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THE FREEZE IS OVER – EDF ENERGY TO INCREASE PRICES

- After freezing its prices over the winter, EDF Energy announces a price hike of 6.5% for gas and 7.5% for electricity^[1]
- Increases come into effect on 2nd March^[1] and will affect around 3.3 million customers^[1]
- Average household bill for a dual fuel EDF Energy customer will now go up from £1,046 to £1,118^[2].

EDF Energy, the only major British energy supplier to freeze its prices right through the winter, has announced a price rise. The increase, 6.5% for gas and 7.5% for electricity, comes into effect on 2nd March^[1]. This means that customers won't feel the impact on their winter bills, but will see the increase come into effect as their energy consumption tails off through the spring.

Rival suppliers have already pushed through their hikes – some as early as November 2010 – adding over £560 million onto household energy bills^[3]. Including EDF Energy's move announced today, prices have increased by 6% or £63 on average, taking the typical household energy bill up from £1,070 to £1,133^[4].

The news will add further weight to demands for an enquiry after Ofgem recently revealed that energy company margins – the profits made per customer – had shot up by 49% over the last few months^[5].

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: “While this news isn't exactly welcome, EDF Energy's customers will be relieved that their supplier protected them from higher prices through the winter, when the impact on bills would have been far more severe.

“This is the last in a line of energy price hikes to hit British households and the impact should not be underestimated. Over three quarters of people (76%) have cut down or rationed their energy usage this winter because of cost – a 7% increase on last year^[6]. And, even more worryingly, an estimated 14 million households have gone without heating at some point this winter to keep their energy costs down – this is unacceptable^[7].”

“Now this round of price increases has been completed consumers should be able to enjoy a period of stability. This means that it is an excellent time to shop around for a better deal, potentially saving up to £458^[8], which would wipe the effect of price increases out and put money in the pocket ready for next winter.”

Average bill sizes:

Supplier	Bill size before price rises	Bill size after price rises
British Gas	£1,030	£1,100
EDF Energy	£1,046	£1,118
E.ON	£1,061	£1,123
npower	£1,095	£1,149
SSE	£1,038	£1,094
ScottishPower	£1,152	£1,211
Average	£1,070	£1,133

Source: uSwitch.com

Based on a medium user consuming 3,300kWh electricity and 16,500kWh gas a year on a standard plan paying on receipt of bill with bill sizes averaged across all regions.

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

1. EDF Energy announcement issued 3/2/2011.
2. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on an EDF Energy standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions. POR increase sourced from EDF Energy press team.
3. Correct as at 16th January, 2011. Customers affected taken from individual supplier announcements as follows: SSE (announcement 29/10/2010) increase to affect around 3.6 million customers, British Gas (announcement 12/11/2010) increase will affect around 8 million customers, ScottishPower (announcement on 19/11/2010) move to affect around 2.5 million customers, nPower (announcement on 10/12/2010) move to affect around 6.2 million customers, E.ON (announcement on 11/01/2011) move to affect around 4.3 million customers. These add up to 24.6 million customers. uSwitch.com estimates 10 million standard plan customers based on 26 million households and Ofgem statistics showing that 7 million customers are on price guarantee plans, 3.5 million are on online tariffs, 3.8 million electricity customers and 2.6 million gas customers are on PPMs. The average increase from recent price rises for a customer on a standard plan, based on a medium user profile using 3,300kWh of electricity and 20,500kWh of gas paying on receipt of bill, is £56. Taking this increase over 10 million standard plan customers totals £560 million added to consumer bills.

4. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all suppliers and all regions.
5. <http://www.telegraph.co.uk/finance/newsbysector/energy/8268199/Energy-firms-profits-up-50pc-over-freezing-winter.html>;
6. Research conducted with the uSwitch.com Consumer Opinion Panel amongst 1,557 respondents between 27th December, 2010 and 3rd January, 2011. In response to: 'Have you been cutting down or rationing your energy usage this winter because of cost' 76% said 'yes' as compared to 69% in 2010.
7. Research as per point 6 above. In response to: 'How often have you gone without heating this winter so far to keep energy costs down?' 25% said never, 33.3% said occasionally, 20.3% said regularly and 0.9% said always. $33.3\% + 20.3\% + 0.9\% = 54.5\%$ of people who went without heating at some point this winter so far to keep their energy costs down. Assuming that each person represents one household and on the basis of 26 million households in the UK we estimate that 14,170,000 households have gone cold at some point this winter.
8. Between 1st July 2010 and 31st December 2010, at least 10% of people who switched energy supplier with uSwitch.com saved £458 or more.

About us

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

The service is also available via fax and post. Consumers should fax 020 7233 5933 or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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