



Review of Firmus Energy (Supply) Ltd Price Control Scope

November 2017

Our Ref: PD20010 5754

1 Introduction

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (NI) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland (NI).
- 1.2 The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research, and educating and informing consumers.
- 1.3 The Consumer Council welcomes the opportunity to respond to the Regulator's consultation on the Review of Firmus Energy (Supply) Ltd Price Control Scope.

2 Consultation Question

Q1. Do respondents agree that the price control for firmus in the Ten Towns area should no longer apply to I&C customers using more than 2,500 therms (73,200kWh) per annum?

- 2.1 The Consumer Council acknowledges that the Regulator's proposal to de-regulate Firmus' price control for End User Category 2 (EUC2) customers is consistent with the treatment of Power NI and SSE Airtricity when market shares of the segment fell below 50 per cent.

The Regulator has also outlined that this does not necessarily mean the same policy will always be applied for future market scenarios.

2.2 The Consumer Council gives consideration to proposals to de-regulate market segments on the basis of any consumer benefit or detriment that is likely to follow the decision. This was demonstrated in our position to the Regulator that the decision to remove the EUC2 segment of Power NI's price control was premature.

2.3 The EUC2 market segment is small with only 935 customers, served by four natural gas suppliers. The Regulator has detailed how market share between these suppliers is apportioned as follows;

Supplier	Market shares by connection numbers	Market shares by consumption
Firmus	38.8%	35.0%
Flogas	26.3%	25.6%
Go Power	21.0%	22.4%
SSE Airtricity	14.4%	17.0%

2.4 The Regulator has also demonstrated in its consultation paper how Firmus' market share has more than halved since Q1 2016 in this segment. Based on the size of the EUC2 market and the information provided by the Regulator, we agree that it is appropriate to reduce

the scope of the price control to exclude EUC2 customers within the Ten Towns area.

- 2.5 If you would like further information or to discuss any issues in this paper, please contact Mark Crawford on 028 9025 1640 or mark.crawford@consumercouncil.org.uk.



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