

Notes to Editors

1. The Northern Ireland Authority for Utility Regulation (the Utility Regulator) is the non-Ministerial Government Department responsible for regulating the electricity and gas industries and water and sewerage services in Northern Ireland.
2. A price control determines allowed annual expenditure for the gas company. In order to make this determination the Utility Regulator analyses each element of the costs submitted from the company, takes into consideration historic costs, forecasts for the period of the control, any changes in the gas industry, cost drivers and comparisons with GB and ROI. We use engineering experts to analyse the information provided by the companies. The Utility Regulator also consults with the companies, the Department of Enterprise, Trade and Investment, the Consumer Council for Northern Ireland and other interested parties before making a final determination.
3. In total 9% of costs have been removed from the firmus energy ltd submission, representing efficiencies to consumers of £6.0million.
4. 25% of costs have been removed from the original Phoenix Supply Ltd submission, representing efficiencies to consumers of £5.1million.
5. The firmus energy price control is a five year control on the distribution business to last from 2009 to 2013. The control limits the charge that can be made for using the firmus distribution network and relates to both capital and operating expenditure. The distribution charge relates to the cost of distribution pipelines in the firmus licence area, covering the towns of Ballymena, Ballymoney, Coleraine, Londonderry, Limavady, Antrim, Armagh, Banbridge, Craigavon and Newry. The full firmus energy distribution price control can be viewed on our website at www.niaur.gov.uk/uploads/publications/Firmus_Final_Determination_Jan_2009.pdf

6. Table 1 firmus energy price control

	2009 £'000s	2010 £'000s	2011 £'000s	2012 £'000s	2013 £'000s	Total £'000s
Submission	16,622	15,298	13,306	11,551	10,694	67,471
Determined	15,697	13,888	12,225	10,349	9,315	61,473
Reduction	926	1,410	1,081	1,203	1,379	5,998
% Reduction	6%	9%	8%	10%	13%	9%

7. The Phoenix Supply ltd price control is a three year control on the supply business to last from 2009 to 2011. The control limits the operating expenditure that Phoenix Supply can recover from its customers through its tariff. The operating expenditure relates to billing and meter costs, IT,

manpower etc. The full Phoenix Supply Ltd price control determination can be viewed on our website at www.niaur.gov.uk/uploads/publications/Phoenix_Supply_Price_Control_Final_Determination_2009.pdf

8. The following table details the submission from Phoenix Supply Ltd against the Utility Regulator's determination.

9. Table 2 Phoenix Supply Ltd price control

	2009 £'000s	2010 £'000s	2011 £'000s	Total £'000s
Submission	6,743	6,721	6,928	20,392
Determined	5,038	5,061	5,182	15,281
Reduction	1,705	1,661	1,745	5,111
% Reduction	25%	25%	25%	25%

10. The following table shows the total efficiencies per year from both price controls.

11. Table 3 Combined efficiencies from price controls

	2009 £'000s	2010 £'000s	2011 £'000s	2012 £'000s	2013 £'000s	Total £'000s
Firmus efficiencies	926	1,410	1,081	1,203	1,379	5,998
PSL efficiencies	1,705	1,661	1,745			5,111
Total efficiencies	2,631	3,071	2,826	1,203	1,379	11,109

12. Media contact: Greg Irwin (0779 4965911).