



For immediate release, February 21, 2007,  
Contact: Bill Bullen, 0845 450 4387 via [press@utilita.co.uk](mailto:press@utilita.co.uk)

## Media Advisory

# UTILITA RELAUNCH - Background on its latest products

## Energy and telecoms with a single bill

Utilita is a company fully committed to delivering better domestic energy efficiency, reducing household carbon levels and helping consumers save money. It offers competitively priced utility tariffs supported by an integrated customer registration and management system that generates one single integrated bill for any combination of electricity, gas and telecoms.

Key benefits to the consumer include:

- The supply of utilities at fair prices that are set at lower rates than major competitors combined
- A single quarterly bill
- A monthly direct debit payment plan
- A unique **planetpoints** scheme where 'points' awarded with reference to current energy consumption levels, the category of tariff and (in some cases) promotional offers can be redeemed for various energy saving products that range from energy efficient light bulbs to full loft insulation.

As the first domestic energy supply company in the UK to offer an energy services contract requiring no an additional customer investment or contribution Utilita offers three energy saving tariffs (that provide benefits to customers through reduced usage of energy):

## Utilita Energy Saving Tariffs

**1) planetsaver** - the first dual fuel, carbon neutral home energy tariff offered to domestic customers in the UK.

Under this tariff customers are awarded **planetpoints** that are automatically redeemed so that CO<sub>2</sub> emissions from gas consumed are offset with Climate Care (see [www.climatecare.org](http://www.climatecare.org)) immediately. Electricity is immediately sourced from 100% renewable projects in the UK and by purchasing Renewable Obligations Certificates.

**planetsaver** customers also receive a comprehensive, free, energy **Home MOT** (combining a home energy survey and energy efficiency tests in order to provide a bespoke report sufficient to help homeowners invest in measures that will improve the efficiency rating of their property).

**planetsaver** customers may choose to opt-out of carbon neutral gas and electricity in order to redeem their **planetpoints** for energy saving products and technologies that will reduce their energy consumption by 30%, over a three-year period.

**2) energysaverplus.** Customers on this tariff save energy at no additional cost. They receive conventionally sourced energy and a high level of **planetpoints**, a free Home Energy Survey (involving a telephone, e-mailed or posted questionnaire) and energy saving advice.

**3) energysaver.** This tariff is a price-led, discounted product that still offers energy efficiency through a lower level of **planetpoints**, a free Home Energy Survey and energy saving advice.

All tariffs help customers reduce carbon emissions from their homes – and do so more effectively (and more cheaply) than other tariffs based purely on renewable energy and CO2 offset programmes. Utilita *does not recommend to customers which tariff they should adopt* but suggests the most carbon is saved with **planetsaver** but the cheapest rates are with **energysaver**

Utilita calculates their tariffs from a Reference Price. These are taken to be:

- British Gas prices for gas on monthly direct debit
- Old 'Regional Electricity Company' prices for electricity for monthly direct debit
- British Telecom Option 1 for telecom




Utilita tariffs are set 10% above, level with and 10% below these Reference Prices. On all tariffs customers pay the same unit rate price for each service within each bundle irrespective of whether they take one or more than one service. Taking more services may earn proportionately more **planetpoints** that may also change the discounts applied.

Customers can see all Utilita tariffs at <[www.utilita.co.uk](http://www.utilita.co.uk)> or may contact Jim Garrett, on 0845 450 4117.

Utilita products are also listed on the price comparison service operated by [unravelit.co.uk](http://unravelit.co.uk) should in due course be listed with several other price comparison websites.

The cost and benefits of all three Utilita tariffs (excluding loyalty, direct sign-up or any other promotional discounts) are compared in the table overleaf.

Utilita dual fuel tariffs at a glance

	<b>energysaver</b>	<b>energysaverplus</b>	<b>planetsaver</b>
Customers typically spending £1,000 per year	Pay 10% less than Reference Prices	Pay Reference Prices	Pay 10% more than Reference Prices
Savings	£100	£0	£100 more (not a saving)
Promotional Offer (dual fuel)	150 <b>planetpoints</b> automatically redeemed for 3 energy saving light bulbs with 1 <sup>st</sup> statement	150 <b>planetpoints</b> automatically redeemed for 3 energy saving light bulbs with 1 <sup>st</sup> statement	150 <b>planetpoints</b> automatically redeemed for 3 energy saving light bulbs with 1 <sup>st</sup> statement
<b>planetpoints</b> scheme	10 per month	2 per £ spent on energy	3 per £ spent on energy
<b>planetsaver</b> 100% carbon neutral option	n/a	n/a	(a) Yes  (b) No – opting out but using <b>planetpoints</b> for energy efficient products and technologies.
<i>energy savings achieved - for good - on gas and electricity together after three years</i>			
Target energy reduction	10%	20%	(a) 100% carbon  (b) 30% energy for good
Expected home energy savings	£100 per year	£200 per year	£300 per year
Reduction in greenhouse gases			

## Previous trading by Utilita in 2004-5

Utilita first launched 'do you **get** it' - an innovative approach to the supply of domestic utility products - in the autumn of 2004. It recruited a base of 4,800 dual fuel customers keen to pursue energy efficiency measures using rewards offered as part of their energy supply contract (with a smaller number of telecoms customers) by the end of the first quarter of 2005.

In the autumn of 2005 wholesale gas prices rose rapidly when market regulator Ofgem failed in its obligations to ensure a secure supply of energy to the shores of the UK. This shift was unforeseen by all utility suppliers and initially the six largest suppliers were able to use their financial capacity to postpone passing on these price rises to their customers. However in 2006 all subsequently raised their retail prices dramatically (and repeatedly). By contrast, most small independent utility providers were unable to 'hedge' their demand in the forward gas markets because their trading volumes were too small. Most promptly went out of business or were taken over, leaving many customers out of pocket.

The inequalities in the market described above forced Utilita to either leave the energy supply market in a swift and orderly manner in late 2005 or face liquidation. Pursuing an assertive rescue strategy Utilita imposed a £40 surcharge on its dual fuel customers in late November 2005 (to cover the true cost of the energy they had consumed in the previous quarter) and transferred their accounts to EDF Energy in mid December. By doing this Utilita was able to protect all credit accrued by these customers under their payment plans such that in the spring of 2006, customers received on average a refund of £130 in final cash settlement of their accounts.

Utilita also gave all customers with sufficient accrued points selected free energy saving gear (such as efficient light bulbs) to which they were entitled. Utilita did not convert any such points to cash. This upset some customers who, it transpired, had signed up with the company wanting only to pursue a cash refund in lieu of such points at the end of the first year of their contract (a promotional offer made to some new customers in early 2005).

Initially, the independent gas and electricity consumer watchdog Energywatch claimed that Utilita had acted illegally by imposing a surcharge and refusing to convert accrued points to cash discounts. However, no legal action ever followed and in January 2006, Ofgem confirmed it would not investigate further whether the company had been in breach of its licence conditions "in view of the steps apparently being undertaken by Utilita to mitigate the situation." Ofgem has also subsequently awarded Utilita a new licence.

Having sought and secured more extensive capital financing and having improved its products Utilita has re-entered the domestic utilities market. It is now the only small dual-fuel supply company competing effectively with the big six domestic energy suppliers operating in the UK market (the smallest of which has 5 million customers).

## Unmasking unfair price comparisons in the domestic energy marketplace

A large part of Utilita's early customer recruitment took place through price comparison websites. As a result the company learned first hand how the customer transfer fees levied (perfectly legally) by such sites serve to rank otherwise identically priced competing tariffs and undermine the operation of effective free and fair competition between different domestic energy suppliers.

Responding to this problem, Utilita initiated a debate in the media and at Westminster about the rules that govern price comparison websites. Subsequent to this Energywatch moved rapidly to review its 'voluntary' code of conduct for price comparison websites and published revised advice in December 2006.

### Smart Metering

In line with its objectives to accelerate the development of a low carbon economy in the UK, Utilita works in close partnership with public sector bodies to develop a range of channels through which to directly deliver energy efficiency services and promote the adoption of smart metering. In February 2005 Utilita replaced Scottish Power as the energy supplier in a EU funded project being delivered by PRI to install 5,000 smart meters into low-income households in the UK. In October 2005 PRI became a major shareholder in Utilita.

PRI Limited is a Winchester-based company that pioneered the development of CALMU™ technology in the 1970's. It is now UK market leader in the development, production and supply of smart electronic meters, software and energy monitoring systems. It won the Queen's Awards for Enterprise: International Trade 2006.

PRI's smart metering technology – already installed in 200,000 households in Northern Ireland – has yet to be deployed by incumbent utilities in mainland UK in any significant numbers. However, it provides the means to move UK households away from estimated, inaccurate and error prone utility bills and makes it possible to deliver greater energy efficiency to pre-payment customers (many of whom are fuel poor) for the same price as direct debit customers.

Utilita is working with several local authorities to develop schemes aimed at delivering this technology to pre-payment customers.

### Looking to the future

Renewable power generation has had a privileged position for many years through the Renewable Obligation. Energy efficiency and smart metering delivered innovatively has never enjoyed support from an equivalent fiscal mechanism. Yet, using less energy to achieve the same standards of living remains the single most appropriate initial response to the threat of climate change and is key to any secure long-term energy policy for the UK.

As an energy supplier Utilita must currently track and listen to Ofgem, DTI, Treasury, DEFRA, Carbon Trust, Energy Savings Trust and now the Office of Climate Change. While the UK lacks a single Energy Agency with clear voice and far reaching responsibilities, it seems unlikely that the UK will be able to develop a credible, clear energy policy.