



**The Consumer Council**

Carl Hashim  
NIAUR  
Queens House  
14 Queens Street  
Belfast  
BT1 6ED

24 February 2010

Dear Carl,

The Consumer Council welcomes the opportunity to respond to the consultation paper on “Aligning the Price Control Reviews of Northern Ireland’s Gas Distribution Networks”.

The Consumer Council was set up by statute in 1985, as a Non-Departmental Public Body, to promote and safeguard the interests of all consumers in Northern Ireland, and has specific legislative responsibilities for energy, passenger transport, money affairs, education, and water and sewerage services, and it is in regards to these issues that we respond to this consultation.

It is the role of the Consumer Council to give consumers a voice, and to make sure that voice is heard by those who make decisions that affect consumers.

The Consumer Council supports the NIAUR’s proposal to delay the full five year Phoenix Natural Gas Limited (PNGL) price control for two years and carry out a “mini price control” during the interim period.

The Consumer Council recognises the benefits that alignment of the PNGL and Firmus price controls will bring. In particular, the ability to benchmark in real time the costs and the efficiencies of the two companies, which will help to ensure consumers in Northern Ireland are paying, at the very least, the industry standard rate for their gas distribution networks.

We note the advantages and disadvantages of the three different options presented in the consultation document.

Our primary concern is to ensure the best possible deal for the consumer and that any proposed change to the existing price controls ultimately benefits the consumer. Ultimately the most important thing is that the price control correctly reflects the true operating costs, and margins of the business, as well as the overall economic and market conditions in which it is operating.

The Consumer Council agrees with NIAUR, that the current price control determination may not accurately reflect circumstances in 2012 to 2014. We therefore support the proposed “mini-price control” to provide for appropriate “allowances” to be set for two years until the full Price Control is determined.

Such “allowances” must include any cost effective provisions that are needed to enable PNGL to increase the number of customers that can switch supplier. The Consumer Council believe that it is important that any delay to the full PNGL Price Control should not delay the introduction of any cost effective measures that will allow and increase the rate of real competition in the Northern Ireland natural gas market.

Yours Sincerely,

**Richard Williams**  
**Senior Consumer Affairs Officer**