

## Energy Advice Line calls on firms to lock in two and three-year deals

Submitted by: LexisClick

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The Energy Advice Line (<http://www.energyadvice.org.uk/>) has urged business electricity users to consider locking into two or three-year energy deals after Ofgem's chief executive confirmed fuel bills would continue to rise.

Julian Morgan, managing director of the UK's leading price comparison and switching service exclusively for business, said firms could miss out on significant savings if they did not act quickly.

Ofgem boss Alistair Buchanan warned this week that the UK would become more reliant on energy imports as ageing and polluting power stations were decommissioned over the next few years.

Power station closures would mean a 10% fall in capacity just by April this year and that gas supplies would have to be imported to fill the shortfall.

"Sadly this is confirmation that the trajectory for business electricity bills continues to be upwards," Mr Morgan said.

"Business electricity users need to consider their options very carefully, especially if they have fixed-price energy contracts coming to an end in the next few months.

"Not only is it crucial that they shop the market for the best possible deal, they need to consider locking in these deals for two or even three years.

"They will probably pay a slightly higher tariff than they would under a 12-month contract, but in the longer term they may well end up making significant savings.

"Energy prices are forecast to rise by at least 10% in the short term, so paying just slightly more for a two or three-year contract could make sound financial sense."

Energy analysts say that while increasing imports can fill the shortfall in UK gas supplies, competing for those supplies on the global market is likely to cost more.

Longer-term solutions to the UK's energy needs, such as new nuclear power stations or tapping domestic shale gas reserves, have yet to be given the final go-ahead by the government.

"The energy market is clearly going to be volatile for the foreseeable future, so longer fixed-term energy contracts could deliver considerable financial savings as well as providing business owners with peace of mind and security," Mr Morgan said.

"Business energy ([http://www.energyadvice.org.uk/business\\_electricity.php](http://www.energyadvice.org.uk/business_electricity.php)) is now one of the biggest overheads for many UK firms. Longer fixed-price contracts will enable them to plan ahead secure in the knowledge that they know what their energy costs will be."

Mr Morgan said firms could start shopping the market between 90 and 120 days before their existing

fixed-term contract came to an end.

“As long as your new contract does not come into effect before your old contract ends, you are free to shop around and sign up to good deals where you find them,” he said.

“Our team can explain the different deals available and when you should give formal notice to your existing supplier that you’re leaving.

“And it’s vital to remember that our service is free – you have nothing to lose and quite a lot to gain.”

The Energy Advice Line is a consumer champion and the UK’s only independent electricity price comparison and switching service exclusively for small and medium-sized businesses. The service enables firms to quickly and simply compare business energy and business gas prices, and to switch to the best available deal on the market.

The service includes a complete contract management arrangement to help firms with problems that arise in the course of their energy contract.

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For further information visit [www.energyadvice.org.uk](http://www.energyadvice.org.uk) (<http://www.energyadvice.org.uk>) or contact Mr. Julian Morgan - [Julian.Morgan@energyadvice.org.uk](mailto:Julian.Morgan@energyadvice.org.uk)