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EDF announces energy price rises

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EDF follows npower in raising its gas and electricity prices

Customers of EDF energy are facing higher bills after the utilities firm announced a 12.9% price rise for gas and a 7.9% increase in electricity prices.

The French firm, which has 5.5m customers in the UK, is the second this month to raise prices, following npower's announcement of price increases of up to 27%.

Like npower, EDF blamed increasing wholesale and distribution costs and environmental obligations for the rise, which it said would add £1.92 a week to the average dual fuel bill.

Other providers are expected to follow suit, with British Gas having already warned of potential price rises.

The announcement comes as the chancellor, Alistair Darling, met with the energy regulator Ofgem asking for talks on the cause and impact of double-digit rises.

EDF said that since last February the wholesale cost of gas had risen by 117%, while the cost of electricity had risen by 90%.

At the same time, the cost of transporting energy to homes and businesses had also increased, adding £4 a year to the cost of supplying an electricity customer and £32 a year to the cost of providing gas.

The cost of meeting targets on renewables and energy efficiency was another factor in the rise, it added.

However, EDF said 55,000 of its most vulnerable customers stood to

benefit from a 15% discount below the standard tariff, and customers in London, the south-east and the south-west could protect themselves against further rises with its fixed price tariff.

Limiting customer impact

Eva Eisenschimmel, EDF Energy's chief operating officer for customers, said: "Despite soaring wholesale energy prices, higher distribution costs and increased environmental obligations, we have been able to substantially limit the impact on our customers.

"We will continue to work very hard to mitigate the effect of rising costs for our customers through energy efficiency advice and our range of products, including Fixed Price 2010 and Read Reduce Reward.

"We will also do what we can to mitigate the effects on our 'most in need' customers through our Energy Assist tariff."

The consumer group energywatch said it was disappointed that EDF Energy had moved so quickly to pass costs on to its customers.

Its chief executive, Allan Asher, said: "That consumers have been told to expect more price rises does not make this news any easier to swallow.

"All suppliers are pointing to soaring wholesale costs. And while the price has shot up recently consumers will be no more convinced that double digit price rises are justified just because it is six suppliers pleading poverty rather than one."

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