

Electricity Resale & Unit Price.

This NACO Advice Leaflet offers advice to members about electricity resale at caravan parks across the UK. We hope that it helps you with your situation. However, if you read through the information and would rather discuss your issues with member of our Advice Team, just give us a call.

As a matter of course, we must inform you that our advice is given to you based on our industry experience and knowledge of previous cases. We are not solicitors, although in some cases we will gather legal advice from them. Consulting NACO does not preclude you from taking independent legal advice at any time.

Unit Price.

Unit prices range broadly across the UK and will vary depending on supplier and park. In recent years the price of energy has risen dramatically and your park operator should be providing information about how your unit price has been arrived at. Establishing how much your park pays for their electricity supply can be very difficult.

From the 1st January 2003 the maximum price at which gas or electricity can be resold must be the same price as that paid by the person who is reselling it, including any standing charges.

In a leaflet distributed by energywatch it covers the area of charges:

"Disputes. - You should ask your landlord to explain to you the basis of the charges he has made. If you feel you have been over-charged you should take it up with the landlord in the first instance. If the dispute cannot be resolved informally it may be necessary to claim through the legal process for the overcharge plus interest. Your local Citizens Advice Bureau can advise you."

The idea is that you should be able to go to your operator and ask how they have arrived at the unit charge. The operator then shows you how they have arrived at the charge. In the real world, this often isn't as straight forward as the above. And a small claim is not really the best way of keeping your operator 'on-side' for future years.

The Office for Gas and Energy Markets (Ofgem) - offer the following guidance:

If requested to do so by the purchaser, the reseller should provide evidence to support the calculation, for example bills from the main supplier showing the amount of gas or electricity supplied to the building or site as a whole, and the unit price(s) and standing charges paid. The reseller should be in a position to explain how each purchaser's share has been calculated.

Where the purchaser's supplies are metered, the reseller must be prepared to show the purchaser a bill or bills from the main supplier, or some other communication from that supplier showing the unit price(s) and standing charges which the reseller has to pay. The reseller must use reasonable endeavours to make an estimate of the applicable unit price, and must give the purchaser information about the price(s) upon which this calculation is based, if asked to do so.

Standing charges

If the reseller pays a standing charge this must be divided pro-rata amongst the purchasers (and the reseller if he takes the electricity or gas through the same main meter) according to the amount of energy used, or estimated to have been used, by each.

Over/undercharging and refunds

Where the reseller has estimated the cost of electricity or gas sold to the customer, he will need to revise his calculations when he subsequently receives information about the actual cost, e.g. if he receives a reconciliation account from his own supplier.

If, in a particular year, it transpires that any individual customer has been overcharged by more than £5, the reseller must use reasonable endeavours to refund the whole amount of that overcharge.

Where the customer has been supplied for a shorter period, the minimum refund figure must be adjusted proportionately - e.g. where a customer has taken a supply for 6 months, the whole amount of any overcharge exceeding £2.50 must be refunded. If the reseller underestimates the cost of energy supplied he is obviously entitled to recover the amount undercharged from the customer.

You are within your rights to ask how the bill has been arrived at. However, your park operator is not obliged by law to provide the information. Ask our Advice Team for help compiling a letter to ask how your bill has been arrived at.

Call us now on 01255 820 321 or email advice@nacoservices.com