

Competition in Retail Markets

Bill Bullen, Utilita

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Big Issues

- Predatory Pricing?
- Gas Distribution Security Cover
 - Not same as electricity
 - NGC Gas meters just as bad
- Electricity Balancing Prices
 - wide spread (+100% to -50%, c/w gas +/-2%)
 - Smaller suppliers have proportionally greater exposure
- Gas Settlement Regime - AQ Review
- Smart Meters – indecision costs money

Prices – 26th February 2008

East	East Mids	Lon	Manw	Mids	North	Norw	Scot Hydro	Scot Power	Seeb	South	Swalec	SWEB	Yorks
£758 Atlantic Electric and Gas	£750 npower	£742 npower	£768 E.ON Online	£769 npower	£760 npower	£758 Atlantic Electric and Gas	£765 E.ON Online	£774 E.ON Online	£739 E.ON Online	£762 E.ON Online	£787 E.ON Online	£777 E.ON Online	£761 npower
£760 Atlantic Electric and Gas	£750 npower	£742 npower	£768 E.ON Online	£769 npower	£760 npower	£758 E.ON Online	£766 E.ON Online	£774 E.ON Online	£739 E.ON Online	£762 E.ON Online	£787 E.ON Online	£777 E.ON Online	£761 npower
£783 Southern Electric	£767 Atlantic Electric and Gas	£743 E.ON Online	£788 Atlantic Electric and Gas	£770 Atlantic Electric and Gas	£761 E.ON Online	£759 E.ON Online	£787 Atlantic Electric and Gas	£778 Atlantic Electric and Gas	£765 Atlantic Electric and Gas	£795 Atlantic Electric and Gas	£813 Atlantic Electric and Gas	£792 Atlantic Electric and Gas	£762 E.ON Online
£789 Southern Electric	£770 Atlantic Electric and Gas	£744 E.ON Online	£791 Atlantic Electric and Gas	£771 E.ON Online	£762 E.ON Online	£760 Atlantic Electric and Gas	£788 Atlantic Electric and Gas	£778 Atlantic Electric and Gas	£768 Atlantic Electric and Gas	£802 Atlantic Electric and Gas	£817 Atlantic Electric and Gas	£795 Atlantic Electric and Gas	£762 E.ON Online

Prices – 29th April 2008

East	East Mids	Lon	Manw	Mids	North	Norw	Scot Hydro	Scot Power	Seeb	South	Swalec	SWEB	Yorks
£846 npower	£851 npower	£854 npower	£867 npower	£870 E.ON Online	£886 Atlantic Electric and Gas	£861 npower	£879 npower	£875 npower	£857 npower	£870 npower	£869 npower	£878 npower	£877 E.ON Online
£846 npower	£851 npower	£854 npower	£867 npower	£871 E.ON Online	£888 E.ON Online	£861 npower	£879 npower	£875 npower	£857 npower	£870 npower	£869 npower	£878 npower	£877 E.ON Online
£856 British Gas	£861 British Gas	£864 Utilita	£868 Utilita	£877 British Gas	£888 E.ON Online	£862 E.ON Online	£880 Utilita	£876 Utilita	£858 Utilita	£871 Utilita	£870 Utilita	£879 Utilita	£881 British Gas
£864 Utilita	£861 Utilita	£865 British Gas	£889 E.ON Online	£882 Utilita	£889 Atlantic Electric and Gas	£862 E.ON Online	£886 E.ON Online	£887 Atlantic Electric and Gas	£858 British Gas	£883 British Gas	£906 E.ON Online	£891 British Gas	£884 Utilita

Prices – 6th May 2008

East	East Mids	Lon	Manw	Mids	North	Norw	Scot Hydro	Scot Power	Seeb	South	Swalec	SWEB	Yorks
£845	£850	£853	£866	£869	£885	£860	£878	£874	£856	£869	£868	£877	£876
British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas
£846	£851	£854	£867	£870	£886	£861	£879	£875	£857	£870	£869	£878	£877
npower	npower	npower	npower	E.ON	Atlantic	npower	npower	npower	npower	npower	npower	npower	E.ON
£864	£861	£864	£868	£871	£888	£862	£880	£876	£858	£871	£870	£879	£877
Utilita	Utilita	Utilita	Utilita	E.ON	E.ON	E.ON	Utilita	Utilita	Utilita	Utilita	Utilita	Utilita	E.ON

Prices – 29th May 2008

East	East Mids	Lon	Manw	Mids	North	Norw	Scot Hydro	Scot Power	Seeb	South	Swalec	SWEB	Yorks
£825	£830	£833	£846	£869	£885	£840	£858	£854	£836	£849	£848	£857	£876
npower	npower	npower	npower	British Gas	British Gas	npower	npower	npower	npower	npower	npower	npower	British Gas
£825	£830	£833	£846	£870	£886	£840	£858	£854	£836	£849	£848	£857	£877
npower	npower	npower	npower	E.ON Online	Atlantic Electric and Gas	npower	npower	npower	npower	npower	npower	npower	E.ON Online
£845	£850	£853	£866	£871	£888	£860	£878	£874	£856	£869	£868	£877	£877
British Gas	British Gas	British Gas	British Gas	E.ON Online	E.ON Online	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	E.ON Online

Prices – 2nd June 2008

East	East Mids	Lon	Manw	Mids	North	Norw	Scot Hydro	Scot Power	Seeb	South	Swalec	SWEB	Yorks
£824	£829	£832	£845	£848	£864	£839	£857	£853	£835	£848	£847	£856	£855
British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas
£825	£830	£833	£846	£870	£886	£840	£858	£854	£836	£849	£848	£857	£877
npower	npower	npower	npower	E.ON Online	Atlantic Electric and Gas	npower	npower	npower	npower	npower	npower	npower	E.ON Online
£825	£830	£833	£846	£871	£888	£840	£858	£854	£836	£849	£848	£857	£877
npower	npower	npower	npower	E.ON Online	E.ON Online	npower	npower	npower	npower	npower	npower	npower	E.ON Online
£879	£876	£879	£883	£892	£888	£862	£886	£887	£873	£886	£885	£894	£885
Utilita	Utilita	Utilita	Utilita	Atlantic Electric and Gas	E.ON Online	E.ON Online	E.ON Online	Atlantic Electric and Gas	Utilita	Utilita	Utilita	Utilita	Atlantic Electric and Gas

Prices – 16th June 2008

East	East Mids	Lon	Manw	Mids	North	Norw	Scot Hydro	Scot Power	Seeb	South	Swalec	SWEB	Yorks
£824	£829	£832	£845	£848	£864	£839	£857	£853	£835	£848	£847	£856	£855
British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas	British Gas
£825	£830	£833	£846	£897	£900	£840	£858	£854	£836	£849	£848	£857	£890
npower	npower	npower	npower	Utilita	E.ON Online	npower	npower	npower	npower	npower	npower	npower	E.ON Online
£879	£876	£879	£883	£900	£901	£882	£895	£891	£873	£886	£885	£894	£890
Utilita	Utilita	Utilita	Utilita	E.ON Online	E.ON Online	Utilita	Utilita	Utilita	Utilita	Utilita	Utilita	Utilita	E.ON Online

Is this Predatory Pricing?

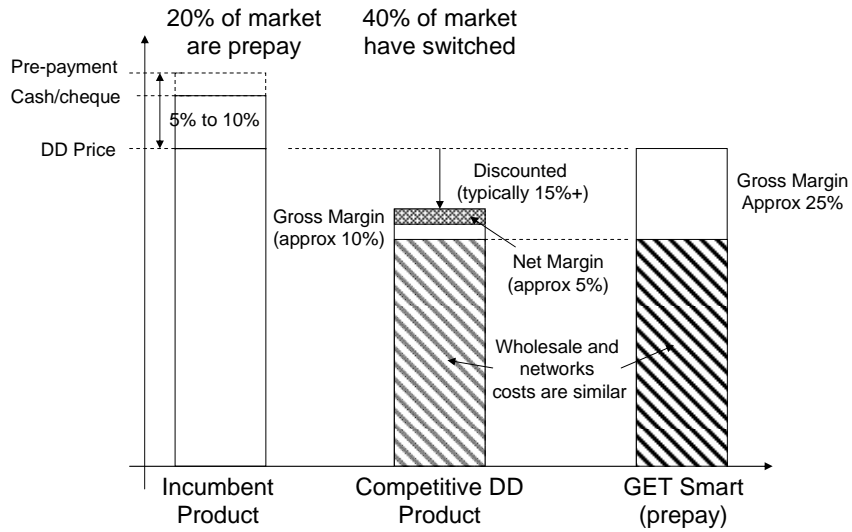
- New Entrants have to compete on the margin NOT at the prices charged to the inert or incumbent customers
- Operating costs are driven by acquisition and loss
 - both internal (final bills, new registrations, etc)
 - and external (sales commission costs)

GET Smart

The new Utilita pay-as-you-go tariff

- **Save Money:**
 - Priced equivalent to incumbent DD price, typically 5% to 10% below Pre-pay price
- **Save Energy:**
 - Northern Ireland suggests 4% energy saving
 - Also Utilita **Planetpoints** scheme
- **Save Hassle:**
 - Remote Credit
 - Friendly credit
 - Emergency Supply

Residential Energy Products



Liberty Meter System

