

# The Consumer Council's Home Energy Index

December 2018

**Trend:** Over the last 35 months (since January 2016), Northern Ireland's home energy prices have increased.

**Overview:** The Consumer Council's Home Energy Index tracks changes in household gas, electricity and home heating oil (HHO) prices respectively, in Northern Ireland. It also creates a composite index; meaning that all three energy prices are combined to create one overarching figure, which is weighted for the usage and market share, and tracks fluctuations over time.

**December 2018:** In December 2018, the Home Energy Index composite stood at 140.24 (figure 1). This is a decrease of 2.24% from the previous month at 143.46. This is largely a reflection of modest decreases in the price of HHO.

**Findings:** Overall, prices have increased across Northern Ireland for all three energy costs i.e. HHO, gas and electricity respectively (January 2016 – December 2018). Positively, there has been an overall decrease in energy costs for December, which is consistent with last month's figures. The decrease in overall energy cost is due to a modest decrease in HHO, while gas and electricity have remained stable (figure 2) as per October's bulletin.

- **HHO:** Due to the reliance on HHO in Northern Ireland (approximately 68% of households), the index is particularly sensitive to changes in the price of HHO. Prices of oil have seen considerable fluctuations and increases since the index began in January 2016 (figure 2). However, there has been a decrease in the price of HHO over the last two months.
- **Gas:** Gas suppliers Firmus Energy and SSE Airtricity increased their gas tariffs in October 2018 by 12% and 10.8%, respectively. This has affected over 247,000 consumers in NI, with the vast majority affected in Greater Belfast. Gas bills in Ten Towns rose on average by £72 and in Greater Belfast by £56. The main driver behind the increase is the significant rise in global gas costs since the tariff was last set in April 2018. There have been no further changes in December.
- **Electricity:** The three largest electricity suppliers in Northern Ireland – Power NI, SSE Airtricity and Electric Ireland – with a combined market share of 89.2%, increased their prices by 13.8%, 18.2% and 13.3% respectively on 1 October 2018. As a result, consumers will pay on average between £64 and £92 extra a year to pay for their electricity. The increases are a result of a 33% rise in the price of wholesale electricity in the past year. There have been no further changes in December.

Figure 1: Home Energy Index (composite of electricity, gas and HHO) for Northern Ireland (January 2016 – December 2018)

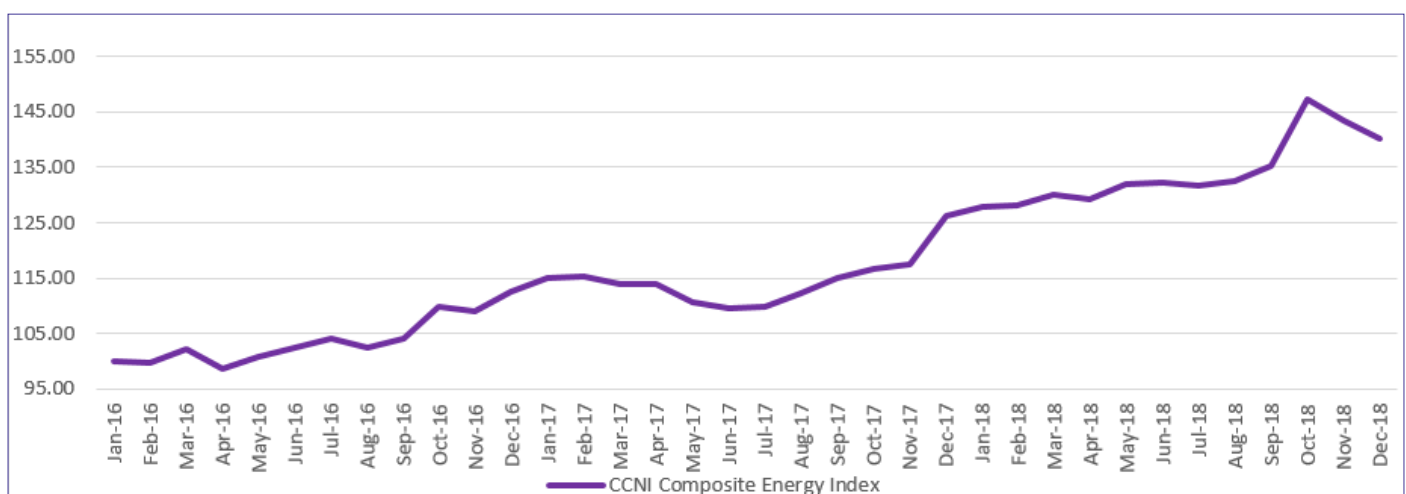
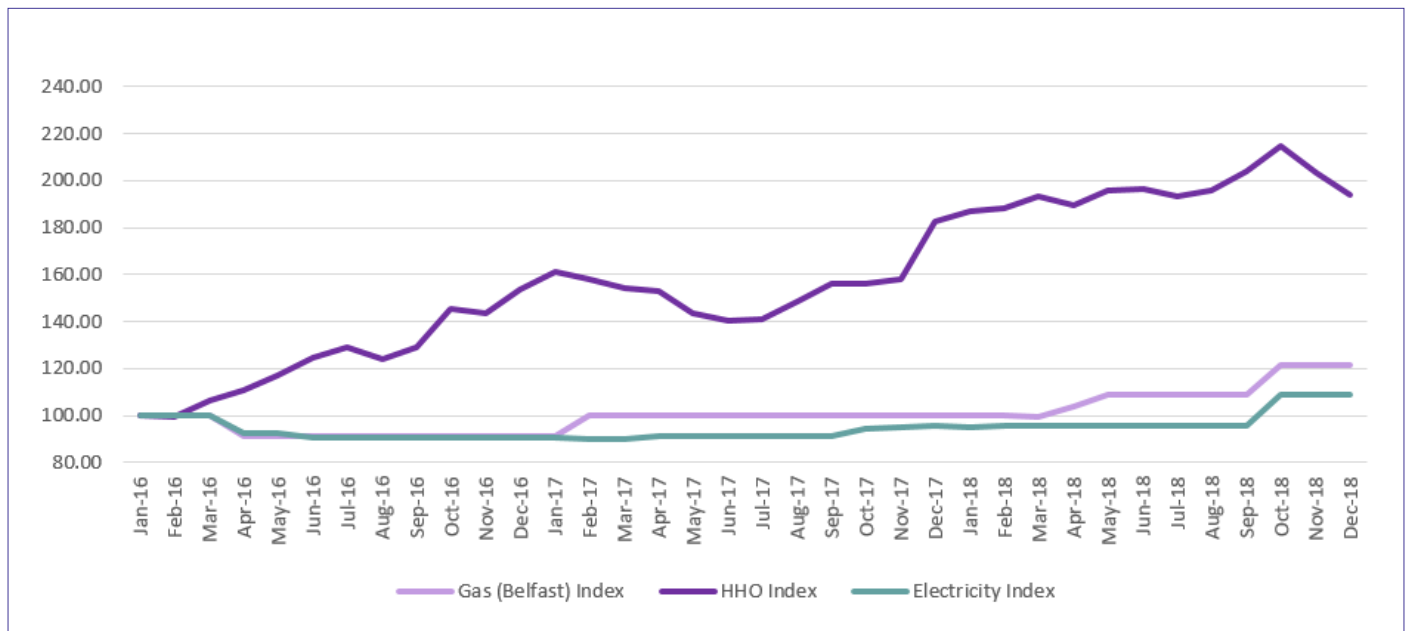


Figure 2: Gas, electricity and home heating oil (HHO) breakdown for Northern Ireland: January 2016 – December 2018)



## What is a price index?

A price index is a number that shows the extent to which a price has changed from a base over a given period. The base period is set at 100 and changes in price are shown relative to that number, i.e. above or below 100.

## How was the 'Home Energy Index' created?

The Consumer Council records tariffs from different energy suppliers across Northern Ireland. These are available on our website, please see below. Prices are weighted to take consideration of usage and market share of suppliers, so that changes in the index number better reflect the change impacting the consumer over time.

## Consumer Information

The Consumer Council's annual *Consumer Insight Survey* (February 2018) revealed that consumers' top concern in 2018 was the rising price of goods and services; and one of consumers top 'household expenditure worries' was paying energy bills. Further information on the survey results are available on The Consumer Council website [www.consumerCouncil.org.uk](http://www.consumerCouncil.org.uk).

The Consumer Council has a variety of tools available to help consumers make better choices, shop around and save money. Please visit our website [www.consumerCouncil.org.uk](http://www.consumerCouncil.org.uk) to avail of the following:

- [Energy Price Comparison Tool](#)
- [Home Heating Oil Survey](#)
- [Energy Efficiency Information](#)
- [Shopping around to save money on transport costs](#)
- [Shopping around to save money on food, insurance, and postal services](#)
- [Household budgeting](#)

For further information please contact The Consumer Council: