions against Russia following its annexation of Crimea in March 2014.

Prices since then recovered ahead of the winter 2014-15 but still reflected the effects of warmer than normal temperatures. Wholesale gas prices have fallen during 2015 reflecting, in part at least, lower oil prices but also continued high levels of stored gas. Coal prices have also fallen. This has led to an increase in the proportion of electricity generated from coal when compared to gas. However, this has not led to a reduction in prices because some gas plant has generally still been needed to meet demand, and has therefore remained the marginal source of supply. Energy prices have also been influenced by changes in carbon prices. Although not as important as the impact of changes in gas prices, carbon costs have still played their part in wholesale electricity prices.

These figures are spot prices and suppliers frequently quote forward gas prices, especially those for the coming winter. Forward contracts can cover the period of a few months or years ahead and suppliers will have a variety of buying strategies to hedge against the volatility in short term prices and ideally to cut their costs.

2.2 Policy impact

DECC has estimated that current energy and climate change policies cut around £90 off a typical gas and electric bill in 2014 compared to if no policies were implemented. This represents a 6% reduction. The DECC forecasts that households will be using 14% less gas and 29% less electricity in 2020 than they would otherwise be if no policies were implemented. Based on these estimates the DECC project that household bills would be around £92 (7%) lower than otherwise.¹⁷

¹⁷ [Policy impacts on prices and bills](#), DECC (November 2014).

3. Reference tables

Table 1

Fuel price components of the RPI

Indices relative to the all-items RPI, January 1987=100

	Coal and smokeless fuels	Electricity	Gas	Heating oils	Fuel and light
Jan 1987	100.0	100.0	100.0	100.0	100.0
Jan 1988	98.5	96.8	92.4	94.2	95.2
Jan 1989	92.9	97.8	91.2	80.5	93.9
Jan 1990	88.2	96.8	87.5	104.2	92.6
Jan 1991	86.4	96.9	88.6	114.3	93.4
Jan 1992	86.7	102.9	88.1	77.1	94.2
Jan 1993	86.0	103.5	82.2	82.7	92.2
Jan 1994	84.9	98.5	80.2	77.1	88.7
Jan 1995	87.9	101.4	84.1	76.6	91.8
Jan 1996	85.7	98.1	82.8	79.0	89.8
Jan 1997	84.8	92.3	80.5	87.6	86.3
Jan 1998	81.6	83.8	74.8	69.6	78.7
Jan 1999	81.5	81.1	72.7	58.0	76.1
Jan 2000	81.3	79.0	70.7	86.0	75.3
Jan 2001	81.6	74.6	66.9	93.2	71.9
Jan 2002	85.6	74.1	72.2	79.6	73.7
Jan 2003	85.1	72.3	70.9	92.5	73.0
Jan 2004	84.8	72.1	71.6	89.8	73.2
Jan 2005	91.1	78.1	80.5	104.0	80.9
Jan 2006	95.7	84.1	90.1	135.3	89.6
Jan 2007	99.1	102.2	121.0	116.7	110.4
Jan 2008	103.6	93.7	100.9	159.9	100.0
Jan 2009	136.1	122.1	152.5	145.3	134.9
Jan 2010	131.7	108.4	138.3	177.8	123.0
Jan 2011	127.5	104.8	130.2	205.1	119.9
Jan 2012	131.2	114.1	149.2	206.0	132.6
Jan 2013	126.2	114.8	152.1	203.3	133.9
Jan 2014	127.1	120.6	158.0	187.9	138.7
Jan 2015	127.0	118.5	154.6	136.5	133.1
Jan 2016	124.8	116.7	143.4	101.7	126.1
Nov 2015	124.4	116.2	142.8	116.4	126.3
Dec 2015	124.0	115.8	142.4	108.6	125.6
Jan 2016	124.8	116.7	143.4	101.7	126.1
<i>Changes</i>					
<i>Last 12 months</i>	-1.8%	-1.5%	-7.3%	-25.5%	-5.3%
<i>Last two years</i>	-1.8%	-3.3%	-9.2%	-45.9%	-9.1%

Sources: ONS series CHAW, CHGB, DOBW, DOBY, DOBX, DOBZ

Table 2**Average annual domestic gas bills for a typical consumer in Great Britain**

£ 2015 prices

	Standard credit			Direct debit			Prepayment		
	Home suppliers	Non-home suppliers	All	Home suppliers	Non-home suppliers	All	Home suppliers	Non-home suppliers	All
1990			455						485
1991			460						485
1992			452						478
1993			421						446
1994			429						467
1995			446			424			473
1996	433	401	433	403	377	403	459	459	459
1997	422	356	420	392	340	392	447	431	447
1998	403	331	397	353	314	349	418	411	418
1999	395	328	380	341	312	333	396	408	396
2000	377	317	360	332	300	322	377	394	379
2001	372	315	353	330	297	320	372	384	373
2002	383	321	365	346	304	330	385	385	385
2003	384	332	366	345	314	334	384	393	385
2004	382	344	370	352	329	343	395	381	391
2005	434	383	418	393	365	381	439	419	434
2006	536	449	498	474	419	444	541	490	524
2007	557	536	547	486	499	495	598	565	585
2008	621	620	621	570	576	574	664	626	647
2009	696	680	689	642	627	631	742	704	722
2010	651	637	645	617	594	601	650	639	643
2011	705	678	694	676	628	644	705	673	688
2012	787	733	764	755	676	702	783	730	754
2013	823	766	798	783	705	730	816	768	789
2014	839	782	814	782	715	737	841	786	810
2015	780	737	761	724	661	682	778	746	760

Notes: British Gas is the home supplier, none home suppliers are all others
 Data before 2007 are for Quarter 4 from the previous year to quarter 3 of the named year. From 2007 data are for the calendar year
 Data adjusted to 2015 prices using December 2015 GDP deflators

Source: *Quarterly energy prices, DECC, Table 2.2.1*

Table 3

Average annual domestic electricity bills for a typical consumer in the UK

£ 2015 prices

	Standard credit			Direct debit			Prepayment		
	Home suppliers	Non-home suppliers	All	Home suppliers	Non-home suppliers	All	Home suppliers	Non-home suppliers	All
1990			517						558
1991			532						575
1992			552						595
1993			536						576
1994			532			528			569
1995			539			533			576
1996			514			506			550
1997			482			471			512
1998			446			431			475
1999	438	404	435	422	385	418	464	445	464
2000	418	388	414	403	373	396	444	440	443
2001	406	377	399	391	363	382	428	418	427
2002	398	363	387	386	348	370	420	398	412
2003	390	358	378	377	344	361	407	396	403
2004	390	357	378	379	340	360	413	389	404
2005	422	389	407	405	367	385	442	426	436
2006	476	461	468	455	421	435	493	508	499
2007	527	486	510	501	451	471	536	526	532
2008	592	542	570	567	498	526	604	587	596
2009	604	546	576	569	506	529	608	569	589
2010	569	517	543	533	480	499	575	539	556
2011	598	556	575	557	519	532	602	571	585
2012	620	583	600	576	542	553	624	586	603
2013	646	612	627	603	570	580	651	618	630
2014	655	615	633	603	572	583	660	621	637
2015	636	601	616	576	552	560	638	606	618

Notes: Former public electricity suppliers are home supplier within their own areas, none home suppliers are all others
Data before 2007 are for Quarter 4 from the previous year to quarter 3 of the named year. From 2007 data are for the calendar year
Data adjusted to 2015 prices using December 2015 GDP deflators

Source: *Quarterly energy prices, DECC, Table 2.3.1*

Table 4**Annual Domestic Energy Bill Tariffs & Wholesale Gas Price (£)**

	Wholesale gas price (£/therm)	Average standard variable tariff (big six)	Cheapest fixed rate tariff (big 6)	Cheapest fixed rate tariff (all suppliers)	
2014	January	65	1,146	1,033	975
	February	59	1,134	1,034	966
	March	57	1,128	1,025	964
	April	50	1,128	1,000	946
	May	45	1,128	1,000	945
	June	40	1,128	1,000	945
	July	38	1,128	1,000	945
	August	41	1,128	1,000	943
	September	48	1,128	961	942
	October	50	1,128	953	931
	November	55	1,128	922	915
	December	54	1,128	916	906
2015	January	46	1,124	875	871
	February	50	1,107	875	875
	March	47	1,107	904	886
	April	47	1,107	897	859
	May	44	1,102	897	831
	June	43	1,102	901	831
	July	43	1,102	901	831
	August	40	1,098	897	831
	September	41	1,098	894	810

Sources: *Monitoring the Market - Wholesale Market Indicators, OFGEM*
Monitoring the Market - Retail Market Indicators, OFGEM

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