



The Consumer Council

Elizabeth House
116 Hollywood Road
Belfast
BT4 1NY

**Lesley Robinson
Utility Regulator
Queens house
14 Queen Street
Belfast
BT1 6ED**

20 December 2013

Dear Lesley

**Re: Consultation on Gas (Individual Standards of Performance)
Regulations (Northern Ireland) 2014**

The Consumer Council welcomes the opportunity to respond to this consultation.

The Consumer Council is an independent consumer organisation, working to bring about change to benefit Northern Ireland (NI) consumers. Our aim is to make the consumer voice heard and make it count.

Comments

Regarding the standard 10, we are unclear why this payment cannot be made automatically. The whole of the GSS scheme will require records, monitoring and auditing by both the company and the Regulator. The company should be in a position to check without reference to customers if it has given advance notice to those customers that will be effected by a planned interruption.

We note that the payment amounts are based on those used in the existing Northern Ireland electricity GSS scheme. The Regulator has previously acknowledged that these amounts were set over 10 years ago and we believe

that they must be adjusted in line with RPI. The amounts for the electricity GSS were set in 1999. If RPI was applied accumulatively since 2000, an increase of 41.71 per cent would be required¹. The impact of this would be to increase the £25 payment to £35 and the £50 payment to £70. We believe that this adjustment should be made at the outset of the Gas GSS scheme rather than return later to make the adjustment. Gas Distribution and supply companies have benefitted from having their allowances within Price Control adjusted by the RPI rate. For the sake of equity and to give the payments relevance to consumers in 2013 the adjustment should be made now.

We welcome the Regulators determination that GSS payments must be made from the profit of the companies. In truth, this is the only logical way for the GSS scheme to create a genuine incentive on the company to attain and maintain the highest standards.

Regarding exemptions, we understand the desire on the part of the Regulator to provide clarity and reduce the timescale involved. The list providing for circumstances where an exemption is appropriate is helpful but is not and cannot be exhaustive. It is also open for interpretation; for example a definition of what is severe weather. This is evidenced by the disagreement between Phoenix Natural Gas and the Regulator over the severity of last winter. The first issue here is who makes the initial determination that a payment is or is not due and the second issue is that there is a need for a mechanism for appeals to be made and an independent determination made.

This leads to the further requirement for the recording, monitoring and enforcement of the GSS. The Regulator needs to state how this will happen, otherwise the GSS scheme will provide little benefit to consumers. It should be borne in mind that the existing electricity GSS scheme has no recording, monitoring and enforcement provisions and to our knowledge not one

¹ <http://swanlowpark.co.uk/rpiannual.jsp>

payment has been made under the scheme. In order for the Gas GSS scheme to be effective this must be addressed.

If you wish to discuss the attached in more detail, please do not hesitate to contact Richard Williams, 028 9067 4895, richardwilliams@consumercouncil.org.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Cree'.

Marian Cree
Head of Energy