

CUT YOUR ENERGY BILL

The energy markets have raised the political temperature with talk of price freezes, windfall taxes and blatant profiteering.

Average prices have risen by up to 12% for gas and up to 13% for electricity this year, according to Make It Cheaper, the energy call centre for small firms.

Make it Cheaper founder and chief executive Jonathan Elliott says: "Given Ed Miliband's pledge to freeze prices in 2015, we could see an all-time high in 2014."

Energy secretary Ed Davey, drawing attention to the wide range of unit rates that energy suppliers offer, told BBC Radio 4's Today programme in October that "switching is what's going to help people this winter."

Regulator Ofgem says more than half of businesses are on the wrong type of contract and pay more than necessary.

Simone Calnon, who runs a Spar store in Great Yarmouth, Norfolk, switched her electricity from Scottish Power to Opus Energy three years ago, saving £7,000 across two shops. On her next renewal, Make It Cheaper got her an even better deal to stay with Opus, saving her another £3,000.

Another retailer, A&S Mini Market in Luton, Bedfordshire, has managed to cut its electric bill by at least £1,000 a year through a fixed-price deal with E.ON, paying 9.8p a unit day rates and 5.6p for its night rates.

Solar panels

A&S Mini Market has installed solar panels that will generate electricity it can sell at a 'feed-in tariff' of 22p a unit, more than double the rate it is having to pay for electricity.

Elliott at Make it Cheaper gives the examples as cases in point that convenience stores with their relatively small size yet high energy consumption have much to gain by switching and making efficiency measures.

Julian Morgan, managing director at Energy Advice Line, says convenience stores' bills are 50% higher than the average business customer it helps.

"Given that they tend to have a lot of refrigeration and stay open into the evening, electricity costs, especially, will tend to be high and in the top third of expenditure on the balance sheet, just behind rent/rates and staff expenditure," he says.





Simone Calnon switched her electricity three years ago, saving £7,000

Ofgem estimates about 500 organisations and individuals operate as business energy brokers, including Make It Cheaper, Energy Advice Line, UKpower, Moneysupermarket and GoCompare.

Exclusive survey

In a study of 200 of its convenience store customers, undertaken specially for Independent Retail News, Make It Cheaper found the average saving from switching was £1,166, or 15% of their average annual £7,800 energy bill.

Elliott says most business energy contracts are "fixed" from one to three years and it is not unusual to see bills double overnight when contracts expire.

This is because many shop owners are too busy to notice – or simply do not receive – their renewal letter, and by the time they realise their tariff has gone up, they are already locked into another year's contract, he says.

Morgan says businesses that are in a fixed-term deal should be mindful of the expiry date of their contract and the termination notice required.

"It is all about being in control of your business costs and staying one step ahead of the supplier and the potential price increase they can enforce."

ANDREW DON

Independent
Retail News
www.talkingretail.com

TOP TIPS

- ✓ Maintain a high credit score, because this can affect tariffs.
- ✓ Use an intermediary to save time and get competitive quotes.
- ✓ Check that your broker's advice is impartial.
- ✓ Ensure smaller suppliers that specialise in supplying businesses are included in quotes, such as CNG, Opus, Gazprom, Haven, Total and LoCO2.

SYMBOL SUCCESS

Many symbol groups provide their members with help when it comes to managing their energy bills.

Spar, for example, offers retailers Smartsavings, which for many years has provided members with free access to expert energy advisers when renewing contracts.

Paul Wilson, director of Brightsourcing, which provides Smartsavings, says one of the challenges for retailers is that if they miss or ignore the incumbent supplier's renewal notifications, they risk automatic rollover onto a new contract, often at uncompetitive rates.

"Smartsavings is able to diarise contract end dates and will make contact with the retailer as their current contract approaches renewal, ensuring the retailer does not miss the opportunity to review the market and find the best possible deal every time," Wilson says.

TYPICAL UTILITY RATES

	Switching	Automatic renewal	Out-of-contract
Electricity Unit Rate	10p	15p	20p
Gas Unit Rate	4p	5p	6p

Source: Make It Cheaper

USEFUL CONTACTS

Energy Advice Line: 0800 915 1800
Make it Cheaper: 0800 970 0077