



Dwayne Boyle
The Utility Regulator
Millennium House, Great Victoria Street
Belfast
BT2 7AQ

28 July 2026

Draft Determination for firmus energy (Supply) Limited Price Control 2027-2030.

Dear Dwayne

I am writing regarding the Draft Determination for firmus energy (Supply) Limited Price Control 2027-2030.

The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. We have extensive legal powers in consumer affairs, energy, transport, water and sewerage and postal services, with a comprehensive brief on EU Exit and financial inclusion matters.

Our views

The Consumer Council welcomes the opportunity to respond to the Utility Regulator's Draft Determination on the Firmus Energy Supply (FES) price control for 2027 to 2030. The Ten Towns network serves nearly 74,000 domestic households across communities, many of which face fuel poverty¹. These customers are in a monopoly situation with no alternative gas supplier to provide competition in the network area. The latest Consumer Council Expenditure tracker shows the lowest income quartile have a discretionary income of £52.77 weekly making this group vulnerable to energy price rises and other unexpected household expenditure.²

We recognise the extensive work undertaken by the Utility Regulator in reviewing FES's submission and broadly support the overall approach set out in the Draft Determination. We support the continuation of a four-year control period, the retention of robust cost scrutiny, and the continued focus on ensuring consumers only fund costs that are efficient and justified.

We support:

- The continuation of the price control for domestic and small Industrial & Commercial (I&C) customers.
- The proposed four-year duration of the control.
- The Utility Regulator's ongoing focus on operating cost efficiency and its position that consumers should not bear the costs associated with implementing the separation of the supply and distribution businesses.
- The continued scrutiny of intercompany recharges and other related-party costs to ensure they remain efficient and appropriately justified.

The proposed 2.0% margin for SPC27 and note that independent analysis concludes that retaining the margin at broadly its current level remains reasonable. We welcome the continued emphasis on affordability, transparency and consumer protection throughout the control period.

¹ [Understanding Fuel Poverty Levels and Energy Affordability in Northern Ireland](#) Consumer Council, 2025.

² [Northern Ireland Household Expenditure Tracker](#) Consumer Council, May 2026.



Our comments focus on a limited number of areas where additional clarification may be beneficial before publication of the Final Determination, including the treatment of post-separation costs, ongoing monitoring of senior management and intercompany costs, the operation of the proposed IT reopener mechanism, and the importance of affordability and clear communication for consumers.

Scope, Coverage and Duration

The Consumer Council supports the continuation of the price control for domestic and small I&C customers throughout the SPC27 period.

FES remains the sole supplier serving domestic customers in the Ten Towns area and continues to hold a dominant position in the small I&C market. The price control therefore continues to serve an important role in protecting consumers where effective competition has not developed. In doing so, the Utility Regulator must balance the objectives of low costs for consumers while ensuring the financeability of the supplier.

We also support the proposed four-year duration of the control. A four-year period provides an appropriate balance between regulatory oversight and business planning certainty. It allows the Utility Regulator to assess a meaningful body of operational and cost data while maintaining incentives for efficiency throughout the control period.

We note that the Utility Regulator has included provisions allowing for future consideration of the scope of the control should market circumstances change materially. The Consumer Council would expect any such consideration to be undertaken transparently and subject to appropriate stakeholder engagement.

Operating cost assessment

The Consumer Council welcomes the detailed assessment undertaken by the Utility Regulator in reviewing FES's operating cost submission. The proposed reductions to the company's submitted costs demonstrate a clear focus on ensuring that consumers are protected from unnecessary expenditure while allowing the supplier sufficient resources to provide an appropriate level of service and maintain financial stability.

We support the Utility Regulator's position that consumers should not bear the costs associated with the implementation of the separation between the supply and distribution businesses. At the same time, we recognise that the Utility Regulator has considered the practical realities of FES's post-separation operating model when assessing ongoing costs.

The Consumer Council welcomes the continued focus on allowing only efficient and justified costs within the control and encourages the Utility Regulator to maintain this approach throughout the control period.

Assessment of post-separation costs

We note that the Utility Regulator has used post-separation operating costs as an important reference point in certain areas of its review. We recognise the rationale for considering the company's current operating structure when determining future allowances. However, given the significance of the organisational changes that have taken place, it would be helpful for the Final Determination to provide further clarity on how the Utility Regulator has satisfied itself that the costs included within the baseline reflect efficient ongoing operations.

This would help provide assurance that consumers are funding the efficient cost of service provision while recognising the company's current operating arrangements.

Manpower and senior management costs

The Consumer Council supports the Utility Regulator's decision not to provide allowances for staffing increases beyond those considered necessary to support projected customer growth. We also support the approach taken in relation to senior management costs. Given the importance of these costs within the overall operating expenditure allowance, the Utility Regulator should continue to review them during the control period to ensure that any increases remain efficient, proportionate and appropriately justified.

Intercompany recharges

The Consumer Council welcomes the Utility Regulator's review of intercompany recharges and its

continued focus on ensuring that costs allocated to the regulated business are justified and transparent. It is important that consumers can have confidence that the regulated business is charged appropriately for services provided by related parties and that the cost allocation methodology continues to be applied consistently.

We would welcome further clarity within the Final Determination on the reporting, transparency and assurance arrangements that will apply to intercompany transactions during the SPC27 period.

Marketing and advertising

The Consumer Council supports the Utility Regulator's approach to advertising and public relations expenditure. The principle that customers of a regulated business operating in a dominant market position should not fund promotional activity has been applied consistently in previous price controls and remains appropriate.

Bad debt

We note the Utility Regulator's decision to continue using actual bad debt write-offs as the basis for setting the bad debt allowance. The use of historic evidence provides an objective and transparent approach while helping ensure that consumers are not exposed to unnecessary costs.

Given the ongoing affordability challenges facing many households, we would welcome clarification on the monitoring arrangements that will apply to bad debt performance during the control period and how emerging trends would be assessed should circumstances change significantly.

The IT reopener

The Consumer Council supports the principle of the proposed IT reopener mechanism. Where there is insufficient certainty regarding future expenditure, a well-designed uncertainty mechanism can help ensure that necessary investment can be considered when costs and requirements become clearer.

We would welcome further information in the Final Determination regarding the assessment framework that will be applied to any claims, including how the Utility Regulator will determine whether proposed expenditure is reasonable, efficient and in consumers' interests.

Profit margin

The Consumer Council has considered both the Utility Regulator's assessment, the independent analysis undertaken by First Economics and the approach taken by Ofgem in GB. We note that First Economics identified a central estimate of 1.5% but also concluded that retention of a margin at broadly the current level remained reasonable given uncertainty surrounding a number of the assumptions used within the analysis. In that context, we support the proposed 2.0% margin for SPC27.

Tariff stability and vulnerability

The Consumer Council continues to place significant importance on affordability for consumers, particularly those experiencing financial hardship or fuel poverty.

The Ten Towns network serves many households who remain vulnerable to increases in energy costs. It is therefore important that the overall price control framework continues to promote efficient costs and protect consumers from unnecessary expenditure.

We welcome the continued operation of tariff review arrangements and the trigger mechanism, which help ensure that tariffs remain reflective of underlying costs while maintaining appropriate regulatory oversight. We would encourage the Utility Regulator to continue considering the consumer impact of tariff changes, particularly for vulnerable households and those on lower incomes.



Pay as you go customers

The Consumer Council recognises the importance of ensuring that PAYG customers are appropriately considered throughout the control period as they make up 77% of domestic FES customers³. PAYG

customers can often be among the most financially vulnerable consumers, and it is important that the operation of tariffs and customer service arrangements continues to take account of their needs. We encourage continued consideration of how regulatory decisions may affect these customers and how communication and support arrangements can best meet their requirements.

Transparency and consumer communication

The Consumer Council welcomes the Utility Regulator's continued emphasis on transparency within the tariff-setting process. Clear communication remains essential, particularly where tariff changes occur during the control period.

Consumers should receive timely, accessible and understandable information explaining any tariff changes, their causes, and their likely impact on household bills.

Consideration should be given to consumers who may be digitally excluded or who require alternative methods of communication. Effective communication supports consumer confidence and helps consumers understand how regulatory decisions affect the prices they pay.

We look forward to continued collaboration with The UR throughout the price control process and ultimately deliver positive outcomes for energy consumers in Northern Ireland.

Yours sincerely



Raymond Gormley
Head of Energy

³ [Quarterly Retail Energy Market Monitoring Report](#) Utility Regulator, June 2026.

