

Fears for elderly over power bills

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through some of the coldest daytime temperatures for 20 years. Some parts of North West England never rose above minus 8c(19f), and more snow is predicted for many areas today.

Mr Clare was immediately challenged by the official consumer body, Energywatch, which said British Gas and others could do more to protect the public by using some of their profits to at least delay price rises.

Energywatch chief executive Alan Asher said: 'These companies are all part of British and European conglomerates that are raking it in. They could offset price rises against profits made from production, but they have chosen not to do so.'

'Instead, they have developed a policy of passing on all the wholesale price rises as soon as they can.'

British Gas, for example, is a subsidiary of Centrica, which owns major gas supply fields in the North Sea. Its profits are expected to soar 56 per cent this year, to around £526million.

Similarly, British Gas's rivals are mainly UK subsidiaries of European gas and electricity producers, which are making staggering profits from high prices.

They include EDF of France, which owns SWEB, London Energy and Seaboard Energy, E.on of Germany, which owns Powergen, and RWE of Germany, which owns npower.

Mr Asher complained that there is no real competition between big suppliers to cap or drive down prices.

He said: 'Prices here are around 30 per cent higher than in Europe. There is absolutely no justification for these increases.'

One recent study predicted that higher prices and cold weather will add £600million to winter fuel bills.

It said some 30 per cent of



'How many times have I warned you about stockpiling gas?'

elderly people have turned down their heating in recent weeks.

The situation has created concern for the health of many thousands of elderly people if the winter is as cold as the Met Office predicts.

There are fears that the annual toll from cold-related diseases, which equates to eight deaths an hour, will be substantially higher.

Gordon Lishman, director of Age Concern, said: 'All older people should be able to heat their homes without being worried about bills. Many pensioners live on a low, fixed income and are hit particularly hard by rises.'

'Energy companies must do everything they can to protect vulnerable groups.'

The rising gas price has led to angry claims of dirty tricks and profiteering.

The trigger has been the fact that UK demand can no longer be met from North Sea

HOW DOMESTIC COSTS HAVE SOARED

Company	Supply	Annual bill	£ increase	%
		Jan 2006	since Jan 2004	increase
EDF Energy	Gas	£470	£131	38%
	Electricity	£316	£75	33%
Scottish & Southern	Gas	£454	£120	38%
	Electricity	£313	£61	24%
British Gas	Gas	£515	£136	36%
	Electricity	£321	£78	32%
npower	Gas	£466	£119	36%
	Electricity	£319	£68	27%
ScottishPower	Gas	£462	£122	36%
	Electricity	£312	£61	23%
Powergen	Gas	£493	£109	33%
	Electricity	£302	£63	26%
Average	Gas	£477	£123	36%
	Electricity	£314	£68	28%

(Source uswitch.com)

fields, leaving the country reliant on imports. These come via the interconnector pipeline under the Channel from Belgium and imports of liquefied natural gas in container ships to a terminal on the Isle of Grain.

These have both been below expectations, however, creating fears of a shortage and boosting prices.

There are concerns that Continental gas and electricity producers, which control Europe's pipeline network, have rationed supplies to the UK. This has helped ratchet up prices and their profits.

There are also allegations that the governments of Spain and Italy manipulated the LNG market to get first call on supplies. The Euro-

pean Commission is investigating both these issues.

Britain's power industry regulator, Ofgem, is also investigating North Sea gas producers such as BP and Shell. There are suggestions - denied by the industry - that they have rationed supplies to inflate prices.

■ Britain could face further gas shortages due to a bitter dispute between Russia and the Ukraine. Kremlin leader Vladimir Putin is threatening to cut gas supplies to the former Soviet republic on Sunday unless it accepts a four-fold price increase.

About half of Europe's gas is imported - 80 per cent of it through Ukrainian pipelines - and it is feared the dispute could affect supplies to Britain. Analysts say the heavy-handed way Moscow is dealing with the crisis is an ominous sign for the way it may handle future disputes.

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■ Compare gas suppliers and save money at:

www.dailymail.co.uk/money