

AT A GLANCE: WHAT FACTORS MAKE UP YOUR ELECTRICITY PRICE?

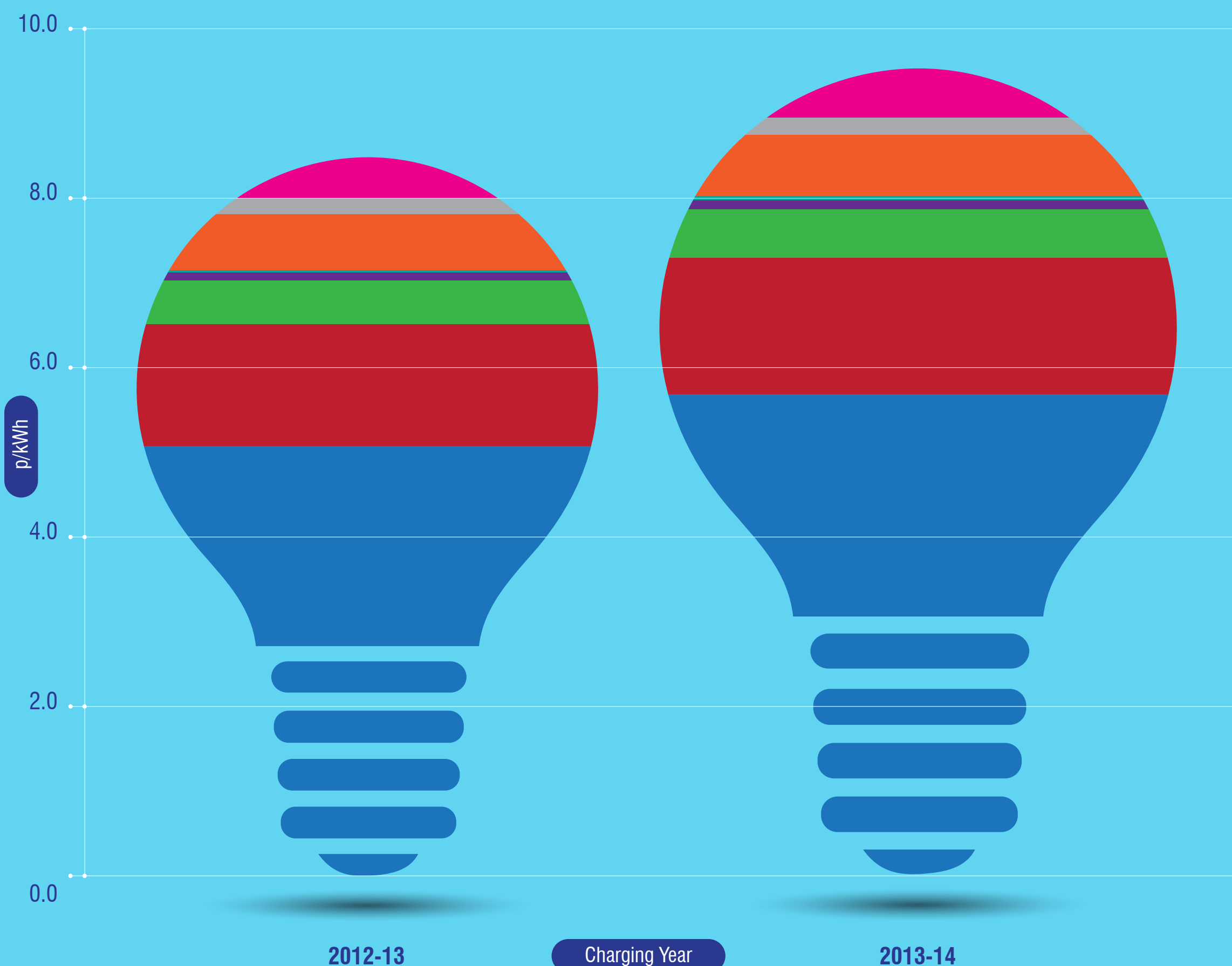
YOUR COMMERCIAL ELECTRICITY BILL DOESN'T JUST INCLUDE RAW ENERGY COSTS. HERE ARE SOME OF THE OTHER FACTORS THAT GO INTO THE PRICE OF POWER AND THESE ARE INCREASING YEAR-ON-YEAR!



WHAT FACTORS MAKE UP YOUR ELECTRICITY COSTS?

A variety of factors make up UK business power prices. Here are some of them:

- Wholesale Power
- BSUoS
- Feed-in-Tariffs
- GB average DUoS
- HDCA
- Climate Change Levy
- GB average TNUoS
- Renewables Obligation



Wholesale energy
Wholesale energy makes up 50-66% of your total electricity bill

Amount paid on average by medium-sized businesses per MWh for wholesale electricity: £54

DUoS
Once the electricity has reached the high-voltage substation, it is distributed to the customer's premises, which also involves fees. These are fed through to business energy prices in the UK.

Increase in total revenue of the UK's electricity distribution industry in 2013-14: 2.6%

TNUoS
Energy generators and suppliers must use the electricity transmission grid to get power across the country to a local distribution point. The costs for this are passed to the customer.

Half-hourly meter costs have increased by 10%

BSUoS
Energy generators supply energy to the national grid and take it back from the grid when needed. Keeping the system in balance costs money. Energy companies pay a Balanced Use of Service payment, and pass it on to you.

HDCA
The HDCA is a charge paid by all electricity users in Britain to supplement the high costs of power distribution in Scotland.

These charges have increased by 20%

RO
Energy providers have mandatory renewable energy targets, but renewable energy is expensive to produce. Customers pay for it, in the form of increased business energy prices from renewable obligations (ROs).

RO charges have risen from 0.643 p/kWh to 0.865 p/kWh

Feed-in Tariff (FIT)
The Feed-in Tariff (FIT) is a levy on UK energy users, to subsidise those people who choose to produce their own energy and share it with the electricity network.

FIT charges have increased by over 15% to around 0.25 p/kWh

CLIMATE CHANGE LEVY
The Climate Change Levy is effectively a tax on fossil fuels, paid directly by businesses in the UK.

CCL charge is currently 0.524 p/kWh and set to rise to 0.541 p/kWh by 2014

Find out more - download our eGuide

When a Fixed Energy Contract isn't Fixed

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