

# RISING FUEL AND UTILITY COSTS MANAGING LIKELY INCREASES FOR 2026

Many businesses are likely to face renewed pressure on fuel and utility costs this year, driven by ongoing geopolitical tensions, supply uncertainty, and continued volatility in wholesale energy markets. Although prices can move unpredictably, there are practical planning steps that can help reduce exposure and improve cost resilience.

## REVIEW SUPPLIER CONTRACTS AND TARIFFS

Many businesses remain on default or out of date tariffs that may no longer be competitive. Reviewing fixed versus flexible contracts, and checking renewal dates well in advance, can help avoid automatic rollover onto higher rates. In some cases, negotiating longer term agreements can provide greater certainty, even if prices remain variable.

## REDUCE ENERGY INTENSITY

Simple operational adjustments can often deliver meaningful savings. Examples include upgrading to LED lighting, improving insulation, reviewing heating and cooling controls, and ensuring equipment is switched off when not in use. Businesses with manufacturing or refrigeration processes may benefit from reviewing production scheduling to reduce peak usage.

## MONITOR USAGE MORE CLOSELY

Regular monitoring of electricity, gas, and fuel consumption can highlight unexpected increases or inefficiencies. Smart meters and energy monitoring software can help identify trends and allow corrective action before costs escalate.

## CONSIDER CAPITAL INVESTMENT

Investment in energy efficient equipment, solar panels, or improved building infrastructure may provide longer term cost stability. While upfront expenditure may be required, the return on investment can often be achieved within a reasonable period where usage levels are high.

## REVIEW PRICING STRATEGY

Where energy represents a significant cost input, businesses may need to consider modest pricing adjustments or surcharges to protect margins. Early communication with customers can help maintain trust and manage expectations.



## PLAN AHEAD

Cash flow forecasts should allow for potential cost increases so that funding requirements can be identified early. Businesses that plan ahead are generally better placed to respond quickly to changing market conditions.

If you would like help reviewing the potential impact of rising fuel or utility costs on your business, please contact us.

## WE CAN HELP

For further assistance on any issues raised in this article, contact us on **01753 888 211**, or email [info@nhllp.com](mailto:info@nhllp.com). We are here to help.