Utilita is a supplier of gas and electricity to homes in Great Britain. In particular it is focused on serving people that want or need to have gas and electricity supplied using pre-pay meters. This is a market of some 4.5 million premises in Great Britain (out of the total of around 25 million), and is largely made up of lower income households, and those with priority needs. Until Utilita entered the market in 2009 with its smart meter based system, there had been little or no change to the services that this customer group were being given; they were paying amongst the highest prices of any consumer group, compared to those more able to pay via direct debit. Thanks to the smart meter systems supplied by Secure Meters of India, Utilita has been able to completely transform this sector of the market, so much so that the Secretary of State for Energy, Ed Davey, recently challenged all the other energy suppliers to serve the pre-pay market using smart meters by 2016.

The pre-pay systems being used to service the market pre-dated the introduction of competition and have never been adapted to properly account for changes in supplier. The consequence of this is that payments are too frequently sent to the wrong supplier or to no supplier at all. The technology is also unreliable because of the use of a physical token to transfer credit to the meter from a vending point. The result being high cost to serve, bad debt (even though pre-pay meters have been installed). The old fashioned pre-pay meters were also unpopular because of the need to walk to a vending point in order to re-charge the system. There was considerable stigma attached to this kind of service. Consequently, the service was not liked by consumers and suppliers found it expensive to operate.

By using smart meters, Utilita has been able to both improve the service to customers as well as cut the cost to serve, hence support a competitive price point.
The meters we use can be programmed. By using this ability to program the meters with features like Friendly Credit and Emergency Credit, and offering remote top-up facilities either online, over the phone and even SMS, Utilita has massively improved the convenience and attractiveness of the pre-pay service. At the same time, by designing its processes around the technology, and using state of the art IT, Utilita has been able to cut its cost to serve. Indeed it is currently seeing greater efficiency in terms of supply points per employee than any other supplier including the major suppliers (often referred to as the Big Six, British Gas, EDF, Eon, RWE, SSE, and Iberdrola) that benefit from much greater economies of scale. By having a low cost to serve Utilita has maintained a price point below that of the cheapest of the major energy suppliers for over five years.

Topic  of Utilita now has a customer base of 125,000 customers, mostly for both gas and electricity (known as Dual Fuel), but more importantly, it is growing by over 10,000 new customers per month.

We are confident that over the next couple of years we will have more than 500,000 supply points using smart pre-pay technology - that represents about 20% of the current pre-pay market. However, many more consumers will be benefiting from smart pre-pay services because the other suppliers are now following Utilita's lead and adopting smart pre-pay meters.

In other countries where Secure’s smart metering products have been introduced, they have expanded the pre-pay market ten-fold due to the attractiveness of the service to the consumer and the low prices they can deliver. We believe a similar phenomenon will happen in GB, and that over the next 10 years at least 10 million households will be served by smart pre-pay metering systems. However, this is not the full extent of the transformation of the GB energy market that will result from Secure’s technology. Along with the meter hardware, Utilita has spent a considerable amount of time and energy applying process design techniques introduced by Secure. The result of this work is the extraordinarily low opex that Utilita has been able to achieve despite still being a relatively small supplier, the value of this saving will be passed on to consumers through competitive pressure and will represent a considerable saving in its own right - at least

By adopting the appropriate metering and process engineering technology, we estimate the average GB energy consumer could save between 5% and 10% off the annual cost of both gas and electricity. That means in excess of £120 per year. This is considerable amount of money, especially for low income households, and will have an impact on the numbers of households that are classified as being in Fuel Poverty (i.e. unable to afford to adequately heat their homes). This is a bigger impact than any of the government backed schemes that have been launched in recent years, and is purely the result of applying innovative modern technology to common social problem in a competitive environment.