



HOUSE OF COMMONS
LONDON SW1A 0AA

October 2017

Dear Constituent,

Thank you for contacting me about energy bills.

I do share your concerns over increases in energy prices. Suppliers are protected from recent fluctuations in the price of wholesale energy as they buy their energy up to two years in advance, and prices remain significantly lower than in 2015. I therefore expect energy companies to treat their customers fairly.

As you are aware, the Government made a proposal to extend the price protection currently in place for some vulnerable energy consumers to more of those on the poorest value tariffs. Rest assured, the Government is committed to doing so and the Energy watchdog Ofgem has accepted the call for further action.

More specifically, the Business and Energy Secretary the Rt Hon Greg Clark MP, has written to Ofgem asking what action the regulator intends to take to safeguard customers. Ofgem has committed to taking prompt action, in consultation with consumer experts, to develop proposals including a safeguard tariff. The Government wants to see rapid progress on this commitment and has not ruled out taking further action if necessary.

There is already a prepayment price cap in place protecting households least able to benefit from competition. On the 1st April 2017 a prepayment price cap came into force protecting over four million households using pre-payment meters. The temporary cap, which will remain in place until the end of 2020, is expected to reduce bills across Britain and will save the average household £80 a year.

The Prime Minister announced recently that we will shortly publish a draft Bill to put a price cap on energy bills.

Ultimately, Government policy costs make up a relatively small proportion of household energy bills and they cannot by themselves explain price rises announced by energy suppliers. Indeed, a recent report from the independent Committee on Climate Change shows that policies driving energy efficiency improvements have offset the cost of energy policies and have, on average, resulted in lower energy bills for households.



Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY