



**The Utility Regulator's Social Action Plan
2009-2014**

Consultation

2 January 2009

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List of Acronyms

BGTP	Belfast Gas Transmission Pipeline
CAG	Common Arrangements for Gas
CLG	Company limited by guarantee
DEFRA	Department for Environment, Food and Rural Affairs
DETI	Department of Enterprise, Trade and Investment
DSD	Department for Social Development
EEL	Energy Efficiency Levy
NIE	Northern Ireland Electricity
NIEH	Northern Ireland Energy Holdings
SAP	Social Action Plan
SEM	Single Electricity Market
SNIP	Scotland to Northern Ireland Pipeline

1 EXECUTIVE SUMMARY

- 1.1 On 1 April 2007 the Northern Ireland Authority for Utility Regulation (the Utility Regulator) became the first UK organisation to take responsibility for the regulation of water, gas and electricity. This cross-cutting remit represents a unique opportunity for a single organisation to bring forward a co-ordinated strategy for the protection of vulnerable utility customers in the provision of these essential services.
- 1.2 In this consultation, we begin by discussing the concepts of fuel poverty and water poverty in order to establish what we mean by vulnerable utility customers. We also examine these concepts in the Northern Ireland context. We find that Northern Ireland does not compare favourably with the rest of the UK in terms of fuel poverty rates (and water poverty rates if/when water charging takes effect). It should be noted that throughout the paper the Utility Regulator has, where appropriate, attempted to take a cross-utility approach.
- 1.3 The most recent estimates of fuel poverty in Northern Ireland are from 2006, when the rate was reported as 34% (compared to 12%, 23% and 21% in England, Scotland and Wales respectively). There is a commonly held view that the rate is now likely to be in excess of 40%, given the increase in energy prices experienced since 2006.
- 1.4 A decision on the introduction of domestic water charges in Northern Ireland is yet to be taken by the Northern Ireland Executive. The recent research carried out by the Independent Water Review Panel for its Strand 2 Report indicated that the water poverty rates in Northern Ireland upon the introduction of these charges would be in the region of 14-15%. The research also indicated that the implementation of the proposed affordability tariff would reduce this figure to around 10%. This compares to a water poverty rate of 7.9% in England and Wales (in 2004/05).
- 1.5 Our Social Action Plan (SAP) has two main strands. The first strand focuses on the provision of special services for utility customers who may need additional assistance for example, pensioners, the chronically sick and/ or disabled customers. Conditions set out in energy suppliers' licences oblige them to provide special services for such customers. And all utility suppliers also publish codes of practice, stating how they can and will help customers with special needs.
- 1.6 The Utility Regulator monitors activity and ensures the utility suppliers comply with their licences and codes of practice in this regard. Overall we find that there is a reasonable provision of special services, with all the utility suppliers offering a wide range of methods to help potentially

vulnerable customers. One area that may require further investigation however is the provision of information in alternative languages.

- 1.7 The second strand of the SAP focuses on financial vulnerability. We detail how the Utility Regulator has and will continue to contribute to the work on reducing financial vulnerability, for example: by regulating utility suppliers to ensure only efficient costs are passed through to customers; by promoting competition in energy markets; and by encouraging more efficient use of energy and water.
- 1.8 We also review how utility suppliers manage customers in debt and find that there are differences in the debt management policies followed by each supplier. We will consider the merits of working towards a harmonised approach to helping customers to avoid debt and helping customers who are in debt to manage their way out of it.
- 1.9 We consider some other key issues in this consultation. These are:
 - the importance of a holistic and co-ordinated response in tackling fuel poverty and water poverty;
 - the importance of targeting help at those that need it most;
 - that public awareness of services and schemes available to help is generally low; and
 - the Utility Regulator can only take forward activities/ actions that are consistent with our statutory duties and our statutory functions.
- 1.10 A forward work plan is proposed under the themes of:
 - reducing financial vulnerability;
 - providing special services for those that need it;
 - improving energy efficiency and water efficiency;
 - working with others; and
 - raising awareness of how and where help is available for vulnerable customers.

SUMMARY OF CONSULTATION QUESTIONS

Chapter 2: Background

Question 1

Respondents are asked to comment on the impact of this paper with regard to equality of opportunity and good relations.

Chapter 3: Defining the Problem

Question 2

Respondents are asked their views as to whether we have considered all the characteristics that may contribute to or intensify vulnerability.

Chapter 4: Protecting Vulnerable Customers: Part 1 – Special Services

Question 3

Respondents are asked to what extent they believe critical care provision could be improved. In particular respondents are asked to what extent similar emergency provisions in the event of a disruption to supply are required for gas. In responding, it would be useful if specific improvements could be detailed and in particular details of medical conditions or life saving medical equipment that require a constant supply of gas could be given.

Chapter 5: Protecting Vulnerable Customers: Part 2 – Financial Vulnerability

Question 4

Respondents are asked to comment on whether they believe all customers have sufficient access to different payment methods offered by the utility suppliers. Respondents should list the barriers they perceive as preventing some vulnerable customers from accessing all payment methods.

Question 5

Respondents are asked to consider what measures, if any, need to be taken to ensure that pre-payment customers benefit equally from the introduction of retail competition in Northern Ireland.

Question 6

Respondents are asked to comment on the merits of a harmonized approach in relation to helping vulnerable customers to avoid debt and to manage their way out of debt.

Question 7

The Utility Regulator acknowledges the concerns of stakeholders around self-disconnections. Respondents are asked to comment on what should be done to prevent vulnerable customers self-disconnecting for reasons of financial hardship.

Chapter 6: Key Issues Going Forward

Question 8

Respondents are asked to comment on what measures should be undertaken to raise awareness, and which organisation(s) should take the lead on these measures.

Question 9

Respondents are asked to comment on whether there are any other key issues that should be considered.

Chapter 7: Forward Work Plan

Question 10

Respondents are asked to comment on this future work plan.

2 BACKGROUND TO THE SOCIAL ACTION PLAN

INTRODUCTION

- 2.1 On 1 April 2007 the Utility Regulator became the first UK organisation to take responsibility for the regulation of water, gas and electricity. This cross-cutting remit represents a unique opportunity for a single organisation to bring forward a co-ordinated strategy for the protection of vulnerable utility customers in the provision of these essential services.
- 2.2 The Utility Regulator's previous Social Action Plan (SAP) was published in August 2003¹. Since the publication of this document there have been a number of important developments including the addition of regulatory responsibility for Northern Ireland's water industry. The Utility Regulator has a statutory duty to protect utility customers and must also have due regard for vulnerable customers. Although we are not limited in relation to the groups of vulnerable customers to which we must have regard, our statutory duties define in particular those who are:
- disabled or chronically sick;
 - of pensionable age;
 - on low income; or
 - living in rural areas.
- 2.3 Detailed information on our statutory duties in relation to water, gas and electricity are set out in Appendix 1, 2 and 3.
- 2.4 The reason that the Utility Regulator has been given a statutory duty to have regard for vulnerable utility customers is: (1) the provision of water is essential for life; and (2) the provision of heat and light is essential for quality of life. There is evidence to show that in Northern Ireland households experience difficulties in paying for these essential services.
- 2.5 The purpose of this document is to set out how the Utility Regulator interprets its duty to have due regard to the interests of vulnerable customers, and to examine what progress has been made to date. A work plan is proposed, and responses sought from stakeholders on this work plan.
- 2.6 The structure of the document is as follows:
- in Chapter 3 we define the problem this SAP is seeking to address in greater detail;
 - in Chapter 4 we look at the work done to date to help vulnerable utility customers by way of special services;

- in Chapter 5 we look at the work done to date to help alleviate financial vulnerability;
- in Chapter 6 we set out some key issues that need to be considered going forward; and
- in Chapter 7 we set out our forward work plan in relation to SAP activities.

It is expected that that following this consultation the Utility Regulator will finalise and publish a definitive action plan in the first quarter of 2009. The action plan will cover a five year period and progress will be reviewed after three years.

2.7 A timetable for future action is as follows:

- responses to this consultation are to be received by **21 March 2009**; and
- the Utility Regulator will consider the responses and develop the final Social Action Plan.

2.8 The Utility Regulator wishes to conduct this consultation in as open a way as possible and to consider the views of all interested parties. If you wish to express a view on these initial proposals or any related matter, we would welcome your response. Responses should be addressed to:

Alison Farr
 Social & Environmental Branch
 Queens House
 14 Queen Street
 BELFAST
 BT1 6ER
 Tel: 028 9031 6353
 E-mail: alison.farr@niaur.gov.uk

2.9 Individual respondents may ask for their responses, in whole or in part, not to be published, or that their identity should be withheld from public disclosure. Where either of these is the case, we will ask respondents to also supply us with the redacted version of the response that can be published.

2.10 As a public body and non-ministerial Government department, we are bound by the Freedom of Information Act (FOIA) which came into full force and effect on 1 January 2005. According to the remit of the Freedom of Information Act, it is possible that certain recorded information contained in consultation responses can be put into the public domain. Hence, it is now possible that all responses made to consultations will be discoverable under FOIA – even if respondents ask the Utility Regulator to treat responses as confidential. It is therefore important that respondents note these developments and in particular, when marking responses as

confidential or asking the Utility Regulator to treat responses as confidential, should specify why they consider the information in question to be confidential.

- 2.11 If you have any queries concerning the issues raised in this document, please contact Alison Farr.

SECTION 75 OF THE NORTHERN IRELAND ACT 1998

- 2.12 As a public authority, the Utility Regulator has a number of obligations arising from Section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:
- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
 - men and women generally;
 - persons with disability and persons without; and
 - persons with dependants and persons without.
- 2.13 The Utility Regulator must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups.
- 2.14 In the development of all its policies the Utility Regulator also has a statutory duty to have due regard to the needs of vulnerable customers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and individuals residing in rural areas. Some of the above equality categories will therefore be covered by these vulnerable groupings.
- 2.15 The purpose of the SAP is to improve equality of opportunity for disadvantaged groups in accessing utility services in Northern Ireland and it is intended that its implementation should have a positive impact for all groups within the population.
- 2.16 Initial screening has been carried out on this draft paper to identify any equality impacts. As the plan is targeted at specific groups to improve equality of opportunity, only positive impacts were found and therefore it has been decided that this document should not be subjected to an Equality Impact Assessment. The decision not to carry out an Equality Impact Assessment will be reassessed following the analysis of the consultation responses.

Question 1

Respondents are asked to comment on the impact of this paper with regard to equality of opportunity and good relations.

3 DEFINING THE PROBLEM

INTRODUCTION

- 3.1 The primary focus of this paper is on protecting vulnerable utility customers. In this chapter we begin by discussing the concepts of fuel poverty and water poverty, in order to establish what we mean by vulnerable utility customers. We also examine these concepts in the Northern Ireland context.

WHAT IS FUEL POVERTY?

- 3.2 The most commonly used definition of fuel poverty is where a household has to spend more than 10% of its net income on household fuel in order to maintain an acceptable level of temperature throughout the home. It is however widely recognised that this definition is imperfect and if rigidly applied can be misleading.
- 3.3 For example under this definition we find that: (1) a homeless person is not living in fuel poverty; and/ or (2) a wealthy or high income household living in a large (and therefore costly to heat) home may be fuel poor, even though such households would not be considered at risk.
- 3.4 This definition also fails to differentiate between those who are only marginally fuel poor and those that are really struggling. A further failing is the fact that no consideration is given to the impact on the wellbeing of those living in households deemed to be fuel poor.
- 3.5 In light of these limitations, there is renewed interest and debate among relevant stakeholders on how to identify and target those most in need.

WHAT IS WATER POVERTY?

- 3.6 Water is considered to be unaffordable when households have to spend more than 3% of their total net household income on water charges – the term “water poverty” is used to describe this situation. In GB water affordability is one of the sustainability indicators used by the Department for Environment, Food and Rural Affairs (DEFRA).
- 3.7 In considering the issue of water charging in Northern Ireland, the Independent Water Review Panel acknowledged the somewhat arbitrary cut-off point of 3% of household income. In their Strand Two Report the Panel considered the impact of a 2% and 1% cut-off point. At 2% there was no significant increase in the prevalence of water poverty in Northern

Ireland, but at 1% there was. The Panel concluded therefore that in the Northern Ireland context, 3% is also an appropriate cut-off definition for water poverty. The Panel also stated that no low income household should have to spend more than 3% of income on water charges.

- 3.8 This definition of water poverty suffers from the same limitations as the widely used fuel poverty definition. That is, it takes no account of the impact that paying more than 3% of household income on water has on the quality of life enjoyed by such households.

AN ALTERNATIVE WAY TO LOOK AT THE PROBLEM

- 3.9 When it comes to dealing with fuel poverty and water poverty, the Utility Regulator considers the key issue to be whether or not utility customers' health and quality of life are compromised as a result of inability to adequately access services provided by utility suppliers.
- 3.10 We are not limited in relation to the groups of vulnerable customers to which we must have regard, but our statutory duties define in particular those who are:
- disabled or chronically sick;
 - of pensionable age;
 - on low income; or
 - living in rural areas.
- 3.11 For completeness, and in addition to those identified in our statutory duties, the Utility Regulator will assume that a customer may be vulnerable if for reasons of age, health, disability, ethnic background or severe financial insecurity they are unable to safeguard their personal welfare or the personal welfare of other members of their household.
- 3.12 Therefore, in the context of this paper, we define a vulnerable utility customer as a household with one or more of the characteristics set out in Table 1 overleaf. These characteristics on their own can make a customer vulnerable e.g. low income, poor health, disability, limited or no understanding of English. We also identify vulnerability "intensifiers" which do not in themselves make utility customers vulnerable but when combined with the previous characteristics, multiply vulnerability. Examples include having children or elderly inhabitants in a household, or households in rural locations.

Table 1
Characteristics of a Vulnerable Utility Customer

Characteristic	Why this may contribute to vulnerability
Poor Health – household includes a chronically sick individual.	<ul style="list-style-type: none"> ▪ Likely to have a greater demand for heat and water, given greater time spent at home. ▪ More susceptible to further health problems associated with lack of heat and/ or water.
Disability – household includes an individual with a disability.	<ul style="list-style-type: none"> ▪ Likely to have a greater demand for heat and water, given greater time spent at home. ▪ May be more susceptible to further health problems associated with lack of heat and/ or water. ▪ May require assistance to read meters, understand literature from utility supplier etc.
Ethnic Background – household does not include an adult with a sufficient grasp of English.	<ul style="list-style-type: none"> ▪ May require assistance to read meters, understand literature from utility supplier etc.
Financial Insecurity – household on a low income.	<ul style="list-style-type: none"> ▪ Likely to have difficulty paying utility bills.
Intensifier	Why this may increase vulnerability, if combined with the characteristics above
Age – household includes an elderly person and/ or a child under the age of 16.	<ul style="list-style-type: none"> ▪ Likely to have a greater demand for heat and water, given that they typically spend more time at home than those of working age. ▪ More susceptible to health problems associated with lack of heat and/ or water.
Rurality – household is situated in a rural location.	<ul style="list-style-type: none"> ▪ Likely to have a greater demand for heat given: (1) the absence of “heat islands” that surround urban areas; and (2) the poor energy efficiency of many older rural dwellings. ▪ May have difficulty accessing full range of utility services e.g. gas may not be available. ▪ May be more vulnerable to disruption of service.

Source: The Utility Regulator

3.13 The Utility Regulator does however acknowledge the difficulty in identifying households most at risk in this regard, and we will continue to contribute to the ongoing debate on how to address this.

Question 2

Respondents are asked their views as to whether we have considered all the characteristics that may contribute to or intensify vulnerability.

THE NORTHERN IRELAND CONTEXT

- 3.14 Fuel poverty is higher in Northern Ireland than any other region of the UK. Table 2 and Table 3 below clearly illustrate this point.

Table 2
Fuel Poverty in the UK

Region	Percentage living in fuel poverty
England	12%
Scotland	23%
Wales	21%
Northern Ireland	34%

Source: Home Energy Conservation Authority (HECA) Report 2007

Table 3
Household Energy Costs in the UK, 2006

Region	Average annual fuel bill, £	Annual fuel bill as % of disposable income
UK average	826.30	3.0%
North East	750.60	3.5%
North West	814.30	3.5%
Yorkshire and the Humber	810.30	3.3%
East Midlands	775.80	3.0%
West Midlands	827.50	3.3%
East	847.90	3.1%
London	751.70	2.2%
South East	830.10	2.6%
South West	803.50	3.0%
England	805.00	2.9%
Wales	868.20	3.7%
Scotland	895.80	3.4%
Northern Ireland	1,211.10	4.9%

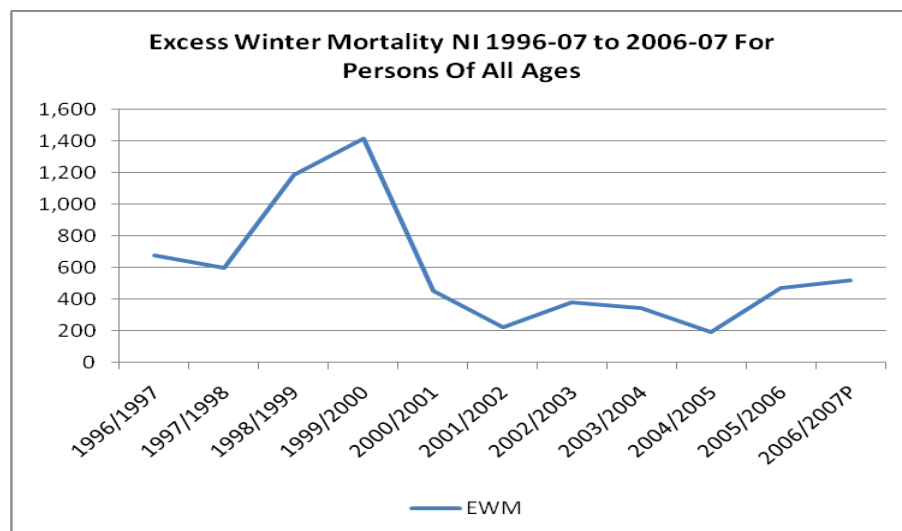
Source: Information provided by Energy Minister, Malcolm Wickes MP, in response to a Parliamentary question asked by Jo Swinson MP, on 13 May 2008.

- 3.15 There are several reasons that Northern Ireland experiences more fuel poverty than the rest of the UK. These are:
- Climate – the Northern Ireland climate is typically colder than that of England and Wales, leading to a greater heating requirement. For example, according to the Met Office the mean annual temperature at low altitudes in Northern Ireland varies between 8.5 and 9.5 degrees Celsius. This compares to a mean of between 8.5 and 11 degrees Celsius in England, and 9.5 and 10.5 degrees Celsius in Wales.
 - A more dispersed population – a large proportion of the population live in rural areas outside of the “heat islands” that surround urban areas which reduce individual heating requirements.
 - Higher gas costs – being right at the end of the transmission network automatically means Northern Ireland pays the additional cost of transportation from GB. Furthermore the gas industry is still in its infancy with comparably low penetration rates. Recovering the cost of developing the gas network from this smaller customer base means that average unit costs are higher compared to other parts of the UK.
 - Greater reliance on oil for home heating – this leaves households vulnerable to oil price rises.
 - Lower incomes – average household income is generally lower in Northern Ireland compared to the UK (see Appendix 4).
- 3.16 Whilst the statistics in Table 2 and Table 3 above illustrate the extent of the problem in Northern Ireland it should be noted that these statistics are based on data from 2006, before the most recent series of price increases. Therefore they most likely underestimate the extent of the problem, and make targeting assistance at the right households (i.e. those most at risk) all the more important.
- 3.17 In the context of water, the Independent Water Review Panel Strand One report observed that without an affordability tariff, some 14.4% of Northern Ireland households would experience water poverty under the charging proposals at that time. The affordability tariff would reduce this figure to 10.5%. By comparison, the percentage of households in England and Wales spending more than 3% of their income on water and sewerage was 7.9% for the year 2004/05.

IMPACT OF FUEL POVERTY AND WATER POVERTY

- 3.18 Health professionals readily accept that individuals who have difficulty in obtaining an adequate level of comfort in their home are more likely to suffer from physical and mental health problems. The Northern Ireland Fuel Poverty Strategy defines a healthy home as one with a clean water supply and appropriate sewerage system, which is properly ventilated and adequately heated. Children in particular are less likely to suffer from asthma if they do not have to live in a cold damp home. The symptoms of those suffering from rheumatism or arthritis are likely to be made worse by the cold and the cold also places a strain on the circulatory system, which can be fatal for people with cardiovascular complaints.
- 3.19 Figure 1 below shows excess winter mortality in Northern Ireland from 1996. Excess winter deaths are defined by the office for National Statistics as the difference between the number of deaths in the four winter months (December to March) and the average number of deaths during the preceding autumn (August to November) and the following summer (April to July). According to a recent paper by the Institute of Public Health in Irelandⁱⁱ, the majority of excess deaths occurring in the winter months are among older people and are attributed to cardiovascular and respiratory disease.

Figure 1
Excess Winter Mortality



Notes:

1. P = Provisional Data.

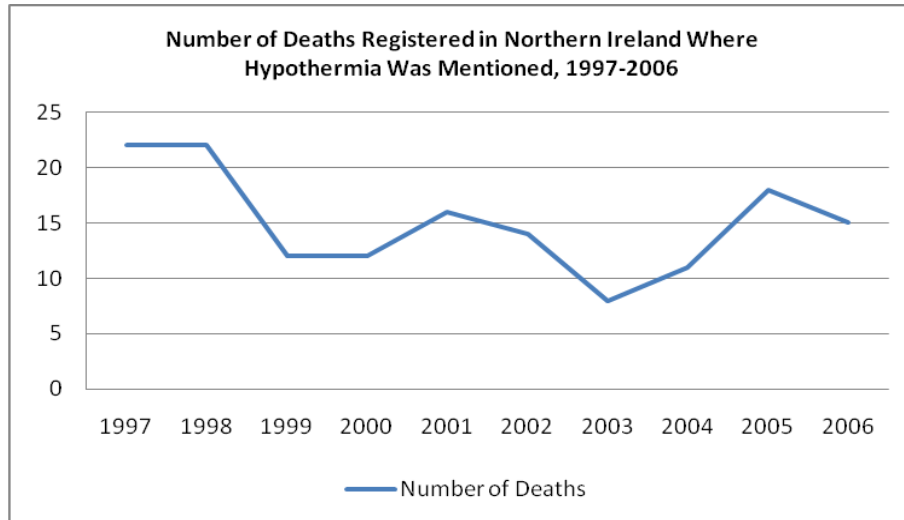
2. All data in this table is based on the date of registration – rounded to the nearest 10

Source: NISRA

- 3.20 In recent years there have been no deaths in Northern Ireland where hypothermia is reported as the principal cause of death. However Figure

2 below shows the number of deaths where hypothermia is a secondary or contributory factor.

Figure 2
Number of Hypothermia Related Deaths



Source: NISRA

- 3.21 Although the diagrams suggest a modest downward trend, clearly there is still more to be done to reduce the additional death rates during the winter to zero and to eradicate hypothermia as a secondary cause of death altogether.

4 PROTECTING VULNERABLE CUSTOMERS: PART 1 – SPECIAL SERVICES

INTRODUCTION

- 4.1 At the start of this process the Utility Regulator reviewed the current licences and in Chapter 4 and Chapter 5 we set out the activities/ actions that have been undertaken, either under the licence or under a code of practice to assist and/ or protect vulnerable customers. The focus is primarily on energy matters, given the deferral of water charges.
- 4.2 In this chapter we consider the provision of special services. The Utility Regulator has and will continue to encourage the development of social initiatives and the promotion of special services for vulnerable customers. In addition, we also seek to raise awareness of how utility suppliers meet their social obligations, and inform customers of the services available to assist them.
- 4.3 In Chapter 5, we consider the issue of financial vulnerability.

PROVIDING SPECIAL SERVICES

- 4.4 Currently all of the utility providers make provision for those who may need special consideration in relation to communication and access to special services. In addition to general legal requirements, special provisions in relation to gas, electricity and water supplies are overseen by the Utility Regulator and are covered by a number of documents including licence conditions and codes of practice. Examples include: critical care registers; procedures for ensuring vulnerable customers can access information in relation to billing and services; and procedures for dealing with vulnerable customers in their own home.

Current Provision

- 4.5 The standard gas and electricity licences contain the following special provisions for those who are pensioners, chronically sick or disabled.

Table 4
Special Provisions Required in the Licences

Gas
<p>The standard gas licences require the following:</p> <ul style="list-style-type: none">▪ Provide free safety checks of gas appliances.▪ Provide, where practicable, special controls and adapters for pre-payment meters or gas appliances.▪ Reposition meters to meet customer needs.▪ Provide special means of confirming the identity of officers authorised by the licensee.▪ Provide advice on the use of gas.▪ Offer special invoicing, billing and information services for those who are blind or partially sighted, deaf or with partial hearing, to include a provision for invoices to be sent to a nominated person.▪ Not disconnect elderly, disabled or chronically ill customers during the winter months.▪ Keep a list of domestic customers who are pensioners, chronically sick or disabled, and who ask to be included in the list, and for the list to contain information which helps the licensee to identify special needs.
Electricity
<p>The electricity licences require the following:</p> <ul style="list-style-type: none">▪ Provide, where practicable, special adaptors for electrical appliances or pre-payment meters.▪ Reposition meters to meet customer needs.▪ Provide special means of confirming the identity of officers authorised by the licensee.▪ Give advice on the use of electricity.▪ Have in place a code of practice on billing and other information for those who are blind or partially sighted, deaf or have only partial hearing.▪ Make special provision in the event of a power failure for customers who are dependent on life supporting electrical equipment. These customers are identified by way of a critical care register, that NIE transmission and distribution are required to keep and maintain.

Source: The Utility Regulator

- 4.6 Each company offers a range of different measures to meet these licence requirements. Table 5 on the page overleaf sets out what exactly is offered by the various companies.

Table 5
Special Provisions Actually on Offer by Energy Suppliers

NIE and NIE Energy	Phoenix Natural Gas	firmus energy
<ul style="list-style-type: none"> ▪ Register of vulnerable customers ▪ Password Scheme ▪ Services for customers who are hard of hearing or deaf ▪ Carers Contact Service ▪ Braille Bill ▪ Talking Bill ▪ Large Print bill ▪ Special Advice service ▪ Customers who require an electricity supply for life saving medical equipment are given priority during a storm or event which impacts on the network ▪ Information is available on the website in 12 other languages ▪ Policy of no domestic disconnections regardless of time of year 	<ul style="list-style-type: none"> ▪ Register of vulnerable customers ▪ Password Scheme ▪ Special controls and adaptors for customers who have dexterity problems ▪ Talking bill service ▪ Quarterly reading of meters (instead of just annually) ▪ Nominee scheme ▪ Free gas safety check for qualifying customers ▪ Moving gas meters ▪ Special Advice service ▪ Customers registered as elderly, disabled or chronically ill cannot be disconnected for non payment of bills during the winter months 	<ul style="list-style-type: none"> ▪ Register of vulnerable customers ▪ Password Scheme ▪ Special controls and adaptors for customers who have dexterity problems ▪ Talking bill service ▪ Nominee scheme ▪ Free gas boiler service for qualifying customers ▪ Moving gas meters ▪ Energy efficiency advice service ▪ Customers registered as elderly, disabled or chronically ill cannot be disconnected for non payment of bills during the winter months

Source: Information sourced from each company's website and various marketing materials issued by the companies.

- 4.7 NI Water is required through its licence to develop and publish eight codes of practice. These are:
- Sewerage Services for Domestic Customers;
 - Water Supply Services for Domestic Customers;
 - Guidance on Dealing with Leakage;
 - Complaints Procedure;
 - Priority Services for Domestic Customers;
 - Explanation of Water Metering;
 - Domestic Debt Management; and
 - Explanation of Water and Sewerage Bills.
- 4.8 The first five codes of practice have been developed, approved by the Utility Regulator, and published by NI Water. The latter three have been postponed until the introduction of charging.
- 4.9 Special provisions offered by NI Water are contained (or will be contained) within these codes of practice. NI Water currently offer a range of extra services for customers with disabilities, who are elderly, who have a serious medical condition or who need extra help for any other reason. These are set out in the table below.

Table 6
Special Provisions Offered by NI Water

NI Water
<ul style="list-style-type: none"> ▪ If domestic charging takes effect, NI Water will offer special invoicing, billing and information services for those who are blind or partially sighted, deaf or with partial hearing, to include a provision for invoices to be sent to a nominated person. ▪ NI Water has a policy of no domestic disconnections. ▪ NI Water keeps a list of domestic customers who are pensioners, chronically sick or disabled, and who ask to be included in the list. The list contains information which helps NI Water identify special needs. ▪ For customers with a medical condition that may mean their health is put at risk in the event of a water supply disruption, NI Water will: (1) give notice if they need to disrupt supply; and (2) make special arrangements for an alternative supply of water e.g. bottled water or a small tank of water. ▪ In the event of flooding, customers with problems walking or with eyesight problems who may find it difficult to get out of their home safely will be given extra assistance provided they are on the priority services register. ▪ If charging takes affect and if customers have a meter in their home, NI Water will provide up to two extra meter readings each year, free of charge, for customers that have trouble reading their meters because of disability. ▪ NI Water provides special means of confirming the identity of officers authorised by NI Water.

Source: NI Water codes of practice

ISSUES TO CONSIDER

Critical Care

- 4.10 NIE operates a Critical Care Register for customers dependent on life saving medical equipment. In the event of a power outage, such customers are kept informed of the latest information and the expected time of supply restoration, and are given reconnection priority.
- 4.11 NI Water offers a similar service, giving priority warning to customers with medical conditions of planned disruptions and/ or making arrangements for an alternative supply.
- 4.12 It is clear then that both NI Water and NIE offer special priority reconnection and alternative supply services in the event of disruptions for persons with specific medical needs. There is currently no such emergency critical care policies offered by the gas suppliers, although it is not yet clear to what extent and for what type of critical medical condition such a service may be necessary.

Question 3

Respondents are asked to what extent they believe critical care provision could be improved. In particular respondents are asked to what extent similar emergency provisions in the event of a disruption to supply are required for gas. In responding, it would be useful if specific improvements could be detailed and in particular details of medical conditions or life saving medical equipment that require a constant supply of gas could be given.

Languages

- 4.13 In relation to the provision of information in other languages, NIE Energy is the only utility supplier to make this readily available, although Phoenix and firmus energy have stated they are open to the idea of providing a similar standard of service. The Utility Regulator plans to investigate an appropriate way forward in this regard.

5 PROTECTING VULNERABLE CUSTOMERS: PART 2 – FINANCIAL VULNERABILITY

INTRODUCTION

- 5.1 The overarching issues of poverty and social exclusion are now high up the political agenda in Northern Ireland. The Utility Regulator has and will continue to contribute to the work on reducing financial vulnerability, for example: by regulating licensees to ensure only efficient costs are passed through to customers; by promoting competition in energy markets; and by encouraging more efficient use of energy.

TACKLING FUEL POVERTY

- 5.2 Fuel poverty has three root causes: low income, poor energy efficiency and high energy prices. We consider what the Utility Regulator is doing to combat each of these in turn.

INCOME

- 5.3 Income is a major determinant affecting fuel poverty. The Utility Regulator has no power to affect the incomes of people living in Northern Ireland. However we can contribute to overall prosperity, by ensuring efficient utility services to both domestic and commercial customers.
- 5.4 In addition, there are ways that the utility suppliers can help vulnerable customers find out if they are making the best use of their benefit entitlements. For example, the NIE “For Your Benefit” programme pilot, which was established as part of the Transmission & Distribution price control to provide support for initiatives, has led to an increase in benefit uptake amongst low income customers. Between February and July 2007 1,849 vulnerable customers received a Benefit Entitlement check, of which 42% were identified as being eligible for additional benefits.
- 5.5 The Utility Regulator recognises however that raising income among utility customers is largely beyond its powers, and therefore should not feature to any significant extent in future action plans.

ENERGY EFFICIENCY

- 5.6 Improving energy efficiency can both reduce costs and help improve comfort in the home. Energy efficiency also has the external benefits to society of reducing our overall consumption of fossil fuels, which has environmental benefits as well as lessening security of supply concerns through lower demand for imports of fossil fuels to Northern Ireland. To date, improving energy efficiency has been the primary focus of fuel poverty strategy.
- 5.7 The Utility Regulator requires and encourages the utility providers to educate and inform their customers about energy efficiency. For example, all electricity and gas licences contain a provision whereby the licensee must make available guidance on the efficient use of electricity or gas as appropriate.
- 5.8 The Utility Regulator also directly affects energy efficiency improvements in homes throughout Northern Ireland by way of the Northern Ireland Energy Efficiency Levy.

The Northern Ireland Energy Efficiency Levy

Under the Energy Efficiency Levy (EEL), which currently has an annual budget of around £6 million (equating to an average of £7 per customer) licenced electricity suppliers may apply for funding to support schemes aimed at improving energy efficiency.

A feature of the EEL is that 80% of the scheme's funding must be used for energy efficiency measures that help "priority customers", meaning those most likely to be considered fuel poor.

Since the scheme was launched in 1997, suppliers have employed a total of around £35 million of EEL funding and have commissioned measures that will give rise to total lifetime energy savings of over 4,000 GWh, pollution savings of nearly one million tonnes of carbon and financial savings of over £250 million.

The Utility Regulator undertakes periodic review of the EEL and commissioned independent consultants to carry out such a review in mid 2008. The consultants reported in July 2008 and made a series of recommendations for change to the EELⁱⁱⁱ. The Utility Regulator subsequently consulted on these recommendations in the final quarter of 2008. Responses to this consultation are currently being considered, and a decision paper will be issued in early 2009.

ENERGY PRICES

- 5.9 The third contributory factor to fuel poverty is high energy prices. The Utility Regulator has a number of tools that it can and/ or does employ to ensure only efficient costs are passed on to customers by the energy suppliers.

Market Redesign

- 5.10 A new wholesale market for electricity on the island of Ireland was launched by the Utility Regulator and its Irish equivalent, the Commission for Energy Regulation (CER), in November 2007. The new market, called the Single Electricity Market (SEM), combined the two separate wholesale electricity markets north and south of the border. The logic behind the move was that the combined market would be more efficient and cost effective than either of the two separate markets, and enhance competition at the wholesale level.
- 5.11 The Utility Regulator is now working with the CER on a proposal to harmonise gas cross-border transmission and trading arrangements (referred to as Common Arrangements for Gas, or CAG). The suggested benefits of CAG are primarily that by creating a larger trading environment for gas on the island of Ireland, this will encourage further investment in the industry, thereby increasing security of supply and competition.
- 5.12 Both the SEM and CAG, if it is realised, should ultimately deliver more competitive prices for customers.

Mutualisation

- 5.13 Another approach the Utility Regulator has used to curtail high energy prices is to reduce the long-term cost of financing energy infrastructure. In pursuit of this objective, the Utility Regulator has overseen the mutualisation of the Moyle Interconnector, the Scotland to Northern Ireland Pipeline (SNIP) and the Belfast Gas Transmission Pipeline (BGTP)¹.
- 5.14 Mutualisation can be appropriate for assets with particular characteristics. These include: high (sunk) capital costs; low operating costs; and low risk (since in effect through mutualisation the risk is transferred from shareholders to consumers).
- 5.15 Mutualisation involves the transfer of a private sector company (typically funded by a mix of debt and equity) to a not-for-dividend company limited by guarantee (CLG). Significant cost savings can be realised through such transfers, as CLGs typically have no shareholders and are 100% debt financed.

¹ All of these assets are owned and operated by Northern Ireland Energy Holdings (NIEH).

- 5.16 The net present benefits to the Northern Ireland consumer (by way of lower prices) of these transfers are estimated to be in the order of £19 million for the Moyle Interconnector, £42 million for the SNIP and £20 million for the BGTP. In other words by refinancing these energy assets, mutualisation has saved the Northern Ireland energy consumer in the region of £81 million.
- 5.17 We are currently in the process of formally reviewing the corporate governance arrangements at NIEH. We are also likely to consider the performance of these mutualised assets, benchmarked where possible, in order to fully understand the benefits of the mutual model. If we find it to be working well and delivering real benefits to customers, we may in partnership with DETI consider the potential for applying the mutual model to other utility infrastructure assets².

Encouraging Competition

- 5.18 A feature of Northern Ireland's energy market is that it is largely dominated by only a few or even just one supplier. During the course of 2007, the entire electricity market and the Greater Belfast gas market were fully liberalised, with all customers (in theory) able to choose their electricity and gas supplier.
- 5.19 However there is little evidence that retail competition is at present becoming established outside the market for supply to industrial electricity customers. In fact, there are still no active competitors to the incumbent domestic suppliers of electricity and gas, NIE Energy and Phoenix respectively.
- 5.20 As the Utility Regulator is actively seeking to encourage competition in these markets, a consultation paper on what can be done to encourage competition was published in April 2008. Work to facilitate competition remains high on our agenda.

Price Controls

- 5.21 For the moment, and in the absence of genuine competition, the Utility Regulator prevents suppliers exploiting their market dominance by way of price controls. These controls ensure that only efficient prices are passed on to customers.
- 5.22 In electricity for example, in 2007/08 we set new price controls for NIE Energy and NIE (i.e. supply, power procurement and system operation), saving consumers around £5 million per year.
- 5.23 In gas, in 2007/08 we finalized a new price control for Phoenix's distribution network, resulting in an overall reduction in the costs of the network of around £6 million per year. We also largely completed the first

² Note that DETI is also in the process of considering the impact of the mutualised model and the potential for future mutualisation of energy assets.

Phoenix supply price control. This gives us for the first time direct control of the price charged to Phoenix customers. We also completed a price control on firmus energy.

Social Tariffs

- 5.24 There has been some debate over the definition of a social tariff. In GB, for the purpose of supplier’s commitments, Ofgem will accept a social tariff as being at least as good as the lowest tariff offered to customers in an area. However for the purposes of encouraging debate in Northern Ireland, a social tariff may be seen as one where vulnerable utility customers are given priority access to a lower tariff than may otherwise have been available to them, given all other circumstances. There are currently no social tariffs offered by any of the utility providers in Northern Ireland.
- 5.25 The Utility Regulator is however considering the recommendation by the fuel poverty Taskforce (see paragraph 5.31 below) set up by the Minister for Social Development, Margaret Ritchie, to test the feasibility of introducing social tariffs. We have begun work on the initial stages of high-level design and scoping, and will be issuing a consultation in this regard in early 2009.
- 5.26 Comments by key stakeholders will be included in the social tariffs scoping consultation, including the suggestion that social tariffs could potentially be facilitated by a “rising block” element³. However we also note the concern expressed in a responses to our consultation on sustainability^{iv} that rising block tariffs could adversely affect those vulnerable customers who have no choice but to consume high volumes of energy (for example the sick or those with large families).
- 5.27 Key pre-requisites for this project are set out in the table below.

Table 7
Social Tariffs Project

Key pre-requisites
<ul style="list-style-type: none"> ▪ Policy responsibility must lie with Government. ▪ Eligibility must be tightly defined and easily administered. ▪ Project goals must be achieved in best value for money terms. ▪ There must be a common understanding of what a social tariff is, and/ or what a Vulnerable Energy Users Fund is. ▪ Any social tariff(s) must be competition neutral and not <i>unduly</i> discriminate between different classes of customer. ▪ Any social tariff(s) must minimise economic and environmental distortions.

Source: The Utility Regulator

³ “Rising block” refers to a system of tariffs where customers pay more per unit of energy above a given volume, and less per unit of energy at levels of consumption below this volume.

Growing the Gas Network

- 5.28 In the last ten years the Utility Regulator has overseen the development of the gas industry in Northern Ireland from a zero base. Although growth has been steady, around 70% of homes in Northern Ireland still use heating oil as the primary source of fuel. The Utility Regulator believes there would be significant benefits to households switching to gas.
- The gas industry is regulated, unlike the oil industry. Therefore the Utility Regulator can ensure only efficient prices are passed on to customers and that gas suppliers comply with their licence obligations to provide special services.
 - Gas-fired central heating systems bring wider benefits to society in terms of lower carbon emissions compared to oil-fired systems, and less fuel delivery vehicles on the roads.
 - With every new connection to the gas network, the recovery cost of the infrastructure is spread over a greater customer base. Thus new connections generate greater economies of scale, leading to lower unit costs for all customers.
- 5.29 For these reasons, the Utility Regulator is working with the Department of Enterprise, Trade and Investment (DETI) on options to accelerate gas roll-out.

WORKING WITH OTHERS

- 5.30 Many policy levers to deal with fuel poverty (and water poverty) sit as much in the wider tax and social security systems. Accordingly the Utility Regulator is not the only organisation working to tackle these issues.
- 5.31 For example, in response to the recent price increases in relation to energy the Minister for Social Development set up the NI Fuel Poverty Advisory Taskforce (the Taskforce). The Taskforce had four subgroups each reporting on:
- Social Responsibility;
 - Winter Fuel Payment;
 - Best Use of Public Money; and
 - Targeting the Right Households.
- 5.32 The Taskforce delivered its report to the Minister in July 2008. At the time of writing this consultation, the report was awaiting consideration by the Executive. The implications of any decisions in this regard need to be considered by us in due course.
- 5.33 The Utility Regulator works closely with other organisations which also have a focus on consumers. We are represented on the NI Fuel Poverty

- Advisory Group and the Inter-Departmental Group on Fuel Poverty. We also work regularly with the Consumer Council, the Energy Saving Trust, National Energy Action and the NI Energy Agency, among others. We expect to build on these positive working relationships going forward. We also intend to build on our relationship with academic experts who can offer insight and access to research, not only on social issues but on many other issues that affect utility customers.
- 5.34 In addition the Utility Regulator works with regulators in other jurisdictions to bring, where appropriate, beneficial ideas to Northern Ireland. As part of this we will continue to build on our relationships with CER in the Republic of Ireland (RoI) and Ofgem in the rest of the UK. Where appropriate we will also consider potentially beneficial ideas from other parts of the world.

HELPING CUSTOMERS IN DEBT

Payment Methods

- 5.35 In terms of helping customers to avoid debt it is important to ensure that customers are offered a wide variety of payment methods. In Northern Ireland, electricity and gas customers are offered a variety of payment options including: payment by direct debit; payment by credit in arrears; and pre-payment. Full details of all payment methods are available in Appendix 5.
- 5.36 The Utility Regulator has also discussed with the energy companies the benefits of “smart” metering. Although smart metering may not necessarily focus on vulnerable customers, it has the potential to help all customers by giving better information. As set out in our forward work plan we plan to complete a cost benefit analysis to determine smart metering implementation policy. This will largely utilise studies being currently carried out in GB and the RoI. Consideration will also be given to any distinctive Northern Ireland circumstances including the considerable investment in key-pad meters in Northern Ireland.

Question 4

Respondents are asked to comment on whether they believe all customers have sufficient access to different payment methods offered by the utility suppliers. Respondents should list the barriers they perceive as preventing some vulnerable customers from accessing all payment methods.

- 5.37 In terms of avoiding debt, the energy suppliers feel the pre-payment option is an ideal way of helping customers. Benefits cited include:

- Help with budgeting. Customers using pre-payment meters consume on a pay-as-you-go (PAYG) basis, which helps many customers manage their budgets.
 - Encouraging energy efficiency. Customers can easily see how quickly their credit diminishes depending on their energy usage, thereby potentially encouraging more energy efficient behaviour.
 - No premium for pre-payment. Unlike pre-payment in GB, in Northern Ireland customers paying for electricity and gas are not penalised with a more expensive tariff (see Appendix 5 for details).
- 5.38 The decision to offer pre-payment tariffs which are not charged at a premium was not mandated to Northern Ireland's utility providers, but was taken voluntarily by each of the companies. In the event of retail competition in the electricity and gas sectors, new entrants would be free to offer payment structures of their choice.
- 5.39 This is generally considered to be part of the normal cut and thrust of competition so that companies compete to attract customers by offering the best deal. Experience from GB market opening indicates that in the early days of competition pre-payment customers proved less attractive to new suppliers than other customers and thus were the last group to benefit from competition. However, the reasons for this are less relevant or perhaps not relevant at all in the Northern Ireland context:
- Firstly in the late 1990's pre-payment meters, particularly for electricity, were used predominantly by customers with a history of poor payment. In fact, almost all of these meters had been installed to recover debt. Suppliers expected these to be an expensive group to service, so they were a lower priority target than other more credit-worthy direct debit customers. This is not the case with keypad meters in Northern Ireland.
 - The second reason concerns the technology employed in GB versus that in Northern Ireland. In GB, pre-payment meters tend to be of previous generation technology, making them relatively more expensive to service compared to keypad meters used here.

Question 5

Respondents are asked to consider what measures, if any, need to be taken to ensure that pre-payment customers benefit equally from the introduction of retail competition in Northern Ireland.

Debt Recovery

- 5.40 Customers who get into debt are encouraged to contact their supplier to discuss the problem. In many instances credit customers may be offered the option of a pre-payment meter, which is considered a practical way to help customers pay down their debt and also prevent further debt building up.
- 5.41 In terms of recovering debt, NIE Energy, Phoenix and firmus energy all operate different policies. The Utility Regulator plans to investigate the potential for encouraging all of the energy companies to operate to an agreed best practice standard in that regard.

Question 6

Respondents are asked to comment on the merits of a harmonized approach in relation to helping vulnerable customers to avoid debt and to manage their way out of debt.

Self-Disconnection

- 5.42 Self-disconnection happens when a pre-payment meter customer runs out of money (and emergency credit) and is cut-off from their electricity or gas supply⁴.
- 5.43 Whilst the utility suppliers have a licence obligation not to disconnect vulnerable customers during the winter months, this policy only applies to credit customers. In theory, therefore, it is possible that households using pre-payment meters may be faced with self-disconnection if they cannot afford to top-up their credit.
- 5.44 Finding a workable solution to this potential problem is challenging. For starters, the utility suppliers cannot identify in real-time when a household has self-disconnected. Second, research by the Consumer Council in 2006^v indicates that most households that self-disconnect do so for reasons other than financial hardship and therefore are unlikely to require assistance. For example:
- Households may simply forget to top-up. In this circumstance self-disconnection may occur, but will usually be quickly corrected once the householder has a chance to top-up.
 - A self-disconnection may occur if the home is vacant for a period e.g. tenants go on holiday, a vacant rented student housing in non term-time months, a vacant holiday home.
- 5.45 The findings from the Consumer Council's research did identify a small but significant number of customers who are vulnerable to self-disconnection because of their financial circumstances. It is likely the number affected

⁴ Note that this will never become an issue in relation to water as self-disconnection will not be possible.

by this problem is higher today, given the increase in energy prices since the research was conducted.

Question 7

The Utility Regulator acknowledges the concerns of stakeholders around self-disconnections. Respondents are asked to comment on what should be done to prevent vulnerable customers self-disconnecting for reasons of financial hardship.

6 KEY ISSUES GOING FORWARD

INTRODUCTION

- 6.1 In an effort to understand the concerns and views regarding the protection of vulnerable utility customers from all perspectives, we met with many different stakeholders (see Appendix 6). During these consultations, a number of issues were brought to our attention, and similarly several ideas about what to do were put forward.
- 6.2 In this chapter we set out some of the key issues emerging from these meetings, along with some additional considerations on the way forward.

A HOLISTIC AND CO-ORDINATED APPROACH

- 6.3 Tackling issues such as fuel poverty requires a holistic and co-ordinated approach. Any new measures aimed at helping vulnerable utility customers (such as assistance with payment of utility bills) need to be consistent and complementary.
- 6.4 For example if direct cash payments are to be made available to help low income households with energy bills, it was felt by some stakeholders that this should be accompanied with advice and/ or additional assistance to encourage greater energy efficiency in their homes.
- 6.5 A further point made by some stakeholders is that there needs to be more “joined up” thinking. For example, the view was expressed that it might be beneficial if the aims and objectives of planning rules and building regulations were more aligned with that of those seeking to tackle the issues in this paper, since planning rules and building regulations relate to and can directly impact on energy efficiency, and the potential for renewable energy usage in households.

TARGET HELP AT THOSE THAT NEED IT

- 6.6 Perhaps the most important issue to come out of our meetings is that of targeting assistance at those most in need. With fuel poverty rates in Northern Ireland potentially over 40%, it is clear that the problem is unlikely to be eradicated in the short to medium term. Instead the focus should be on lessening the plight of those most at risk.
- 6.7 Identifying those most at risk is a challenge. One of the subgroups in the Minister for Social Development’s Taskforce was charged with examining this issue, and we will consider progress as it occurs. There are existing

proxies and other such methods that can be (and are currently being) used, but it is felt by many stakeholders that proxies for fuel poverty have drawbacks in that many can fail to give a perfect match to those most at need.

RAISING AWARENESS

- 6.8 As has been discussed in the previous chapters, the role played by the Utility Regulator to help vulnerable utility customers has centred on ensuring special services are available for those that need them, encouraging energy efficiency, and ensuring that only efficiently and properly incurred costs are reflected in prices.
- 6.9 We also acknowledge the importance of ensuring the public is aware of the various services and schemes available to help. To that end, the Utility Regulator, in conjunction with the Consumer Council, has conducted consumer research to assess directly from consumers their awareness of current initiatives and their impact and effectiveness⁵.
- 6.10 A full report detailing the findings is available on our website. The key findings however are set out below.
- Overall awareness and take-up of services available to all customers is low. Similarly awareness and take-up of services for customers with special needs is also low.
 - Fuel poverty is perceived to be a major problem in Northern Ireland, due to the rising cost of energy and household incomes failing to keep pace.
 - Measures to help reduce the burden of immediate fuel bills (e.g. social tariffs or direct cash payments to those in need) are preferred to other measures such as improving energy efficiency (although the benefit of improving energy efficiency is generally accepted).
 - The public believes the Government and energy suppliers should be responsible for providing help to those most in need.
- 6.11 The report will contain all the findings, but there are a few other interesting points of note. These are as follows.
- Households suffering financial hardship might be put off calling the help lines offered by the energy companies, since they are *perceived* to be premium rate numbers (i.e. numbers starting with 0845). Local or free phone numbers might therefore improve uptake of advice and assistance.

⁵ Note that the study did not include water. However the Consumer Council and NI Water are currently carrying out research into customer awareness of the services provided by NI Water. The results are expected sometime in 2009.

- Offering the greatest discount to those paying by direct debit is considered unfair. Instead the maximum discount should be available to everyone who settles in full and on time. The direct debit discount also penalises those who might not have a bank account, and/ or those living in rented accommodation given the preference for landlords to install pre-payment meters.
 - Some customers using NIE pre-payment meters are not aware that they are in receipt of a discount. In fact, some users actually think they are paying more⁶. Some users also thought pre-payment meters could only be installed if you got into arrears.
 - Direct cash payments are not thought to be the best method of helping those struggling with fuel bills. This is due to the potential for abuse (in terms of eligibility) and that commonly held belief that cash payments would not be used for the reason it was intended. Offering a social tariff to those in need is preferred.
- 6.12 Perhaps the key message emerging from this research is the poor general awareness of the public. Clearly there is scope to improve the promotion of services and schemes to help vulnerable customers.

Question 8

Respondents are asked to comment on what measures should be undertaken to raise awareness, and which organisation(s) should take the lead on these measures.

AN ACTION PLAN WITHIN OUR REMIT

- 6.13 A final guiding principle in the development of this paper is that the Utility Regulator can only take forward activities/ actions that are consistent with our statutory duties and our statutory functions.

Question 9

Respondents are asked to comment on whether there are any other key issues that should be considered.

⁶ Pre-payment customers in GB do pay more than those using other payment methods. As this issue has been discussed in the national press, this may partially explain why some local customers are misinformed.

7 FORWARD SOCIAL ACTION WORK PLAN

INTRODUCTION

- 7.1 Protection of vulnerable utility customers can be offered through activities and/ or schemes that:
- reduce financial vulnerability;
 - provide special services for those that need it;
 - improve energy efficiency and water efficiency;
 - improve co-ordination among stakeholders seeking to protect vulnerable customers; and
 - raise awareness of how and where help is available for vulnerable customers.
- 7.2 In recognition that our resources are finite, the Utility Regulator seeks to allocate resources to activities/ actions that will make the biggest difference and are consistent with our statutory duties and our statutory functions. Given these limitations, there are initiatives to protect vulnerable customers that we can pro-actively lead and others that we cannot. Where we cannot, we will be ready to respond constructively to others' initiatives.
- 7.3 In the section below we set out what we believe we can do to continue protecting vulnerable utility customers.

REDUCING FINANCIAL VULNERABILITY

- 7.4 Efforts to reduce financial vulnerability focus on keeping energy prices as low as possible.
- The Utility Regulator will continue to monitor the SEM. Work will also continue on the CAG project, in line with the published work plan.
 - The Utility Regulator will review the success of the mutualisation model, and decide if it is appropriate to consider applying this model to other utility assets in Northern Ireland.
 - The Utility Regulator will continue to encourage competition in the retail electricity and gas markets. The responses to the April 2008 consultation led to the following proposed actions:
 - clarifying our policy goals in terms of energy retail competition;
 - engaging with CER on retail market harmonization work streams;

- changing current supply price control arrangements;
- broadening market opportunities, such as expanding gas availability; and
- dealing with data transparency issue that might potentially slow competition.

Full details are available in our Forward Work Programme (April 2009 – March 2010).

- The Utility Regulator will continue to ensure only efficient utility prices are charged to consumers through applying effective price controls. Full details of our price control activities are available in our Forward Work Programme.
- The Utility Regulator is also reviewing the pre-payment meter limits set out in the gas supplier licences⁷. This work will include a cost-benefit analysis of raising or removing these limits, and the Utility Regulator will issue a public consultation when the review is complete. This is expected in early 2009.
- The Utility Regulator is currently developing a social tariffs scoping document for electricity. We will consult on this in early 2009.
- The Utility Regulator is considering options to accelerate the growth of the gas industry in Northern Ireland.
- The Utility Regulator will work with the utility suppliers to consider the merits of introducing a harmonized code of practice in relation to helping customers avoid debt and manage their way out of debt (based on current best practice).

PROVIDING SPECIAL SERVICES

- 7.5 The Utility Regulator will continue to monitor and ensure compliance with the relevant licence conditions for electricity and gas companies relating to the provision of special services. The Utility Regulator will also monitor NI Water to ensure suitable codes of practice are developed as and when appropriate, and that they are complied with.
- 7.6 The Utility Regulator will consider the appropriate provision of information in other languages that should be offered by utility suppliers.

⁷ It should be noted that the limits do not restrict the number of pre-payment meters the gas suppliers can install. Instead the limits restrict the number of pre-payment meters the suppliers can install and recover the cost of through their distribution businesses. Should a gas supplier wish to install a greater number of pre-payment meters than the limit, they are free to do so. However the cost of these additional meters could only be recovered through the supply business.

IMPROVING ENERGY EFFICIENCY AND WATER EFFICIENCY

- 7.7 The key area of focus in terms of energy efficiency is the Energy Efficiency Levy (EEL). The responses from the consultation exercise that concluded in November 2008 are currently being considered, and the Utility Regulator will issue a decision paper on the future of the EEL in early 2009.
- 7.8 In terms of improving water efficiency, NI Water has a duty to promote the efficient use of water. The Utility Regulator will monitor NI Water's compliance with this duty, and take appropriate action in the event the company fails to fulfil this duty.
- 7.9 In addition to promoting water efficiency, NI Water also sets targets for itself in terms of minimising water lost through leakage. The Utility Regulator will review the company's economic level of leakage and challenge where we do not consider it to be sufficiently robust. This could include financial penalties for failure to meet leakage targets.

WORKING WITH OTHERS

- 7.10 The Utility Regulator will continue to participate in the Inter-Departmental Group on Fuel Poverty and the Northern Ireland Fuel Poverty Advisory Group. We will take into consideration the work of government departments (mainly DSD and DETI) on fuel poverty and we will also continue to co-operate and collaborate with relevant stakeholders with an interest in helping vulnerable utility customers.
- 7.11 DETI has recently issued a pre-consultation scoping paper on its Strategic Energy Framework (SEF). A full consultation on the SEF will then be issued in early 2009. The Utility Regulator will continue working closely with DETI on energy matters, and will make every effort to ensure our activities align with this framework.

RAISING AWARENESS

- 7.12 The Utility Regulator will consider establishing a panel of experts from academia, industry and government to provide advice on fuel poverty and water poverty issues.
- 7.13 The Utility Regulator will consider undertaking further research to help inform our social action agenda. This could include: (1) further research on how to target the most severely fuel poor; and (2) research into the barriers which may prevent utility customers from accessing all available payment methods, or on quality of advice given by utility suppliers etc.

- 7.14 The SAP will be reviewed in 2012/13. This will include: (1) a review of each utility supplier in terms of compliance with licence conditions and/ or codes of practice with regards to helping vulnerable customers; and (2) a review of the voluntary initiatives each supplier has undertaken to help vulnerable customers.

OTHER IDEAS

- 7.15 The focus of this paper has been on what *the Utility Regulator* has done to date, or has already announced and commenced work on, and what we plan to do going forward to help vulnerable utility customers. The initiatives, schemes and ideas discussed herein are therefore not an exhaustive list of what has been done (and what can be done) across the board.
- 7.16 In developing this paper, we met with many different stakeholders, many of whom had some useful ideas over and above those included in our forward work plan. Many of these ideas did not make it into our work plan because they are outside the scope of our statutory remit and functions. For completeness we have documented these suggested initiatives. We would stress, however, that unless stated otherwise, these are the views of stakeholders and may not necessarily reflect the view of the Utility Regulator.

Regulate the Home Heating Oil Industry

- 7.17 The oil sector currently makes little contribution to promoting energy efficiency and fighting fuel poverty. Suggestions were received from stakeholders regarding using the Energy End Use Efficiency and Energy Services Directive (EEUE & ESD) as a vehicle to promote energy efficiency through the oil industry. The EEUE & ESD requires all energy providers to supply energy efficiency advice. It is understood that DETI's current intention is to implement this by voluntary agreements with the oil sector. Voluntary agreements are in their final drafting stage and should be signed by both the regulated and non regulated energy suppliers in 2009.
- 7.18 The Utility Regulator is keen for the EEUE & ESD to be used as an opportunity to set high standards from which all energy customers benefit, including oil users, and to create a coherent platform for future policy across the entire home-heating sector.
- 7.19 We also received comments from stakeholders regarding the creation of a monitoring and enforcement system, by requiring oil suppliers to work with the Oil Industry Federation (and so provide funding for effective self-regulation). Alternatively the role could be given to a regulatory body similar to the Utility Regulator and be funded through a licence fee system such as that used in electricity, gas and water.

Micro-Generation and Heat

- 7.20 The authorities in GB will implement a feed-in tariff for micro-generation up to 5MW. This will take the form of a guaranteed price paid by the network to households who feed back into the network electricity produced using micro-generating equipment, along with an obligation on suppliers to support renewable heat. DETI's SEF scoping document set out their intention to progress work on renewable heat in the coming year. The Utility Regulator will cooperate where appropriate.
- 7.21 Experience suggests that support for micro-generation goes substantially to well-off consumers who can afford to co-fund the installation of the requisite equipment. Micro-generation may still be a worthwhile endeavour on the grounds of security of supply and reducing carbon emissions, but unless a means can be found to encourage and support vulnerable groups using the technology it is probably not an effective means of helping vulnerable customers. The Utility Regulator is aware of the work others are undertaking in regard to making micro-generation and renewable heat available to the vulnerable, for example DSD's work on wood pellet boilers in social housing and the Environment and Renewable Energy Fund (EREF) funded work to put solar panels into social housing. We are also aware that the evaluation of DETI's Reconnect Programme (which was aimed at encouraging micro generation as part of the EREF) is expected to be published soon. We will continue to monitor and take into consideration as appropriate.

Bulk Buying/ Brokering

- 7.22 The NI Housing Executive (NIHE) has commissioned a consultant to carry out a feasibility study on the bulk-buying of electricity, gas and oil. At the very least, this could reduce costs for NIHE tenants. But this could also create a sufficiently large customer base to entice new entrants into the electricity and gas retail markets.
- 7.23 The Utility Regulator will co-operate as required with the NIHE on the study. We will investigate how the findings from this study might feed into our thinking on encouraging retail competition.

Utilities Trust Fund

- 7.24 Another idea is to set up a charitable trust fund similar to the Charis fund operated in GB. Monies for the fund could come from a range of sources including government, the utility suppliers, businesses etc. Such contributions from utility suppliers would be on a voluntary rather than a regulated basis. Therefore although we do not have a specific action point in relation to a Utilities Trust Fund, the subject can be explored as part of the work stream to harmonise how the energy utilities suppliers help customers to avoid debt and manage their way out of debt.

SUMMARY OF FORWARD ACTION PLAN

7.25 A summary of our forward work plan in this Social Action Plan is set out in Table 8 overleaf.

Question 10

Respondents are asked to comment on this future work plan.

Table 8
Forward Social Action Plan

Activity	2009/10	2010/11 – 2011/12	2012/13 – 2013/14
Reducing Financial Vulnerability			
Market redesign	<ul style="list-style-type: none"> ▪ Monitor SEM ▪ Work on CAG, as per published work plan 	<ul style="list-style-type: none"> ▪ Monitor SEM ▪ Work on CAG, as per published work plan 	<ul style="list-style-type: none"> ▪ Monitor SEM ▪ Work on CAG, as per published work plan
Corporate refinancing	<ul style="list-style-type: none"> ▪ Review the benefits and current operation of the mutualisation model 	<ul style="list-style-type: none"> ▪ Consider the roll-out of the mutualisation model 	<ul style="list-style-type: none"> ▪ If appropriate implement roll-out.
Encouraging competition	<ul style="list-style-type: none"> ▪ See Forward Work Programme 	<ul style="list-style-type: none"> ▪ See Forward Work Programme 	<ul style="list-style-type: none"> ▪ See Forward Work Programme
Price controls	<ul style="list-style-type: none"> ▪ See Forward Work Programme 	<ul style="list-style-type: none"> ▪ See Forward Work Programme 	<ul style="list-style-type: none"> ▪ See Forward Work Programme
Metering (energy suppliers only)	<ul style="list-style-type: none"> ▪ Review of gas pre-payment consultation ▪ Complete cost- benefit work on smart meters 	<ul style="list-style-type: none"> ▪ Implementation, if appropriate 	<ul style="list-style-type: none"> ▪ Implementation, if appropriate
Social tariffs	<ul style="list-style-type: none"> ▪ Scoping document framework to be brought to Government in early 2009 	<ul style="list-style-type: none"> ▪ Subject to Government decision, implement policy, as appropriate 	<ul style="list-style-type: none"> ▪ Policy implemented, if appropriate
Growing the gas network	<ul style="list-style-type: none"> ▪ Ongoing 	<ul style="list-style-type: none"> ▪ Ongoing 	<ul style="list-style-type: none"> ▪ Ongoing
Helping customers in debt	<ul style="list-style-type: none"> ▪ Consider possibility of introducing harmonized policies on debt management 	<ul style="list-style-type: none"> ▪ Implement changes, if appropriate ▪ Monitor compliance with policy 	<ul style="list-style-type: none"> ▪ Monitor compliance with policy
Providing Special Services			
Ensuring compliance with special service provisions in the licences and codes of practice	<ul style="list-style-type: none"> ▪ Monitor and ensure compliance with licences and codes of practice ▪ Consider requirement for provision of information in alternative languages 	<ul style="list-style-type: none"> ▪ Monitor and ensure compliance with licences and codes of practice 	<ul style="list-style-type: none"> ▪ Monitor and ensure compliance with licences and codes of practice

Activity	2009/10	2010/11 – 2011/12	2012/13 – 2013/14
Improving Energy Efficiency and Water Efficiency			
Energy Efficiency Levy	<ul style="list-style-type: none"> ▪ Decision paper to be issued on future of EEL in early 2009 ▪ Revised EEL implementation to begin 	<ul style="list-style-type: none"> ▪ Revised EEL implemented 	<ul style="list-style-type: none"> ▪ Revised EEL implemented
Water efficiency	<ul style="list-style-type: none"> ▪ Monitor compliance of NI Water's duty to promote water efficiency ▪ Monitor progress against leakage targets 	<ul style="list-style-type: none"> ▪ Monitor compliance of NI Water's duty to promote water efficiency ▪ Monitor progress against leakage targets 	<ul style="list-style-type: none"> ▪ Monitor compliance of NI Water's duty to promote water efficiency ▪ Monitor progress against leakage targets
Working with Others			
Working with others	<ul style="list-style-type: none"> ▪ Ongoing 	<ul style="list-style-type: none"> ▪ Ongoing 	<ul style="list-style-type: none"> ▪ Ongoing
Raising Awareness			
Further research	<ul style="list-style-type: none"> ▪ Consider appointment of an academic panel of experts, to advise on social and other issues affecting utility customers ▪ Consider undertaking further research 	<ul style="list-style-type: none"> ▪ Further research 	<ul style="list-style-type: none"> ▪ Further research
Review of Social Action Plan	<ul style="list-style-type: none"> ▪ N/a 	<ul style="list-style-type: none"> ▪ N/a 	<ul style="list-style-type: none"> ▪ SAP to be reviewed

Appendix 1

General duties with respect to water industry

6.(1) This Article shall have effect for imposing duties on the Department and the Authority as to when and how they should carry out the following functions—

(a) in the case of the Department, its functions under the provisions of this Order relating to the regulation of relevant undertakers; and

(b) in the case of the Authority, its functions under the provisions of this Order relating to—

(i) the regulation of relevant undertakers;

(ii) the financial conditions of requisitions; or

(iii) the movement of certain pipes.

(2) The Department or, as the case may be, the Authority shall carry out the functions mentioned in paragraph (1) in the manner that it considers is best calculated—

(a) to protect the interests of consumers in relation to the supply of water by water undertakers and the provision of sewerage services by sewerage undertakers, wherever appropriate by facilitating effective competition between persons engaged in, or in commercial activities connected with, the supply of water and the provision of sewerage services;

(b) to secure that the functions of a water undertaker and of a sewerage undertaker are properly carried out as respects every area of Northern Ireland; and

(c) to secure that companies holding appointments under Chapter I of Part III as relevant undertakers are able (in particular, by securing reasonable returns on their capital) to finance the proper carrying out of the functions of such undertakers.

(3) For the purposes of paragraph (2)(a) the Department or, as the case may be, the Authority shall have regard to the interests of—

(a) individuals who are disabled or chronically sick;

(b) individuals of pensionable age;

(c) individuals with low incomes; and

(d) individuals residing in rural areas,

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

(4) The Department and the Authority may, in carrying out any of the functions mentioned in paragraph (1), have regard to—

(a) any interests of consumers in relation to electricity supplied by authorised suppliers (within the meaning of the Energy Order);

(b) any interests of consumers in relation to gas supplied by authorised suppliers (within the meaning of that Order);

(c) any interests of consumers in relation to communications services and electronic communications apparatus (within the meaning of the Communications Act 2003 (c.21),

which are affected by the carrying out of that function.

(5) Subject to paragraph (2), the Department or, as the case may be, the Authority shall carry out the functions mentioned in paragraph (1) in the manner that it considers is best calculated—

(a) to promote economy and efficiency on the part of companies holding an appointment under Chapter I of Part III in the carrying out of the functions of a relevant undertaker;

(b) to secure that no undue preference is shown, and that there is no undue discrimination, in the fixing by such companies of water and sewerage charges;

(c) to secure that consumers are protected as respects benefits that could be secured for them by the application in a particular manner of any of the proceeds of any disposal (whenever made) of any of such a company's protected land;

(d) to ensure that consumers are also protected as respects any activities of such a company which are not attributable to the exercise of functions of a relevant undertaker, or as respects any activities of any person appearing to the Department or, as the case may be, the Authority to be connected with the company, and in particular by ensuring—

(i) that any transactions are carried out at arm's length;

(ii) that the company, in relation to the exercise of its functions as a

relevant undertaker, maintains and presents accounts in a suitable form and manner;

(e) to contribute to the achievement of sustainable development.

(6) in carrying out any of the functions mentioned in paragraph (1) in accordance with the preceding provisions of this Article, the Department and the Authority shall have regard to the principles of best regulatory practice (including the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed).

(7) In this Article the references to water and sewerage charges are references to—

(a) any charges in respect of any services provided in the course of the carrying out of the functions of a relevant undertaker; and

(b) amounts of any other description which such an undertaker is authorised by or under any statutory provision to require any of its customers or potential customers to pay.

(8) For the purposes of this Article—

(a) subject to paragraph (9), the reference in paragraph (1) to the provisions of this Order relating to the regulation of relevant undertakers is a reference to the provisions contained in Part III (except Article 45), or in any of Articles 66, 69 to 73, 150, 152, 214, 243, 244, 253, 254 and 259 to 261;

(b) the reference in that paragraph to the provisions relating to the financial conditions of requisitions is a reference to the provisions contained in Articles 77, 83, 88 and 155; and

(c) the reference in that paragraph to the provisions relating to the movement of certain pipes is a reference to the provisions of Article 247.

(9) Paragraphs (2) to (6) do not apply in relation to anything done by the Authority in the exercise of functions assigned to it by Article 29(3) (Competition Act functions).

(10) The Authority may nevertheless when exercising any Competition Act function, have regard to any matter in respect of which a duty is imposed by any of paragraphs (2) to (6) if it is a matter to which the OFT could have regard when

exercising that function.

(11) The duties imposed by paragraphs (2) to (6) do not affect the obligation of the Department or, as the case may be, the Authority to perform or comply with any other duty or requirement (whether arising under this Order or another statutory provision, by virtue of any Community obligation or otherwise).

Appendix 2

The principal objective and general duties of the Department and the Authority in relation to gas

14.—(1) The principal objective of the Department and the Authority in carrying out their respective gas functions is to promote the development and maintenance of

an efficient, economic and co-ordinated gas industry in Northern Ireland.

(2) The Department and the Authority shall carry out those functions in the manner

which it considers is best calculated to further the principal objective, having regard

to—

(a) the need to protect the interests of consumers of gas;

(b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under Part II of the Gas Order or this Order;

(c) the need to secure that the prices charged in connection with the conveyance of

gas through designated pipe-lines (within the meaning of Article 59) are in accordance with a common tariff which does not distinguish (whether directly or indirectly) between different parts of Northern Ireland or the extent of use of any pipe-line; and

(d) the need to protect the interests of gas licence holders in respect of the prices at which, and the other terms on which, any services are provided by one gas licence holder to another.

(3) In performing that duty, the Department or the Authority shall have regard to the interests of—

(a) individuals who are disabled or chronically sick;

(b) individuals of pensionable age; and

(c) individuals with low incomes;

but that is not to be taken as implying that regard may not be had to the interests of

other descriptions of consumer.

(4) The Department and the Authority may, in carrying out any gas functions, have

regard to the interests of consumers in relation to electricity.

(5) Subject to paragraph (2), the Department and the Authority shall carry out their

respective gas functions in the manner which it considers is best calculated—

(a) to promote the efficient use of gas;

(b) to protect the public from dangers arising from the conveyance, storage, supply

or use of gas;

(c) to secure a diverse and viable long-term energy supply; and

(d) to facilitate competition between persons whose activities consist of or include storing, supplying or participating in the conveyance of gas;

and shall have regard, in carrying out those functions, to the effect on the environment

of activities connected with the conveyance, storage or supply of gas.

(6) In this Article “gas functions” means—

(a) functions under Part II of the Gas Order; and

(b) functions under this Order relating to gas.

Appendix 3

The principal objective and general duties of the Department and the Authority in relation to electricity

12.—(1) The principal objective of the Department and the Authority in carrying out their respective electricity functions is to protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity.

(2) The Department and the Authority shall carry out those functions in the manner

which it considers is best calculated to further the principal objective, having regard

to—

(a) the need to secure that all reasonable demands for electricity are met; and
(b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under Part II of the Electricity

Order or this Order; and

(c) the need to secure—

(i) that the prices charged to tariff customers by public electricity suppliers for electricity supplied under Article 19(1) of the Electricity Order to premises in any area specified in an order made by the Department are in accordance with tariffs which do not distinguish (whether directly or indirectly) between different parts of that area; and

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PART II

(ii) that public electricity suppliers are not thereby disadvantaged in competing with other persons authorised by a licence or exemption to supply electricity to such premises.

(3) In performing that duty, the Department or the Authority shall have regard to the interests of—

(a) individuals who are disabled or chronically sick;

(b) individuals of pensionable age;

- (c) individuals with low incomes; and
- (d) individuals residing in rural areas;

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

(4) The Department and the Authority may, in carrying out any electricity functions,

have regard to the interests of consumers in relation to gas.

(5) Subject to paragraph (2), the Department and the Authority shall carry out their

respective electricity functions in the manner which it considers is best calculated—

(a) to promote the efficient use of electricity and efficiency and economy on the part of persons authorised by licences or exemptions to supply or participate in the transmission of electricity;

(b) to protect the public from dangers arising from the generation, transmission or supply of electricity;

(c) to secure a diverse and viable long-term energy supply;

(d) to promote research into, and the development and use of, new techniques by

or on behalf of persons authorised by a licence to generate, supply or participate in the transmission of electricity; and

(e) to secure the establishment and maintenance of machinery for promoting the health and safety of persons employed in the generation, transmission or supply of electricity;

and shall have regard, in carrying out those functions, to the effect on the environment

of activities connected with the generation, transmission or supply of electricity.

(6) In this Article “electricity functions” means—

(a) functions under Part II of the Electricity Order; and

(b) functions under this Order relating to electricity

Appendix 4

A Social Profile of Northern Ireland

The bullet points below come from “Regional Trends”, a National Statistics publication, dated 29 March 2007.

- In 2005, Northern Ireland had a population of 1.7 million. Of which, 579,554 people lived in the Belfast Metropolitan Area.
- In April 2006, average (median) gross weekly earnings for full-time employees in Northern Ireland were £423.90 for males and £378.50 for females, 13% and 2% below UK levels respectively.
- Average weekly household income in Northern Ireland between 2003/04 and 2005/6 was £498, more than 16% lower than the average for the UK of £596.
- Between 2003/04 and 2005/06, households in Northern Ireland had the highest expenditure on food and non-alcoholic drinks, spending nearly £49 per week above the UK average.
- In the second quarter of 2006 the employment rate (for people of working age) in Northern Ireland was 70%, among the lowest in the UK. This compares to a UK average of 75%.

Appendix 5

Payment Methods

NIE Energy

- NIE Energy issues a bill every three months for electricity already used. Payment is due within 14 days and customers can pay:
 - by cheque through the post;
 - by Switch or Debit card over the phone or online;
 - at the Post Office or any PayPoint or Payzone outlet or bank; or
 - by direct debit, either by way of the Monthly Saver option or the Quarterly Saver option.
- A discount is available to those who pay by direct debit, equating to 4% for the Monthly Saver users and 2.5% for Quarterly Saver users.
- Alternative electricity customers can opt to pre-pay using a pay-as-you-go Keypad. Keypad users also enjoy a discount of 2.5%.

Phoenix Natural Gas

- Phoenix offers a similar range of options for payment as NIE Energy. This includes:
 - payment by monthly direct debit;
 - quarterly billing whereby an invoice is sent out every quarter and customers can pay by cheque through the post, at a bank, or by debit card over the phone or online; or
 - at any Paypoint outlet using an Energy Saver Card.
- A discount is only available to customers who pay by monthly direct debit.
- Phoenix customers can also opt to pre-pay using a pay-as-you-go meter. Pre-payment customers pay a flat tariff for all units consumed compared to direct debit and credit customers who pay a higher tariff for the first 2,000 kWh consumed, followed by a lower tariff thereafter. Analysis by Phoenix suggests the overall effect is that per unit pre-payment tariff is cheaper for customers consuming 15,000 kWh per year or less⁸, which is the case for most domestic customers in Northern Ireland.

⁸ For Phoenix customers consuming less than 15,000 kWh per year, the pre-payment tariff structure works out cheaper than the standard tariff structure. However it should be noted that payment by direct debit still offers the greatest discount to Phoenix customers.

firmus energy

- firmus energy offers a similar range of options for payment as NIE Energy and Phoenix. This includes:
 - payment by direct debit, either by way of a regular monthly payment based on estimated usage or a quarterly payment based on actual usage;
 - payment in cash at any PayPoint outlet, or payment by cheque or cash at the Post Office.
- For those who do not opt for a direct debit payment method, a £5 administrative charge is included every quarter.
- firmus energy also offers a pre-payment option with a pay-as-you-go meter. This option involves a similar tariff structure to Phoenix whereby pre-payment customers pay a flat tariff for all units consumed whereas direct debit and credit customers pay a tiered tariff as per the Phoenix tariff structure.

Appendix 6

List of Consultees

- Advice NI
- Bryson House
- Consumer Council
- Department for Social Development
- Department of Enterprise, Trade and Investment
- Disability Action
- Energy Saving Trust
- firmus energy
- National Energy Action
- NIE Energy
- Northern Ireland Anti Poverty Network
- Northern Ireland Housing Executive
- Northern Ireland Water
- Phoenix Natural Gas
- Rural Development Council

References

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- ⁱⁱ “All-Ireland policy paper on fuel poverty and health”, Public Health Policy Centre, December 2007.
- ⁱⁱⁱ “A Report to the Utility Regulator on the Northern Ireland Energy Efficiency Levy Programme,” Skyplex Consulting Limited, July 2008. Available on the Utility Regulator’s website as part of the consultation.
- ^{iv} “Sustainable Development – The Regulator’s Role,” Northern Ireland Authority for Utility Regulation, March 2008.
- ^v “In Control? An investigation into the patterns of use and level of self-disconnection by gas and electricity Pay As You Go meter users in Northern Ireland,” Consumer Council, January 2006.