RETAIL MARKET MONITORING

Quarterly Transparency Report

Quarter 4: October - December 2016

Published 28th February 2017



Abstract

This paper is the latest of a series of Utility Regulator (UR) reports – the Quarterly Transparency Reports (QTRs) – that provide a range of information about the retail energy market in Northern Ireland (NI).

The data relates mainly to market shares, market activity and domestic prices in the electricity and gas retail markets. The data also includes information on non-domestic, or industrial and commercial (I&C), electricity prices.

The information shown in this report comes from network companies, suppliers and Eurostat. Some figures have been calculated internally.

These reports are released at the end of the second month after each calendar quarter (in Feb, May, Aug and Nov).

There have been a number of changes made to the format of this publication and how some of the indicators are presented, due to the introduction of the Retail Energy Market Monitoring (REMM) framework.

Audience

Electricity and gas industry, associations of consumers, regulators, statistical bodies, suppliers, potential new market entrants, consultants, researchers and journalists.

Consumer impact

The information used to produce these reports allows us to monitor the retail market, flag potential concerns and to inform regulatory decisions. All of this directly impacts on consumers. This set of reports increases transparency for consumers on matters of their direct interest, such as the active suppliers in each energy market sector, and NI prices compared against other jurisdictions.

Contents

1 Summary of key market indicators

Table 1 Summary of retail market

Q4 2017 (Oct - Dec)	Electricity		Gas – Greater Belfast		Gas – Ten Towns	
	Domestic	I&C	Domestic and Small I&C[1]	Medium and Large I&C[2]	Domestic and Small I&C1	Medium and Large I&C2
Number of active suppliers in this quarter	6	8	5[3]	6	4[4]	4
Connections at end of quarter	793,797	71,407	192,283	3,154	31,075	1,160
Market shares of largest suppliers (by connections)	Power NI 61.5% SSE Airtricity 25.3% Budget Energy 7.8%	Power NI 47.5% SSE Airtricity 20.7% Go Power 16.5%	SSE Airtricity 73.5% firmus energy 25.7% Go Power 0.4%	SSE Airtricity 38.9% Go Power 22.4% Flogas 21.1%	firmus energy 98.9% Flogas 0.7% SSE Airtricity 0.2%	firmus energy 46.9% Flogas 32.6% SSE Airtricity 15.0%
Market shares of largest suppliers (by consumption)	Power NI 58.9% SSE Airtricity 28.0% Budget Energy 8.0%	Go Power 34.1% SSE Airtricity 19.3% Power NI 17.9%	SSE Airtricity 70.7% firmus energy 27.5% Go Power 0.9%	SSE Airtricity 39.3% firmus energy 31.2% Go Power 14.8%	firmus energy 97.1% Flogas 2.0% SSE Airtricity 0.5%	firmus energy 65.4% SSE Airtricity 21.5% Flogas 9.5%
Quarterly switching rate	4.1%	2.7%	Domestic 0.1%	All I&C 1.3%	Domestic 0%	All I&C 2.9%

[1] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.
[2] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.
[3] Of these five active suppliers in the domestic and small I&C sector in the Greater Belfast area, only two are active in the domestic market.
[4] Of these four active suppliers in the domestic and small I&C sector in the Ten Towns area, only one is active in the domestic market.

1.1 Key developments during Quarter 4 2016

1. The pricing section for electricity details the NI and EU prices in domestic and I&C sectors for semester 1 (January – June) 2016. This data is sourced from Eurostat and suppliers submissions. • NI domestic prices lie below the RoI and EU Median and are just above the UK average. • The I&C electricity pricing data for Semester 1 2016 illustrates that the Very Small connections, which represent 66% of I&C connections is now considerably lower than the EU Median at 12.8 p/kWh. For this category NI is also lower than the UK average and considerably less than the RoI. • Prices in all I&C categories in NI are now equal to, or below I&C prices in the UK. Also, the vast majority of I&C customers (98%) have prices lower than the RoI.
2. In the gas markets the regulated tariffs for SSE Airtricity and firmus energy (the incumbent price controlled gas suppliers) are currently being reviewed, with announcements due at the start of March 2017.
3. Market activity in the electricity domestic and I&C sectors continues to illustrate a change in the market dynamics. Power NI (the incumbent price controlled electricity supplier) retain their dominant position with 61.5% of the domestic market. Electric Ireland have made considerable domestic gains this quarter and their market share has increased from 19,863 to 30,413 connections. Open Electric's electricity supply licence was revoked on 18th December 2016 and they ceased supplying electricity customers in NI at that date.
4. Domestic customers continue to actively engage in the electricity market with over 32,000 switches completed during Q4 2016. I&C switching is increased quarter on quarter with circa 1,900 indicating an I&C switching rate of 2.7% up from 1.9%.
5. In the gas sector, switching activity in the Greater Belfast domestic and I&C markets remained relatively unchanged this quarter. I&C market activity in the Ten Towns has decreased quarter on quarter to 2.9%, but increased when reviewed against the same period in 2015 when it was 2.0%.

2 Introduction

2.1 Purpose, methodology and data sources

The purpose of this report is to deliver transparency for stakeholders and consumers, providing readers with readily accessible information on the evolution and performance of Northern Ireland (NI) electricity and natural gas retail sectors.

The Quarterly Transparency Reports (QTRs) are one of the tools we use to communicate some of the main indicators we monitor in the retail energy markets. We protect consumers by promoting effective competition wherever appropriate, and by monitoring the markets. Therefore, monitoring the retail markets is key when complying with our statutory duties.

The framework in which this set of quarterly reports lies is called Retail Energy Market Monitoring (REMM) which was introduced in July 2015. The ultimate objective of introducing this enhanced framework was to develop the current monitoring of retail indicators, and to provide increased transparency in the retail energy markets in NI. As a result of this new framework, there have been a number of changes made to the format of this publication and how some of the indicators are presented. We will continue to make changes as appropriate to represent the new indicators that we are monitoring under REMM.

The main data sources for this QTR are as follows:

- Connections and consumption, market shares and market activity information is provided by the network companies:
  - Northern Ireland Electricity Networks (NIEN) for electricity data; and
  - Phoenix Natural Gas Limited (PNGL) and firmus energy (Distribution) Limited (feDL) for gas data.
- EU domestic and I&C electricity prices are from Eurostat. NI domestic and I&C electricity prices are derived directly from data submitted by suppliers.
- EU domestic gas prices are from Eurostat. Domestic gas prices for Great Britain (GB) and the Republic of Ireland (ROI) are derived from tariffs published by relevant suppliers. NI domestic gas prices are derived from the tariffs published by NI suppliers.

2.2 Energy suppliers in NI energy market

The electricity and gas (in the Greater Belfast area) markets have been open to competition to domestic customers since 2007. However, there were no competing suppliers in the domestic market until 2010.

The Ten Towns area opened to gas competition for large I&C customers (those consuming over 732,000 kWh per annum) in October 2012, and to domestic and small I&C customers in April 2015.

Table 2 Suppliers in the Retail Market

End of Q4 2016

Supplier	Electricity		Gas Greater Belfast		Gas Ten Towns	
	Dom	**I&C**	**Dom**	**I&C**	**Dom**	**I&C**
Budget Energy	💡	💡				
Click Energy	💡	💡				
Electric Ireland	💡	💡		💧		
Energia		💡				
firmus energy			💧	💧	💧	💧
Flogas				💧		💧
Go Power		💡		💧		💧
Open Electric[5]	💡					
Power NI	💡	💡				
SSE Airtricity	💡	💡	💧	💧		💧
Vayu		💡		💧		
Suppliers	**6**	**8**	**2**	**6**	**1**	**4**

Source: UR

During the last quarter of 2016 there were **nine** suppliers in the electricity market and **six** suppliers in the gas market although not all of these suppliers are certified to operate in all sectors.

On the 18th December 2016, the electricity supply company Open Electric ceased supplying customers in Northern Ireland. This triggered a 'supplier of last resort (SoLR)' process. The SoLR process was developed by the UR, Power NI and NIE Networks and is an established and tested system to ensure that no customer is left without a supply of electricity due to a supply company ceasing to operate in NI.

As a result all Open Electric customers were transferred to Power NI on the 18th December 2016 as part of the SoLR process. Further information on this event is available from our website here.

For the purposes of reporting for the final quarter of 2016, Open Electric supplied electricity for the majority of the quarter as is represented in the connection and consumption information. The data for the first quarter of 2017 will then reflect the transfer of customers from Open Electric to PowerNI.

The detail of the dates of entry for the suppliers in each of the retail market segments is available in Annex A.

For more information about the retail energy market in NI, please visit: http://www.uregni.gov.uk/retail/.

2.3 Wholesale market monitoring data

Readers should also be aware of the Quarterly Market Monitoring Report which provides an overview of the SEM and sets out recent trends in the market in relation to pricing, demand, scheduling and contract prices. It focuses in particular on the wholesale element of electricity prices, which makes up roughly 60% of customers' bills. These reports[6] are prepared by the Market Monitoring Unit (MMU) within the UR in joint collaboration with the Commission for Energy Regulation (CER).

[5] Open Electric's Electricity Supply Licence was revoked on 18th December 2016.

[6] SEM Monitoring Report Q3 2016, published December 2016: https://www.semcommittee.com/sites/semcommittee.com/files/media-files/SEM-17-003%20MMU%20Public%20Report%20Q3%202016_0.pdf

3 Electricity

3.1 NI connections and total consumption

The table below shows electricity customer numbers[7] at end December 2016 and consumption from October to December 2016.

Table 3 Electricity connections and consumption per market segment

Q4 2016

Customer groups	Number of connections	% share of connections in market sector	Consumption (GWh)	% share of consumption in market sector
Domestic prepayment	344,215	43.4%	334.0	40.94%
Domestic credit	449,582	56.6%	481.8	59.06%
Total Domestic	**793,797**	**100%**	**815.8**	**100%**
I&C < 20 MWh	47,306	66.3%	90.9	7.1%
I&C 20 – 49 MWh	13,066	18.3%	111.3	8.7%
I&C 50 – 499 MWh	9,920	13.9%	345.6	26.9%
I&C 500 – 1,999 MWh	830	1.1%	203.5	15.9%
I&C 2,000 – 19,999 MWh	267	0.4%	348.4	27.2%
I&C ≥ 20,000 MWh	18	0.025%	183.2	14.2%
Total I&C	**71,407**	**100%**	**1,282.6**	**100%**
Total	**865,204**		**2,098.7**	

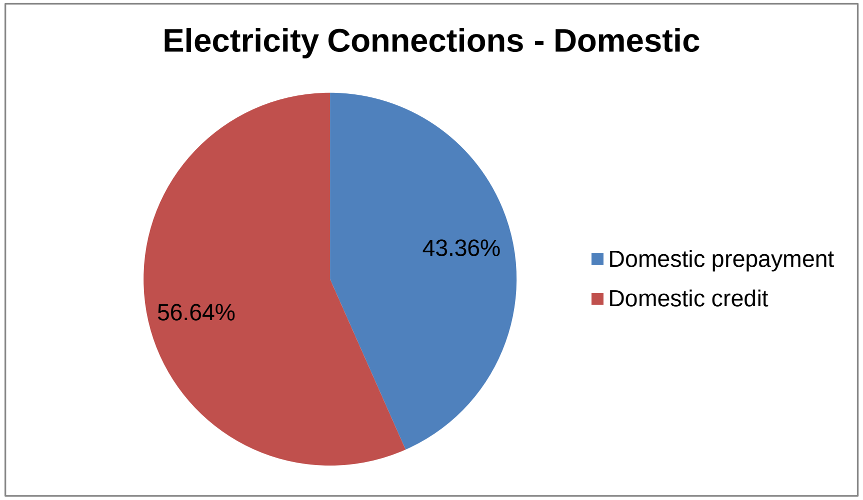
Source: NIEN

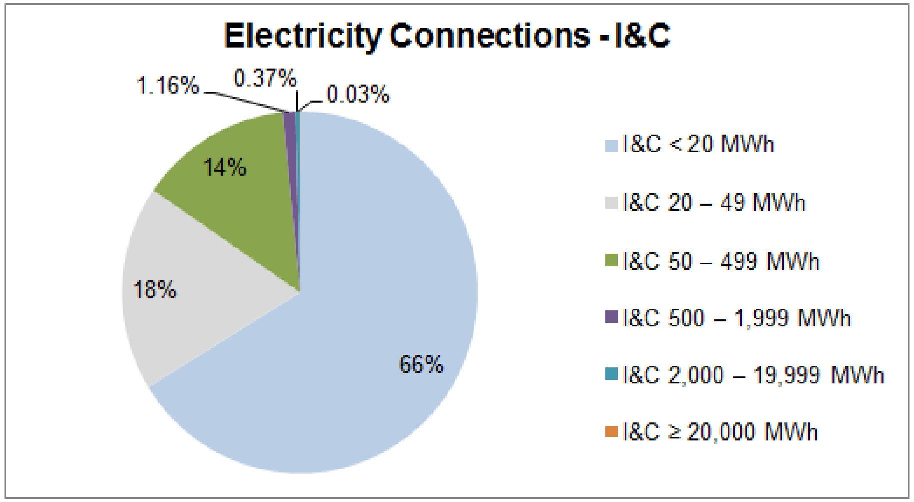
Of the total customers in Northern Ireland, 92% belong to the domestic sector, while the remaining 8% are I&C customers. In this quarter, this share translates into 39% and 61% respectively in terms of consumption.

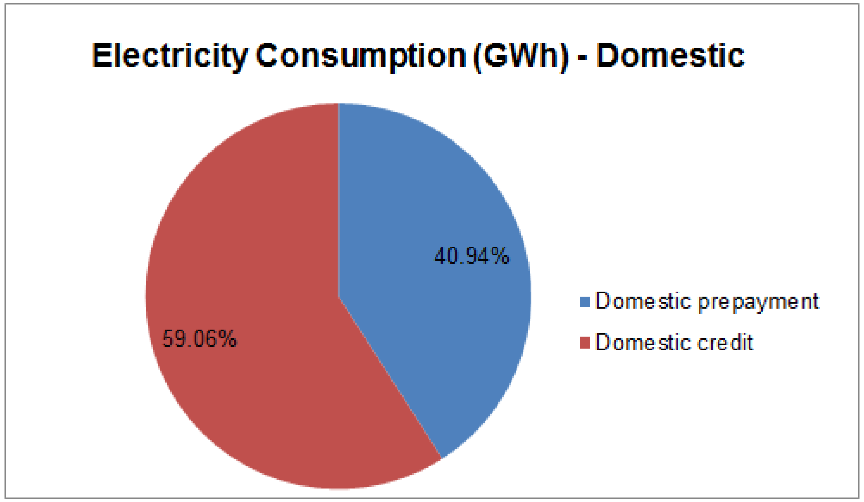
Within the domestic sector, 43% of the market use prepayment meters and 57% pay by credit.

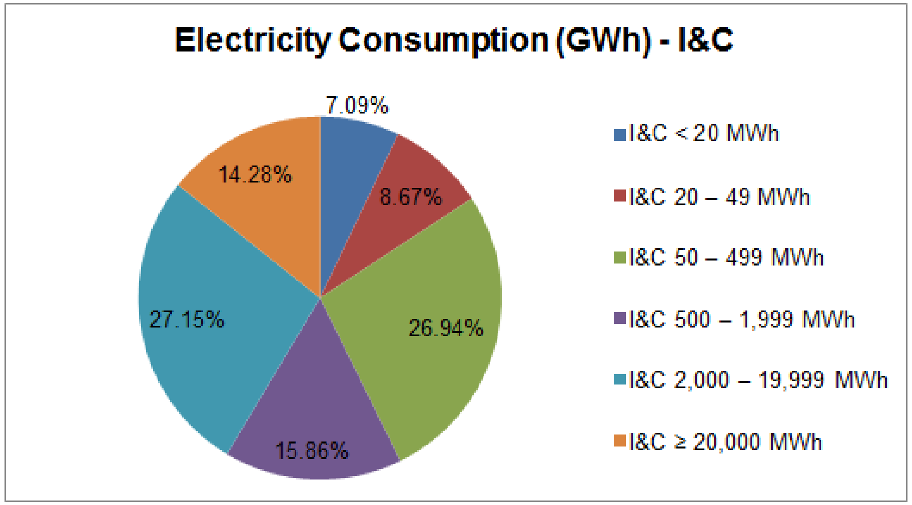
Within the I&C sector, more than 99.9% of the customers are small and medium enterprises (consuming less than 19,999 MWh), with 85.7% of the I&C consumption. The remaining are Large Energy Users (LEU) connections, that consumed 9% of the total NI volume in this quarter, and 14% of the I&C consumption.

[7] Note that long term vacant sites are not included in connection numbers, and that combined premises are included in the <20MWh category


Electricity Connections - Domestic
43.36%
56.64%
Domestic prepayment
Domestic credit


Electricity Connections - I&C
1.16%
0.37%
0.03%
14%
18%
66%
I&C < 20 MWh
I&C 20 – 49 MWh
I&C 50 – 499 MWh
I&C 500 – 1,999 MWh
I&C 2,000 – 19,999 MWh
I&C ≥ 20,000 MWh


Electricity Consumption (GWh) - Domestic
40.94%
59.06%
Domestic prepayment
Domestic credit


Electricity Consumption (GWh) - I&C
7.09%
14.28%
8.67%
27.15%
26.94%
15.86%
I&C < 20 MWh
I&C 20 – 49 MWh
I&C 50 – 499 MWh
I&C 500 – 1,999 MWh
I&C 2,000 – 19,999 MWh
I&C ≥ 20,000 MWh

3.2 Electricity Market shares

Electricity shares by connections[8]

During the quarter there were five domestic electricity suppliers in NI, and eight active suppliers in the I&C electricity market. The total number of domestic customers at the end of Q4 2016 was 793,797. As is evident from the table below a significant number of domestic customers (61.5%) remain with the previously incumbent supplier Power NI. The introduction of a number of new suppliers and the associated increase in competition indicates that the dynamic of the domestic market is gradually changing for example market shares for Electric Ireland and Click Energy continue to increase.

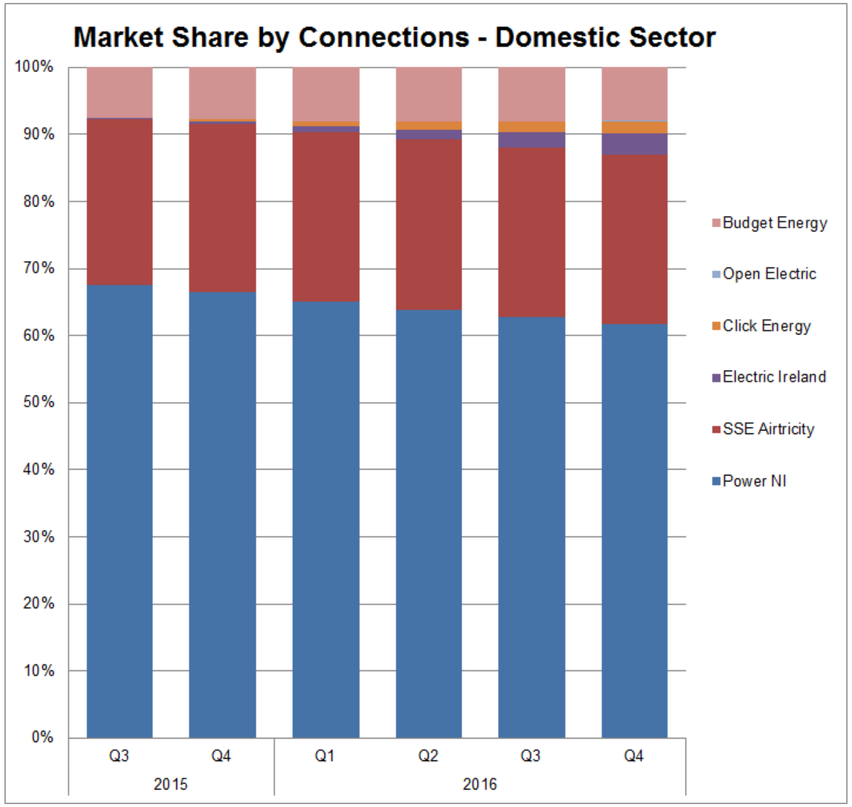


Table 4 Domestic market shares by connections

End of Q4 2016

Domestic Suppliers	Domestic Prepayment		Domestic Credit		Domestic Total	
Power NI	165,087	48.0%	323,319	71.9%	488,406	61.5%
SSE Airtricity	95,593	27.8%	104,946	23.3%	200,539	25.3%
Electric Ireland	13,053	3.8%	14,206	3.2%	27,259	3.4%
Click Energy	13,275	3.9%	1,501	0.3%	14,776	1.9%
Budget Energy	56,759	16.5%	4,935	1.1%	61,694	7.8%
Open Electric[9]	448	0.1%	675	0.1%	1,123	0.1%
Dom Market	**344,215**	**100%**	**449,582**	**100%**	**793,797**	**100%**

Source: NIEN

[8] Market shares figures do not include de-energised nor Long Term Vacant sites.
[9] Note that the Open Electric Electricity Supply Licence was revoked on the 18th December 2016, with all Open Electric customers transferred to Power NI under the agreed SoLR process. This transfer of customers will be fully presented in quarter 1 of 2017.

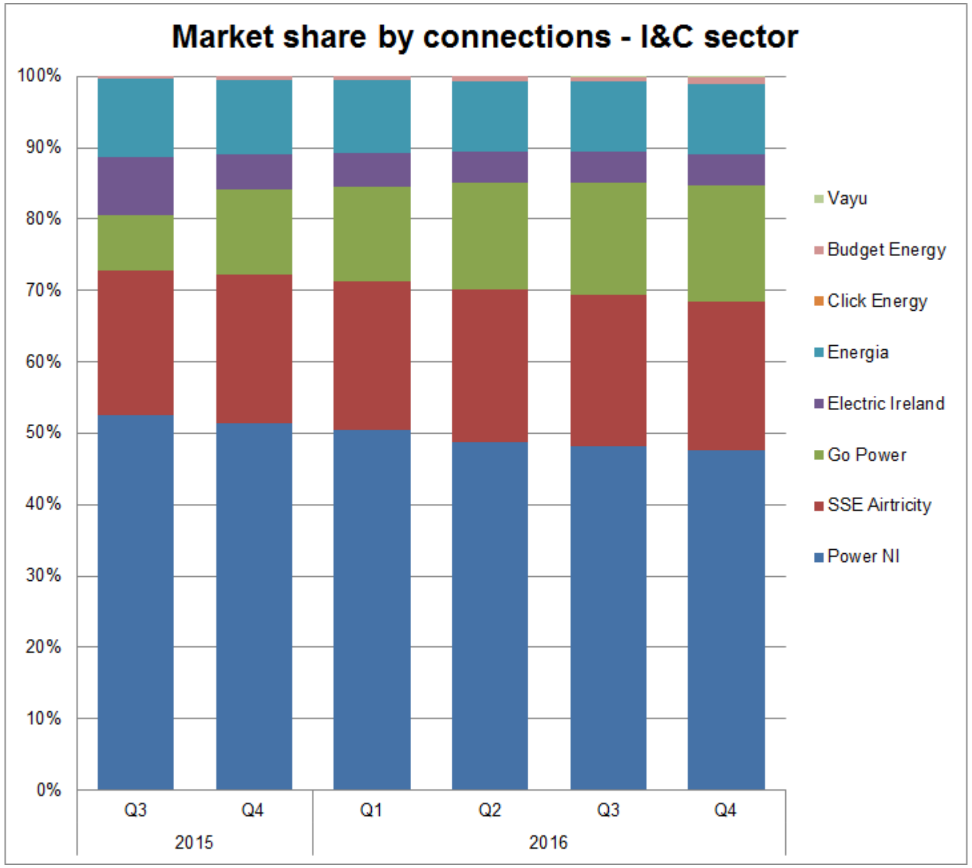
The market shares in this quarter illustrate a decrease for PowerNI. For Q4 2016 Power NI supplied 48% of the domestic prepayment and 71.9% of the domestic credit market. This shows a decrease from the last quarter and also from the same period in 2015 when Power NI held 53.5% of the domestic prepayment and 75.4% of the domestic credit connections. The continued growth of the new entrants in the domestic market is clear, given that the non-incumbents now represent over 38.5% of total domestic connections in NI (an increase from 37.5% in the previous quarter).

Table 5 I&C market shares by connections

End of Q4 2016

I&C Suppliers	I&C < 20 MWh		I&C 20 – 49 MWh		I&C 50 – 499 MWh		I&C 500 – 1,999 MWh		I&C 2,000 – 19,999 MWh		I&C ≥ 20,000 MWh		I&C Total	
Power NI	26,340	55.7%	4,640	35.5%	2,774	27.9%	109	13.1%	19	7.1%	0	0%	33,882	47.5%
SSE Airtricity	9,052	19.2%	3,427	26.2%	2,118	21.4%	142	17.1%	38	14.2%	4	22.2%	14,781	20.7%
Go Power	6,632	14.0%	2,387	18.3%	2,342	23.6%	289	34.8%	97	36.3%	9	50.0%	11,756	16.5%
Electric Ireland	1,388	2.9%	623	4.8%	970	9.8%	122	14.7%	47	17.6%	4	22.2%	3,154	4.4%
Energia	3,317	7.0%	1,811	13.9%	1,605	16.2%	164	19.8%	63	23.6%	1	5.6%	6,961	9.6%
Budget Energy	511	1.1%	170	1.3%	100	1.0%	0	0%	0	0%	0	0%	781	1.1%
Vayu	30	0.06%	0	0.00%	5	0.05%	4	0.5%	3	1.1%	0	0%	42	0.06%
Click Energy	36	0.03%	8	0.06%	6	0.06%	0	0%	0	0%	0	0%	50	0.07%
I&C Market	**47,306**	**100%**	**13,066**	**100%**	**9,920**	**100%**	**830**	**100%**	**267**	**100%**	**18**	**100%**	**71,407**	**100%**

Source: NIEN



The graph shows the trends in market shares (by customer numbers) for each active I&C supplier in NI by market segment, for the previous six quarters. Competition in the I&C market is more developed than the domestic sector, and consequently market shares are much more dispersed. Out of the eight active suppliers at the end of Q4 2016, based on customer numbers, three of these suppliers have shares in excess of 10% in the largest consumption categories.

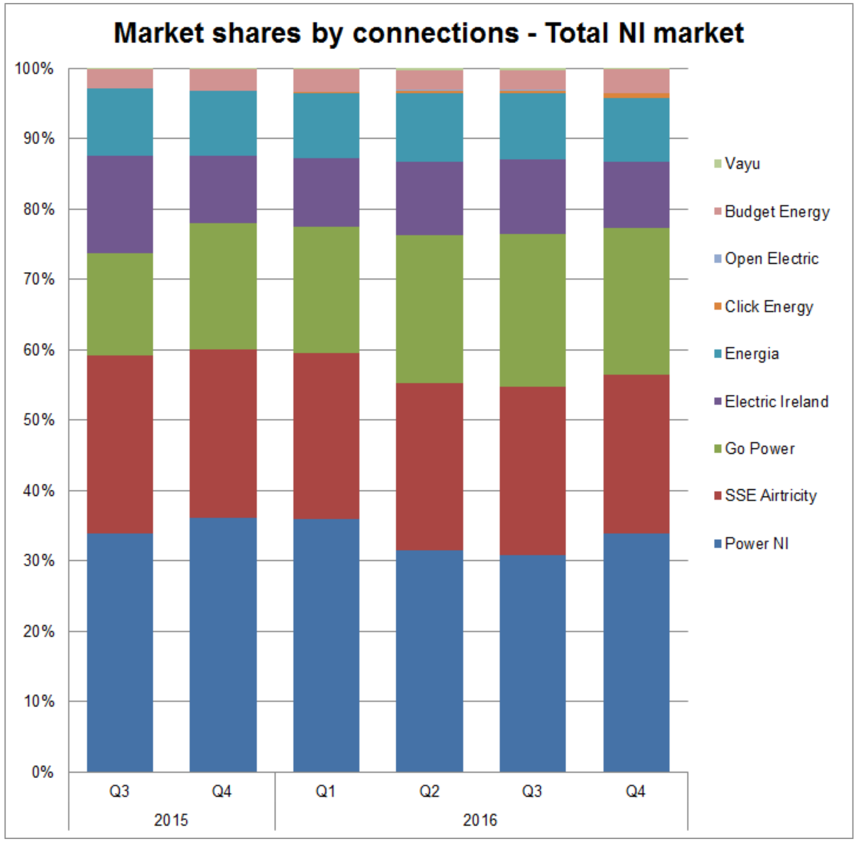
The graph to the left shows the trends in I&C market shares (by customer numbers) for each active supplier in NI for the previous six quarters.

Table 6 Total NI market shares by connections

End of Q4 2016

Suppliers	Total	
Power NI	522,288	60.4%
SSE Airtricity	215,320	24.9%
Go Power	11,756	1.4%
Electric Ireland	30,413	3.5%
Energia	6,961	0.8%
Click Energy	14,826	1.7%
Budget Energy	62,475	7.2%
Vayu	42	0.005%
Open Electric	1,123	0.13%
Total Market	**865,204**	**100%**

Source: NIEN



When looking at the electricity retail market as a whole (domestic and I&C customers) Power NI's leading position as the incumbent supplier remains at 60.37%, although this has decreased when compared to their 64.9% total market share in the same quarter (Q4) in 2015. This is attributable to the growth of market activity of the non incumbent suppliers including further growth by the new entrants to the market.

The graph to the right shows the trends in market shares (by customer numbers) for each active domestic and I&C supplier in NI for the previous six quarters.

Electricity shares by consumption (GWh)

Table 7 Domestic market shares by consumption

Q4 2016

Domestic Suppliers	Domestic Prepayment		Domestic credit		Domestic Total	
	GWh	%	GWh	%	GWh	%
Power NI	154.0	46.1%	326.5	67.8%	480.5	58.9%
SSE Airtricity	96.5	28.9%	131.8	27.4%	228.3	28.0%
Electric Ireland	11.5	3.5%	15.3	3.2%	26.8	3.3%
Click Energy	12.2	3.6%	1.5	0.3%	13.7	1.7%
Budget Energy	59.4	17.8%	6.0	1.2%	65.4	8.0%
Open Electric	0.3	0.1%	0.7	0.1%	1.0	0.1%
Dom Market	**334.0**	**100%**	**481.8**	**100%**	**815.8**	**100%**

Source NIEN

In Q4 2016, Power NI's share of the market by consumption was 46.1% for domestic prepayment and 67.8% for domestic credit, this shows a decrease when compared to Q4 2015 where Power NIs domestic prepayment market share was 51.7% and domestic credit was 71.5%.

The graph to the right shows the trends in market shares (by consumption) for each active domestic supplier in NI for the previous six quarters.

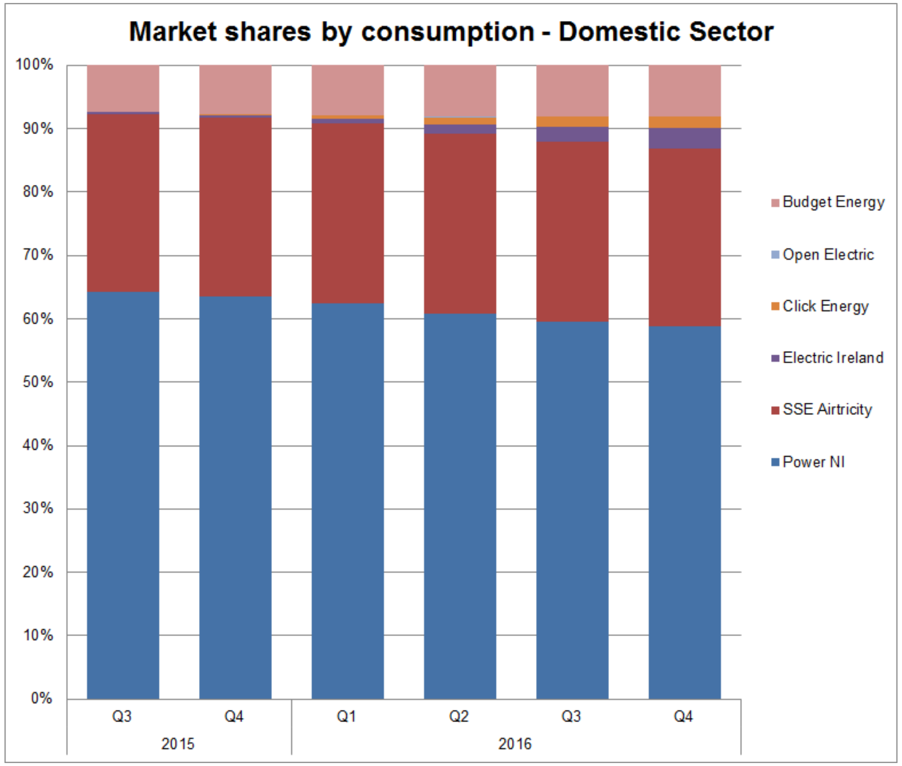
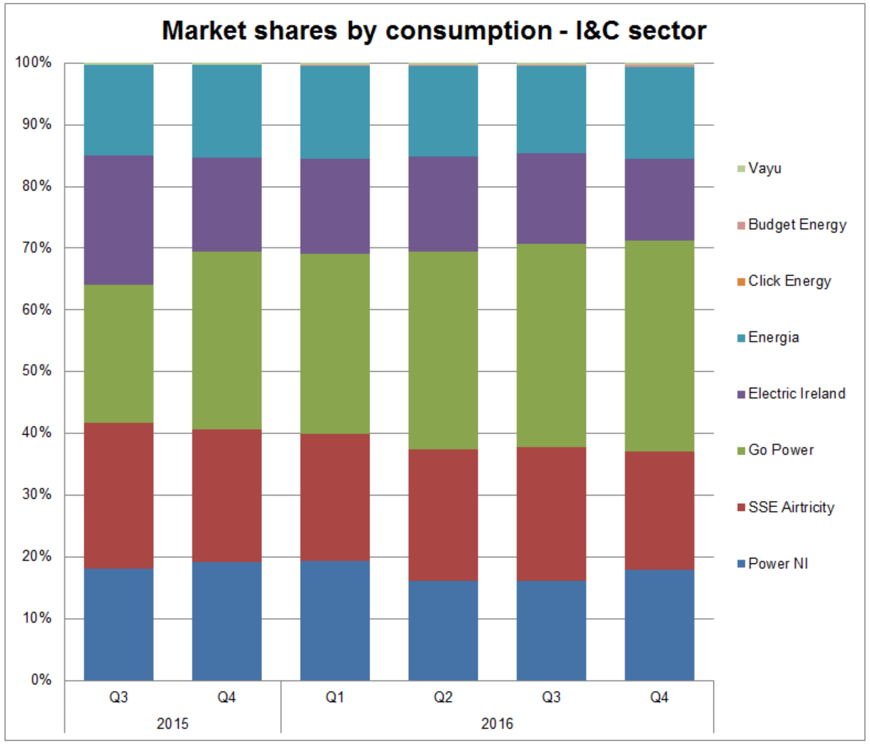


Table 8 I&C market shares by consumption

Q4 2016

I&C Suppliers	I&C < 20 MWh		I&C < 20 – 49 MWh		I&C 50 – 499 MWh		I&C 500 – 1,999 MWh		I&C 2,000 – 19,999 MWh		I&C ≥ 20,000 MWh		I&C Total	
	GWh	%	GWh	%	GWh	%	GWh	%	GWh	%	GWh	%	GWh	%
Power NI	45.5	50.1%	40.4	36.3%	84.5	24.5%	24.5	12.0%	34.3	9.8%	0.0	0.0%	229.2	17.9%
SSE Airtricity	18.4	20.2%	28.5	25.6%	71.4	20.6%	31.7	15.6%	49.8	14.3%	47.5	25.9%	247.3	19.3%
Go Power	15.1	16.6%	19.9	17.9%	87.2	25.2%	75.6	37.1%	135.5	38.9%	104.3	56.9%	437.6	34.1%
Electric Ireland	3.5	3.8%	5.3	4.8%	40.1	11.6%	30.7	15.1%	66.0	18.9%	23.3	12.7%	169.0	13.2%
Energia	7.6	8.3%	15.6	14.0%	59.8	17.3%	39.6	19.4%	60.5	17.4%	8.1	4.4%	191.1	14.9%
Budget Energy	0.80	0.8%	1.5	1.3%	2.3	0.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%	4.6	0.4%
Vayu	0.02	0.021%	0.00	0.00%	0.2	0.1%	1.4	0.06%	2.3	0.7%	0.0	0.0%	4.0	0.3%
Click Energy	0.07	0.07%	0.04	0.034%	0.08	0.024%	0.0	0%	0.0	0%	0.0	0%	0.19	0.07%
I&C Market	**90.9**	**100%**	**111.3**	**100%**	**345.6**	**100%**	**203.5**	**100%**	**348.4**	**100%**	**183.3**	**100%**	**1,282.9**	100.0%



Source: NIEN

The main suppliers by consumption in the I&C sector are Go Power (34.1%), SSE Airtricity (19.3%), Power NI (17.9%), Energia (14.9%) and Electric Ireland (13.2%).

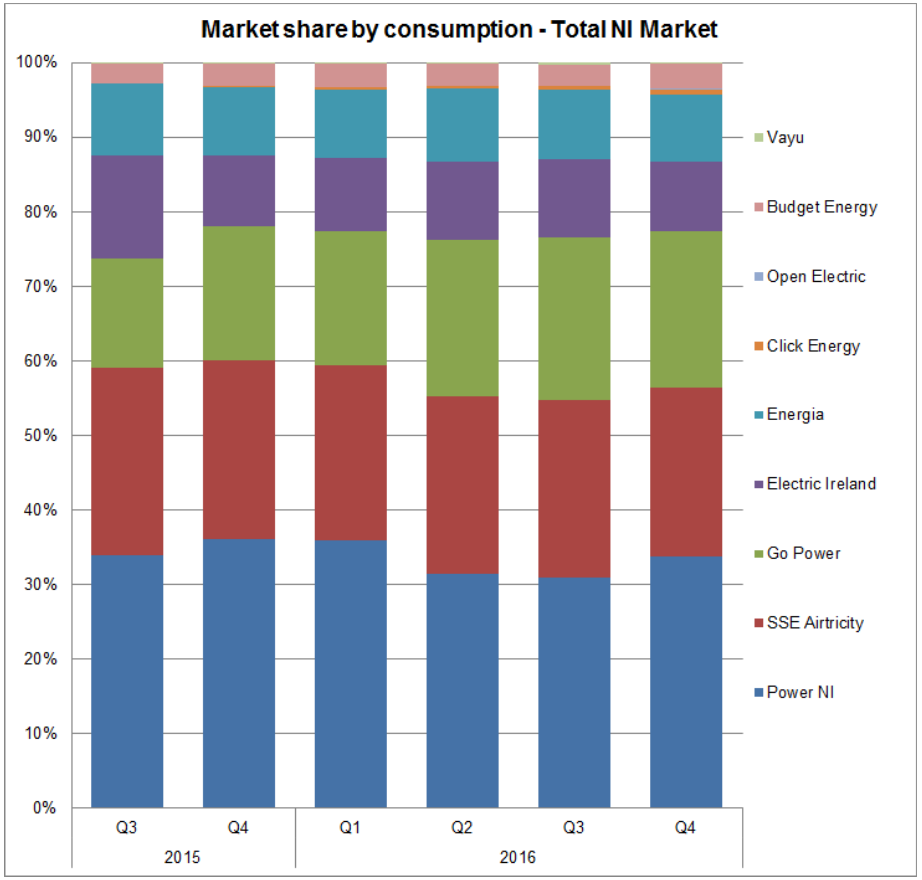
The graph to the left shows the trends in market shares (by consumption) for each active I&C supplier in NI for the previous six quarters.

Table 9 Total NI market shares by consumption

Q4 2016

Total Market	Total	
	GWh	%
Power NI	709.7	33.82%
SSE Airtricity	475.6	22.66%
Go Power	437.6	20.85%
Electric Ireland	195.8	9.33%
Energia	191.1	9.11%
Click Energy	13.9	0.66%
Open Electric	1.0	0.05%
Budget Energy	69.9	3.33%
Vayu	4.0	0.19%
Total Market	**2,098.7**	**100%**

Source: NIEN

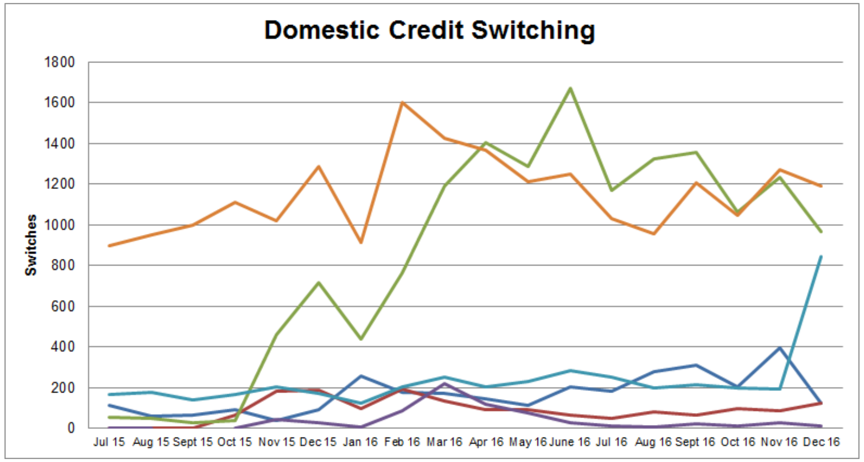


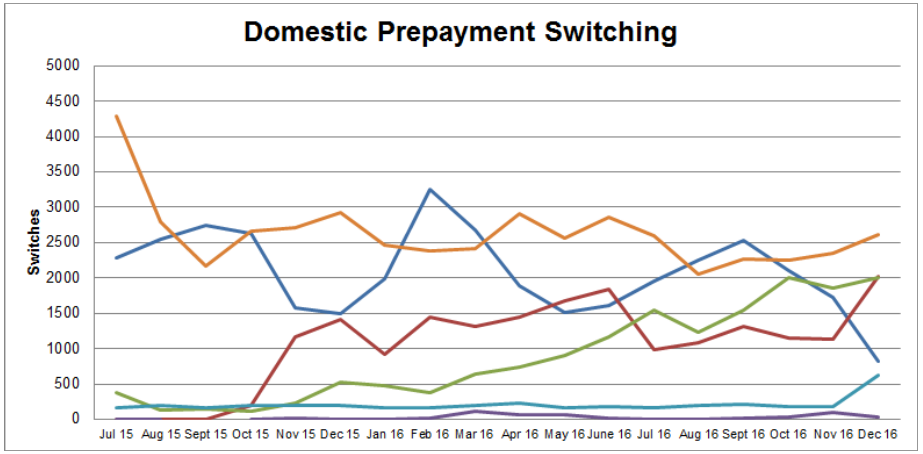
Electricity consumption in NI retail market for Q4 2016 was over 2,098.7 GWh, which indicates a small year on year increase when compared to 2,057.5 GWh consumed in Q4 2015.

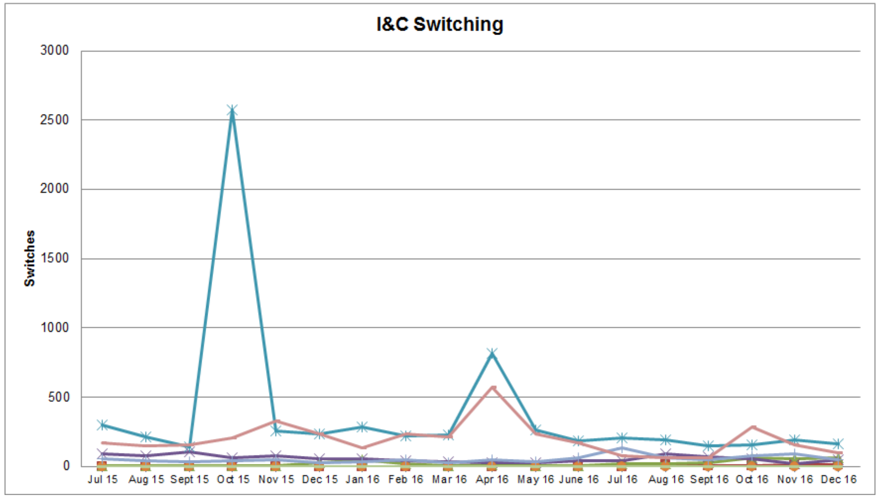
The graph to the right reflects the trends in market shares (by total consumption) for each active domestic and I&C supplier in NI for the previous six quarters.

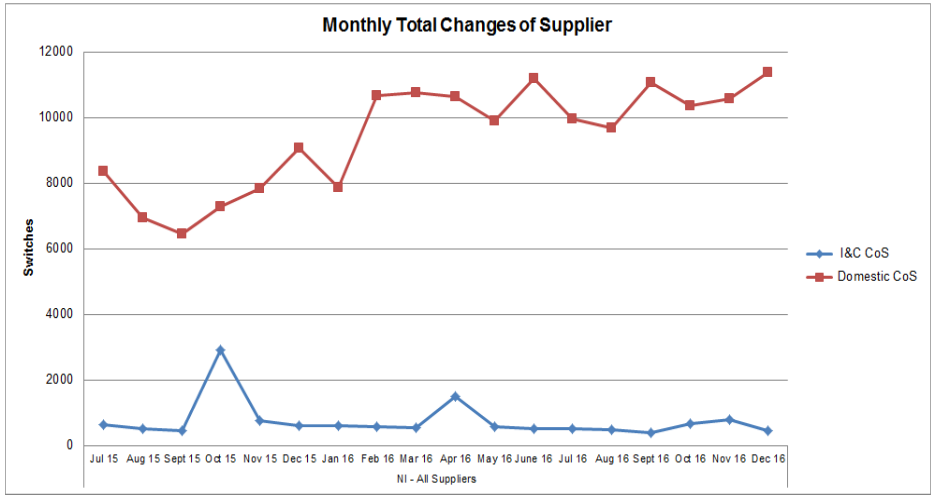
3.3 Electricity market activity

The line charts below reflect the change of customer numbers (gains per supplier), per market segment and anonymised supplier.









The table below shows market activity through changes of supplier (CoSs) on a quarterly basis in the whole NI market split by domestic and I&C. These percentages are calculated using the number of quarterly switches divided by the number of customers at the end of the quarter in the relevant market.

Table 10 Electricity market activity

Q4 2016

Period	Domestic Switching		I&C Switching		Total Switching	
2015 Q3	21,763	2.8%	1,598	2.3%	23,361	2.7%
2015 Q4	24,210	3.1%	4,256	6.1%	28,466	3.3%
2016 Q1	29,307	3.7%	1,724	2.5%	31,031	3.6%
2016 Q2	31,709	4.0%	2,566	3.6%	34,257	4.0%
2016 Q3	30,694	4.0%	1,372	1.9%	32,066	3.9%
2016 Q4	32,295	4.1%	1,911	2.7%	34,206	3.9%

Source: NIEN

The number of domestic switches over this quarter has marginally decreased from the previous quarter, with an average of c10,700 switches per month. In comparison to the equivalent quarter in 2015, there has been an increase in market activity from c8,250 switches per month. The percentage of domestic switching is currently 4.1% for the quarter which illustrates more market activity when compared to the same period last year (3.2%).

The I&C sector market activity has decreased when comparing quarter on quarter, with a switching rate of 2.7% (from 6.1% for Q4 2015).

3.4 Electricity prices

For the electricity prices section, we follow Eurostat's format and methodology. As a result the average prices for NI are comparable with prices in other EU countries (those published in BEIS's Quarterly Energy Prices reports[10] and Eurostat data base[11]).

The base figures are all submitted on a quarterly basis by suppliers, split by domestic and non domestic (I&C). The UR performs a high level reasonableness check of the base figures, but the suppliers are responsible for the accuracy of the information that is provided to the UR. The base figures are as follows:

- **Volume** of electricity sold to consumers.
- The **value**, or revenue gained from the sale, split into three categories: excluding all taxes, excluding VAT, and including all taxes.
- The **number** of customers supplied in that particular size category.

The volume and value are used to calculate a NI quarterly average value per size band. This value per unit (per size band) is what we refer to in this paper as "price". For clarity we do not receive from suppliers the actual price paid by their customers. Instead we calculate the average value or revenue collected per unit in that particular size category, as per the Eurostat methodology.

As the Eurostat figures are published on a semester basis (semester 1 (S1) January to June and semester 2 (S2) July to December) we therefore average the two relevant quarters to obtain the comparable six-month period for NI.

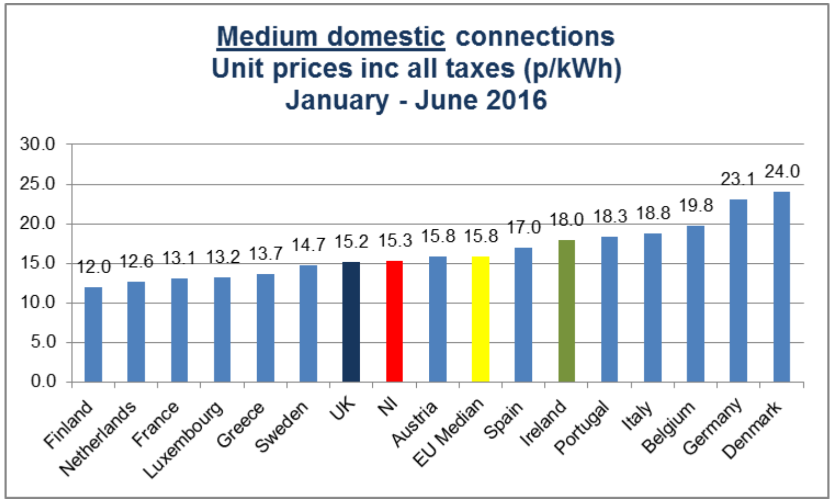
10 https://www.gov.uk/government/collections/quarterly-energy-prices
11 http://ec.europa.eu/eurostat/web/energy/data/database

It should be noted that the comparability of the derived NI prices to the other Member States can be greatly affected by fluctuations in the Euro GBP exchange rate. For the purposes of tariff comparisons we convert the EU tariffs from Euro to GBP using the monthly average exchange rate applicable for the semester. Therefore tariff movements and comparisons between NI and other Member States can be impacted by both an increase and decrease in a tariff and also by any variation in exchange rates. The pricing data for the semester July to December 2016 will be published in the next QTR.

Domestic price comparison with EU

In the domestic graph shown below, we use unit prices which include Climate Change Levy (CCL) and include VAT as this reflects the final prices paid by domestic Customers. The medium sized domestic customers (annual consumption of between 2,500 and 4,999 kWh) have been selected for the purpose of analysis, as this consumption category reflects the majority of domestic customers in NI.

In S1 2016 the NI price was below the EU median which indicates a movement on S2 2015.



I&C price comparison with EU

The following graphs show I&C electricity prices in the 15 EU countries and in NI, per consumption size bands (following standard EU categorisation). The I&C graphs use unit prices which include Climate Change Levy (CCL) but exclude VAT, as VAT is a refundable expense for many businesses. This therefore reflects the final prices paid by I&C customers. We amalgamate the two largest categories of annual consumption (large and very large connections) to avoid any confidentiality issues in sectors where there are a small number of customers and suppliers involved.

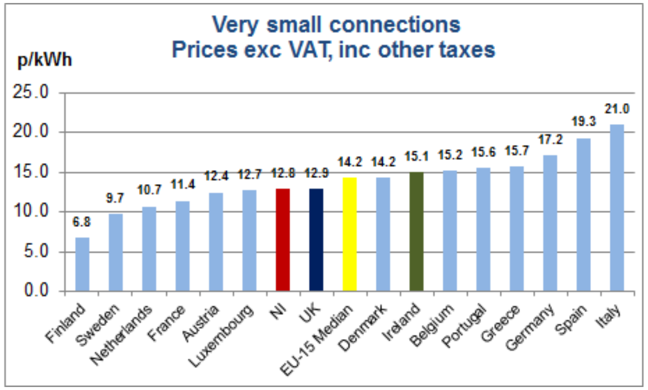
For the Very Small I&C Category the NI prices have moved to be considerably lower than the EU median, and also significantly lower than RoI (two thirds of I&C customers in NI are in this size category). For the larger I&C customers, prices are marginally above those in RoI but are lower than in the UK overall. The following table shows the percentage of connections and consumption for the period end detailed in the I&C graphs (S1 2016).

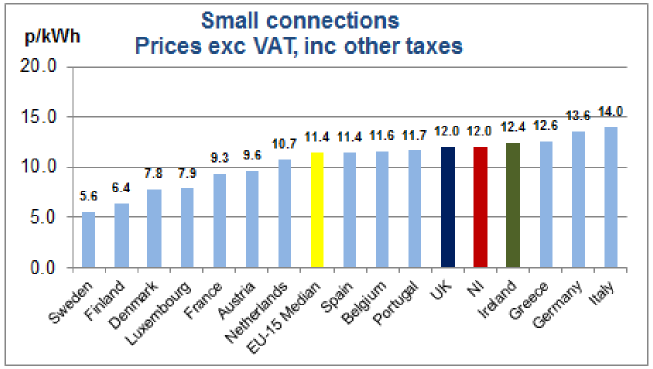
Table 11 Electricity market % by I&C consumption band

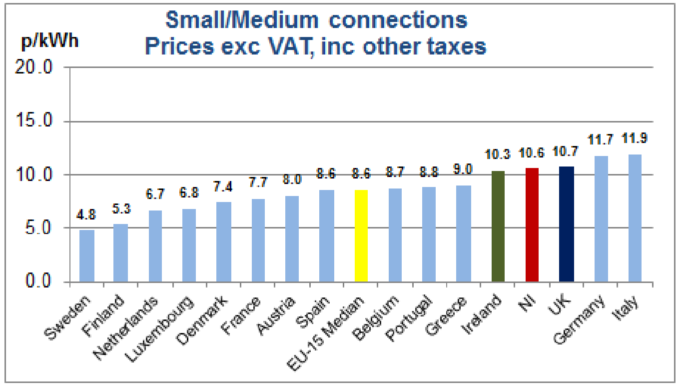
End of Q2 2016[12]

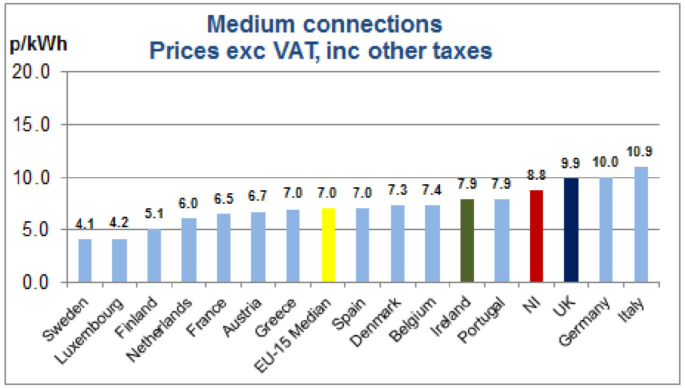
Size of customer	Annual consumption bands (MWh)	% of I&C connections[13]	% of I&C consumption	I&C connection numbers
Very small	< 20	66.0%	6.2%	46,766
Small	20 – 499	32.4%	33.4%	22,933
Small / Medium	500 – 1,999	1.20%	16.5%	832
Medium	2,000 – 19,999	0.4%	28.4%	268
Large & Very Large	>20,000	0.03%	15.5%	19

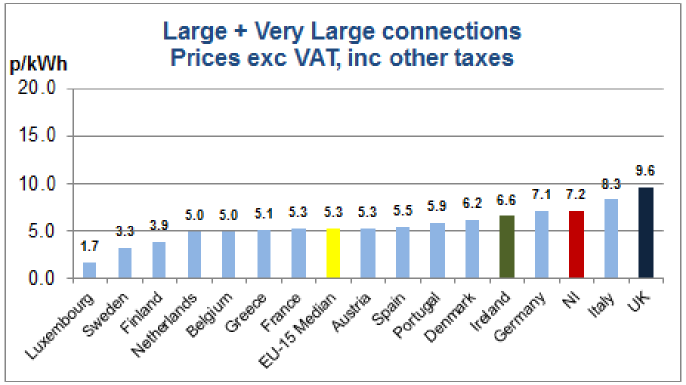
Source: NIEN











Source: NI electricity suppliers, Eurostat and UR internal calculations

[12] The pricing data relates to Q2 2016 as opposed to Q3 2016. This is due to the availability of pricing data from Eurostat and suppliers.

4 Gas in the Greater Belfast area

4.1 Connections and consumption in the Greater Belfast area

The table below shows gas connection numbers in the Greater Belfast area at the end of December 2016 and the consumption in this area during October to December 2016.

Table 12 Gas connections and consumption per market segment in the Greater Belfast area

Q4 2016

Market sector	Number of connections	% share of connections in sector	Consumption (MWh)[14]	% share of consumption in sector
Domestic prepayment	119,519	62.2%	363,921	48.5 %
Domestic credit	65,017	33.8%	386,552	51.5%
I&C < 73,200 kWh	7,747	4.0%		
Total Domestic and Small I&C[15]	**192,283**	**100%**	**750,473**	**100%**
I&C 73,200 to 732,000 kWh	2,767	87.7%	193,542	34.4%
I&C 732,001 to 2,196,000 kWh	280	8.9%	87,859	15.6%
I&C > 2,196,000 kWh	107	3.4%	280,580	49.9%
Medium & Large I&C[16]	**3,154**	**100%**	**561,981**	**100%**
Total	**195,437**		**1,312,454**	

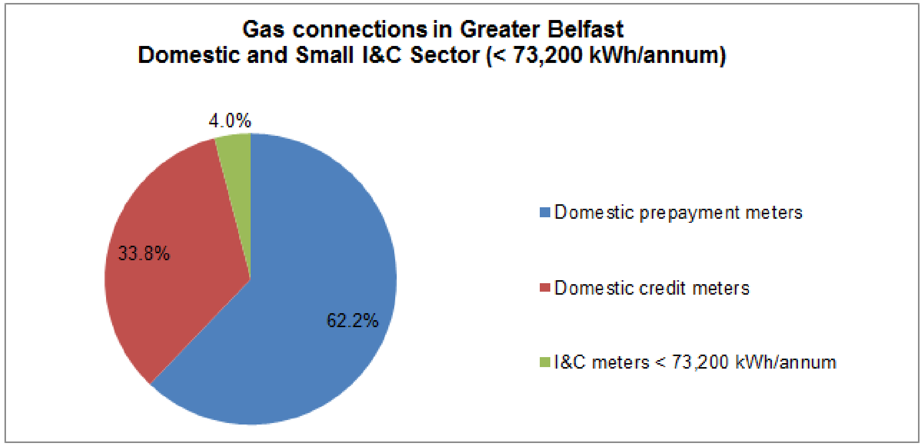
Source: PNGL

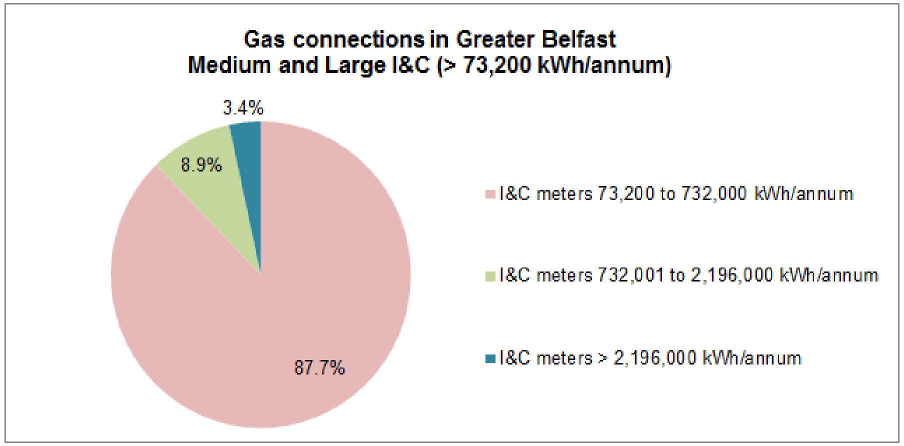
At the end of December 2016, the domestic and small I&C connections represent 98.4% of the total connections and 57.2% by consumption. The remaining 1.6% of connections are medium and large I&C which represent 42.8% of consumption.

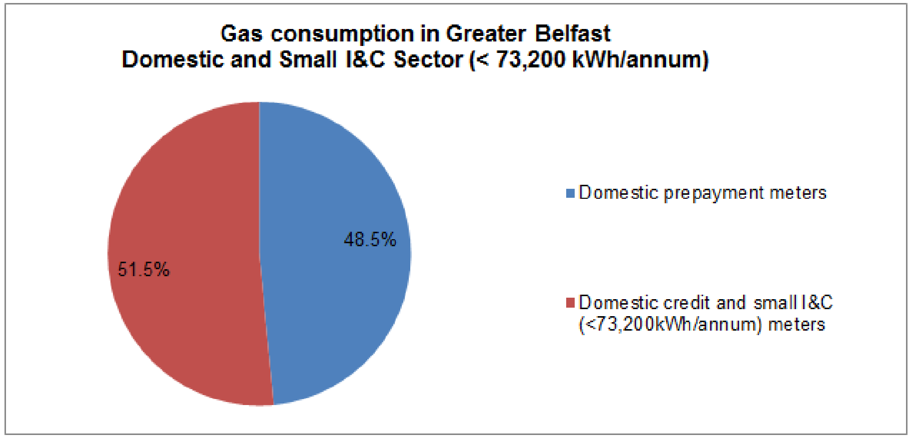
Within the domestic sector, 64.8% of the connections use prepayment meters and 35.2% use credit meters to pay for their gas.

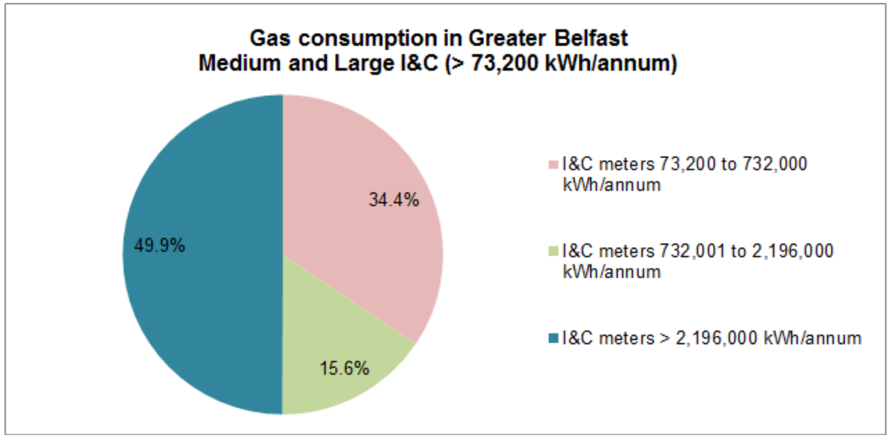
[14] Gas consumption is presented in this QTR in MWh. It is important to note that gas consumption was presented in Therms in the QTRs for 2015 and previous years.
[15] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum. The consumption information for domestic credit and small I&C are combined as this information is not available to us with a full split.
[16] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

The charts below show the numbers of gas connections in the Greater Belfast area at the end of December 2016 and the consumption in this area during October to December 2016.









4.2 Gas market shares in the Greater Belfast area

This section provides information on the connection numbers and consumption, by supplier, in the Greater Belfast area. The market shares in terms of connections are as at the end of December 2016 and the market shares in terms of consumption are for the period October to December 2016. There are five suppliers in the domestic and small I&C sector, although only two of these suppliers are active in the domestic market. In the medium and large I&C market there are currently six active suppliers.

Gas shares by connections numbers

The table below shows the market shares for each supplier within the domestic and small I&C sector in the Greater Belfast area. The market shares are shown as number of connections per supplier and also as a percentage share within the sector (as at the end of December 2016).

Table 13 Domestic and small I&C[17] market shares by connections

End of Q4 2016

Supplier	Domestic prepayment		Domestic Credit		I&C < 73,200 kWh		Total for Domestic and Small I&C	
SSE Airtricity	84,254	70.5%	51,835	79.7%	5,275	68.0%	**141,364**	**73.5%**
firmus energy	35,265	29.5%	13,168	20.3%	965	12.4%	**49,398**	**25.7%**
Vayu	0	0%	0	0%	15	0.2%	**15**	**0.01%**
Go Power	0	0%	0	0%	802	10.3%	**802**	**0.4%**
Flogas	0	0%	0	0%	704	9.1%	**704**	**0.4%**
Total	**119,519**	**100%**	**65,003**	**100%**	**7,761**	**100%**	**192,283**	**100%**

Source: PNGL

In terms of market shares by connections, SSE Airtricity (the incumbent supplier) retains a significant share of the domestic and small I&C market of currently 73.5% (market share at the end of Q2 2016 was 73.2%). This market share has remained similar to the equivalent quarter in 2015 (72.7%).

Flogas and Go Power market shares, in terms of connection numbers, are gradually increasing each quarter with a combined share of the domestic and small I&C market of 0.8% (an increase from 0.5% for Q4 in 2015).

[17] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

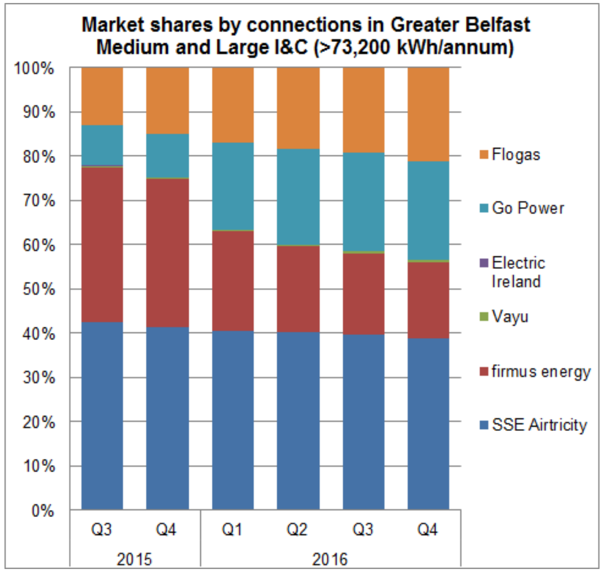
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. I&Cs with consumption over 73,200 kWh per annum) in the Greater Belfast area at the end of December 2016. The corresponding graph shows the change in market shares by supplier within the same sector over the last eighteen months.

Table 14 Medium and large I&C[18] market shares by connections

End of Q4 2016

Supplier	I&C 73,200 to 732,000 kWh		I&C 732,001 to 2,196,000 kWh		I&C > 2,196,000 kWh		Total for Medium and Large I&C	
SSE Airtricity	1,066	38.5%	114	40.7%	48	44.9%	**1,228**	**38.9%**
firmus energy	410	14.8%	98	35.0%	35	32.7%	**543**	**17.2%**
Vayu	10	0.4%	1	0.4%	0	0%	**11**	**0.3%**
Electric Ireland	0	0%	0	0%	3	2.8%	**3**	**0.1%**
Go Power	664	24.0%	28	10.0%	13	12.1%	**705**	**22.4%**
Flogas	617	22.3%	39	13.9%	8	7.5%	**664**	**21.1%**
Total	**2,767**	**100%**	**280**	**100%**	**107**	**100%**	**3,154**	**100%**

Source: PNGL



Competition in the medium and large I&C market is more active and the market shares have continued to move for some suppliers. Flogas and Go Power both entered the Greater Belfast market in 2014 and have gradually increased their market shares each quarter. At the end of Q4 2016, Go Power and Flogas had 22.4% and 21.1% share of the medium and large I&C market respectively, which is a substantial increase from 9.8% and 14.9% share at the end of Q4 2015.

firmus energy's share of the medium and large I&C market has decreased substantially since Go Power and Flogas entered the market. firmus energy had market shares in this sector of 33.4% at the end of Q4 2015 but this has reduced to 17.2% by the end of Q4 2016.

[18] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

Gas shares by consumption[19]

This section provides information on the consumption, by supplier, in the Greater Belfast area during Q4 2016. The table below shows the market shares for each supplier within the domestic and small I&C sector in the Greater Belfast area.

Table 15 Domestic and small I&C[20] market shares by consumption Q4 2016

Supplier	Total for Domestic and Small I&C Sector	
	(MWh)	% share
SSE Airtricity	530,887	70.7%
firmus energy	206,149	27.5%
Vayu	140	0.02%
Go Power	6,921	0.9%
Flogas	6,376	0.9%
Total	**750,473**	**100%**

Source: PNGL

SSE Airtricity has retained the majority of the domestic and small I&C market share in the Greater Belfast area. Their percentage market share in Q4 2016 was 70.7% compared with 69.8% in the same period last year.

firmus energy's market share has also decreased from 29.2% during Q4 2015 to 27.5% during Q4 2016. The market share of the remaining suppliers continues to be minimal as they are not active in the domestic market and supply to a limited number of small I&C customers.

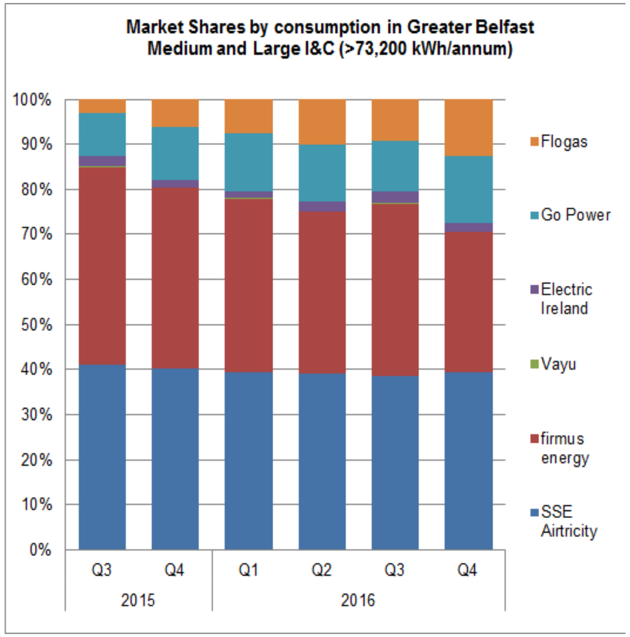
[19] Gas consumption is presented in this QTR in MWh. It is important to note that gas consumption was presented in Therms in the QTRs for 2015 and previous years.
[20] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. those using at least 73,200 kWh per annum) in the Greater Belfast area during Q4 2016. The corresponding graph shows the change in market shares by supplier within the same sector over the last eighteen months.

Table 16 Medium and large I&C[21] market shares by consumption
Q4 2016

Supplier	I&C 73,200 to 732,000 kWh		I&C 732,001 to 2,196,000 kWh		I&C > 2,196,000 kWh		Total for Medium and Large I&C	
	(MWh)	% share	(MWh)	% share	(MWh)	% share	(MWh)	% share
SSE Airtricity	72,838	37.6%	35,713	40.6%	112,266	40.0%	**220,817**	**39.3%**
firmus	28,767	14.9%	32,088	36.5%	114,445	40.8%	**175,299**	**31.2%**
Vayu	582	0.3%	419	0.5%	0	0%	**1,001**	**0.2%**
Electric Ireland	0	0%	0	0%	10,343	3.7%	**10,343**	**1.8%**
Go Power	48,811	25.2%	8,822	10.0%	25,703	9.2%	**83,336**	**14.8%**
Flogas	42,543	22.0%	10,818	12.3%	17,824	6.4%	**71,184**	**12.7%**
Total	**193,542**	**100%**	**87,859**	**100%**	**280,580**	**100%**	**561,981**	**100%**

Source: PNGL



Market share by consumption fluctuates throughout the year due to the movement of customers between suppliers, and also due to the amount of gas consumed by each customer during different seasons as gas usage can be weather dependent for many, but not all, customers.

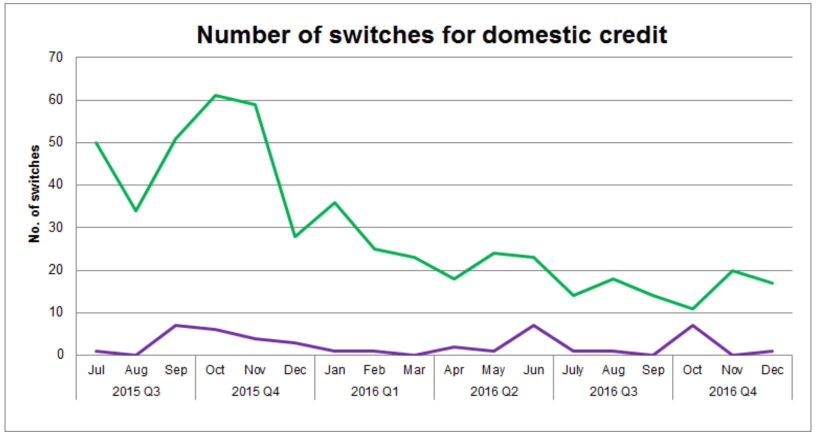
Flogas' market share by consumption in the medium and large I&C market has increased substantially compared to the same period last year. In Q4 2015 they held 6.2% compared to 12.7% in Q4 2016.

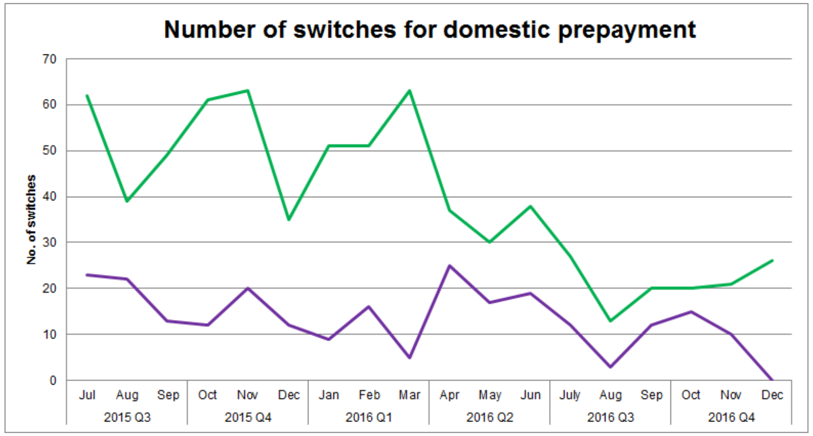
The market shares of firmus energy in this market have decreased from 40.2% during Q4 2015 to 31.2% in Q4 2016.

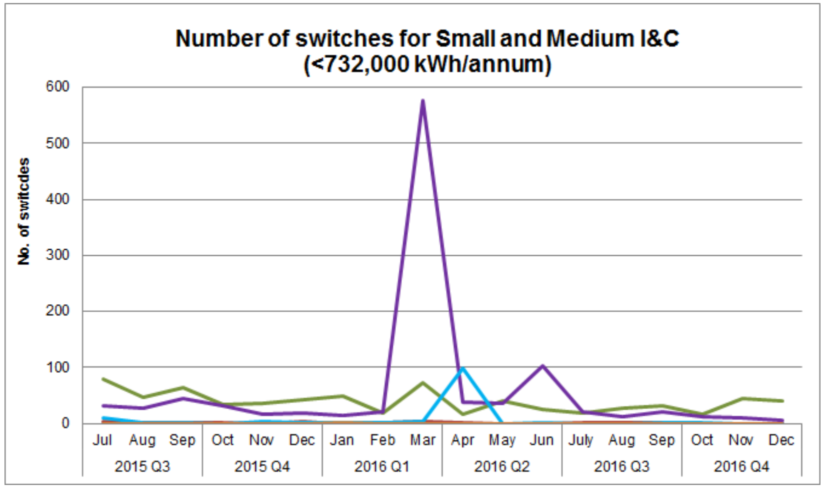
[21] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

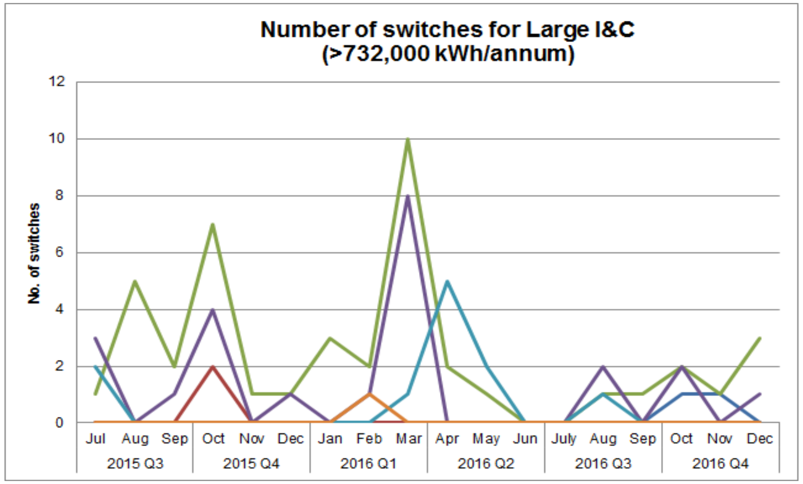
4.3 Market activity in the Greater Belfast area

The line charts below reflect the number of switching gains per market sector in the Greater Belfast area. The switching gains are displayed by supplier; however the supplier names have been anonymised. Note that prepayment switches, within the domestic sector, include switches back to the previous supplier in cases where the customer has not taken the required action to complete their switch.









There are only two active suppliers in the domestic market and market switching has continued at a low level. The I&C graphs above represent the split between the price-regulated and non price-regulated sectors. Following a spike in switching in the price regulated market (<732,000 kWh/annum) at the end of Q1 2016 the switching levels returned to lower levels for Q3 and Q4 2016.

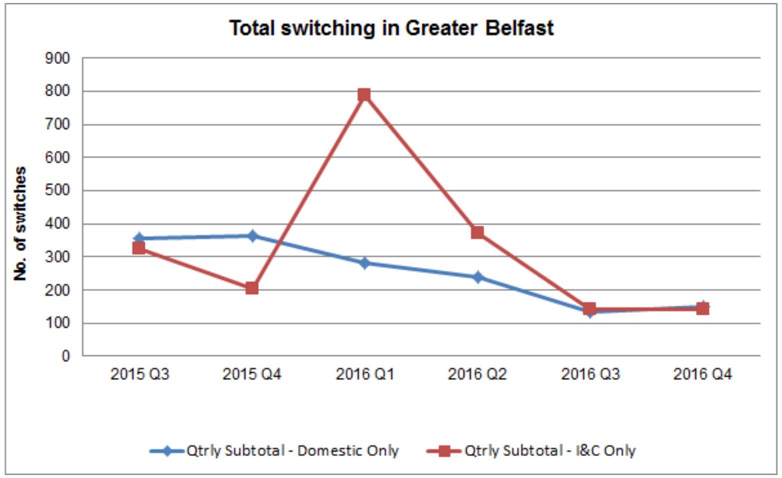
The table below shows market activity through the number of customer switches on a quarterly basis in the Greater Belfast gas market and the associated percentage switching rate. The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at the end of the quarter in the relevant market.

Table 17 Market activity in the Greater Belfast area

Period	Domestic Switching		I&C Switching		Total Switching	
2015 Q3	356	0.2%	324	3.1%	680	0.4%
2015 Q4	364	0.2%	203	1.9%	567	0.3%
2016 Q1	281	0.2%	789	7.3%	1,070	0.6%
2016 Q2	241	0.1%	370	3.4%	611	0.3%
2016 Q3	135	0.1%	143	1.3%	278	0.1%
2016 Q4	148	0.1%	140	1.3%	288	0.1%

Source: PNGL

The graph below represents the total number of switches completed on a monthly basis, split by the domestic and I&C markets. The graph shows that the overall level of switching has been consistently low over the last year, however there was a large increase in switching within the I&C sector at the end of Q1 2016.



5 Gas in the Ten Towns area

5.1 Connections and consumption in the Ten Towns area

The table below shows gas connection numbers in the Ten Towns area at the end of December 2016 and the consumption in this area during October to December 2016.

Table 18 Gas connections and consumption per market segment in the Ten Towns area

Q3 2016

Market segment	Number of connections	% share of connections in sector	Consumption (MWh)[22]	% share of consumption in sector
Domestic prepayment	26,672	85.8%	75,356	78.6%
Domestic credit	3,170	10.2%	20,486	21.4%
I&C < 73,200 kWh	1,233	4.0%		
Total Domestic and Small I&C[23]	**31,075**	**100.0%**	**95,842**	**100%**
I&C 73,200 to 732,000 kWh	911	78.5%	76,980	19.7%
I&C 732,001 to 2,196,000 kWh	158	13.6%	52,805	13.5%
I&C > 2,196,000 kWh	91	7.8%	261,280	66.8%
Medium & Large I&C[24]	**1,160**	**100%**	**391,064**	**100.0%**
Total	**32,235**		**486,907**	

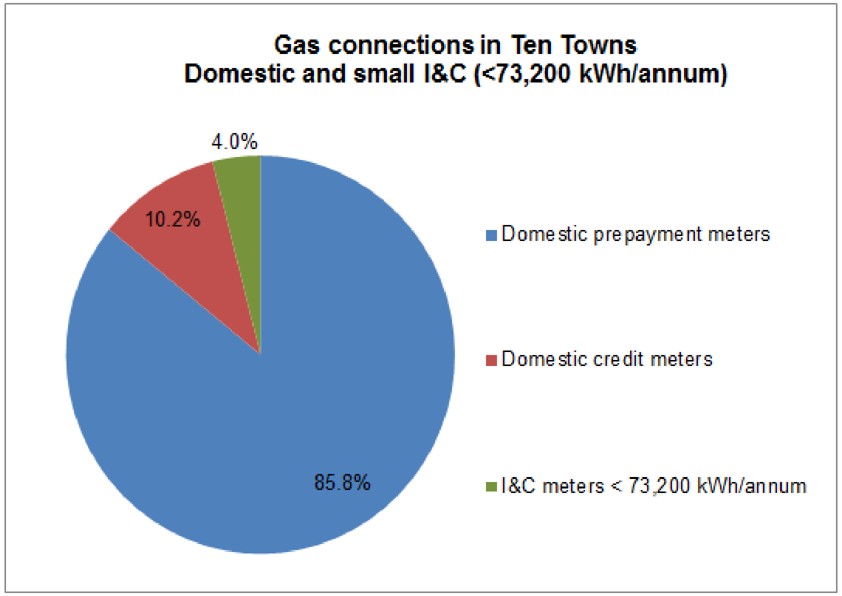
Source: feDL

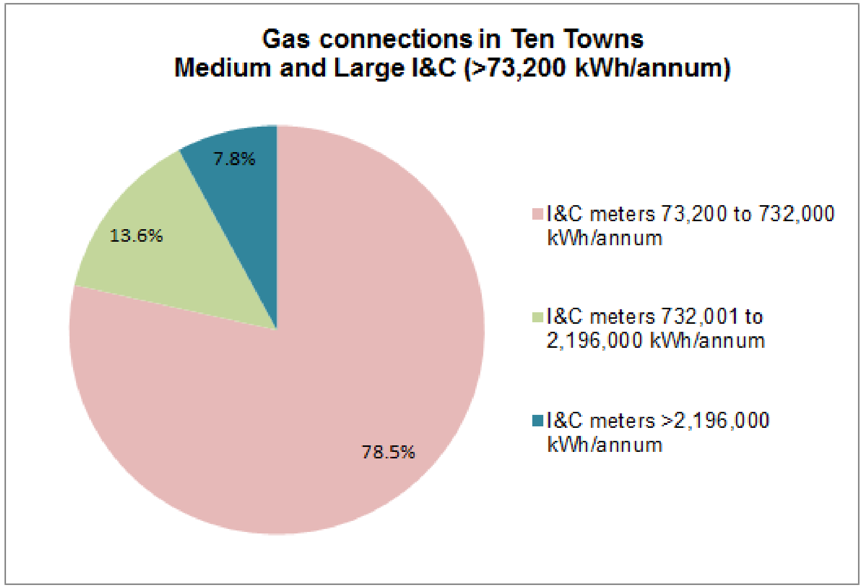
At the end of December 2016, the domestic and small I&C connections represent 96.4% of the total connections and 19.7% of consumption. The remaining 3.6% are medium and large I&C connections and represent 80.3% of total consumption in this area.

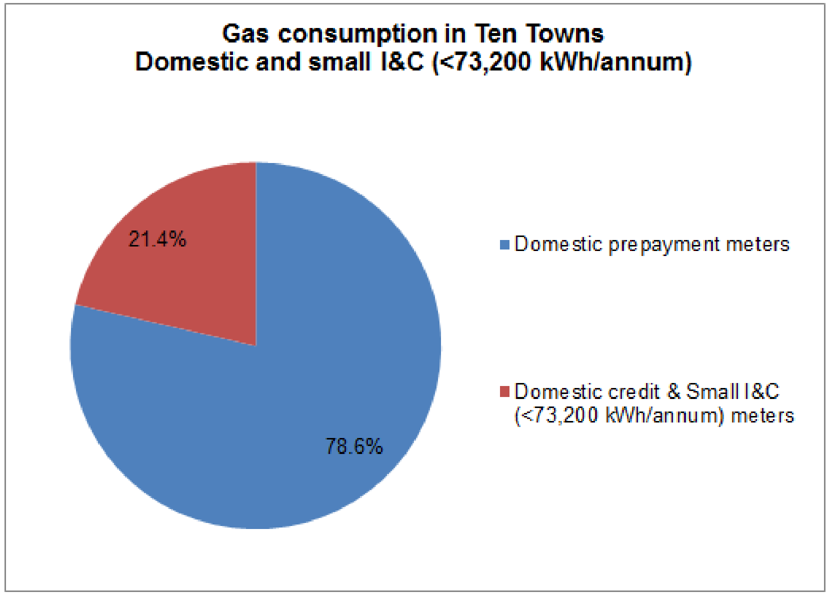
Within the domestic sector, 89.4% of the domestic connections use prepayment meters and 10.6% use credit meters to pay for their gas.

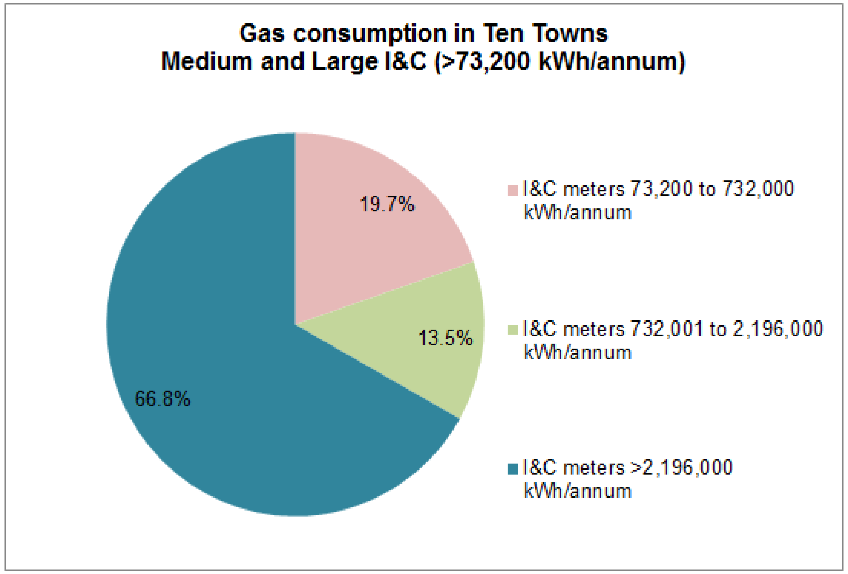
[22] Gas consumption is presented in this QTR in MWh. It is important to note that gas consumption was presented in Therms in the QTRs for 2015 and previous years.
[23] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum. The consumption information for domestic credit and small I&C are combined as this information is not available to us with a full split.
[24] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

The charts below show the numbers of gas connections in the Ten Towns area at the end of December 2016 and the consumption in this area during October to December 2016.









5.2 Gas market shares in the Ten Towns area

This section provides information on the connection numbers and consumption, by supplier, in the Ten Towns area. The market shares in terms of connections are as at the end of December 2016 and the market shares in terms of consumption are for the period October to December 2016.

Competition opened in the Ten Towns large I&C market (>732,000 kWh per annum) in October 2012. The remainder of the market opened to competition in April 2015. There were four suppliers in the domestic and small I&C sector during Q4 2016, although only one supplier was active in the domestic market (the incumbent supplier). In the medium and large I&C market there were four active suppliers.

Gas shares by connections numbers

The table below shows the market shares for each supplier within the domestic and small I&C sector in the Ten Towns area.

Table 19 Domestic and small I&C[25] market shares by connections

End of Q4 2016

Supplier	Domestic prepayment		Domestic credit		I&C < 73,200 kWh		Total for Domestic and Small I&C	
SSE Airtricity	0	0%	0	0%	52	4.2%	**52**	**0.2%**
firmus energy	26,672	100%	3,170	100%	904	73.3%	**30,746**	**98.9%**
Go Power	0	0%	0	0%	49	4.0%	**49**	**0.2%**
Flogas	0	0%	0	0%	228	18.5%	**228**	**0.7%**
Total	**26,672**	**100%**	**3,170**	**100%**	**1,233**	**100%**	**31,075**	**100%**

Source: feDL

firmus energy, the incumbent supplier, is the only domestic supplier in the Ten Towns area.

In terms of market share by connections, firmus energy retains the majority of the small I&C market with 73.3% share at the end of Q4 2016. The competing suppliers in the small I&C market, SSE Airtricity, Go Power and Flogas have been steadily increasing their market shares since entering the I&C market. At the end of Q4 2015, the collective market share of these three suppliers was 7.7% compared to 26.7% at the end of Q4 2016.

[25] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

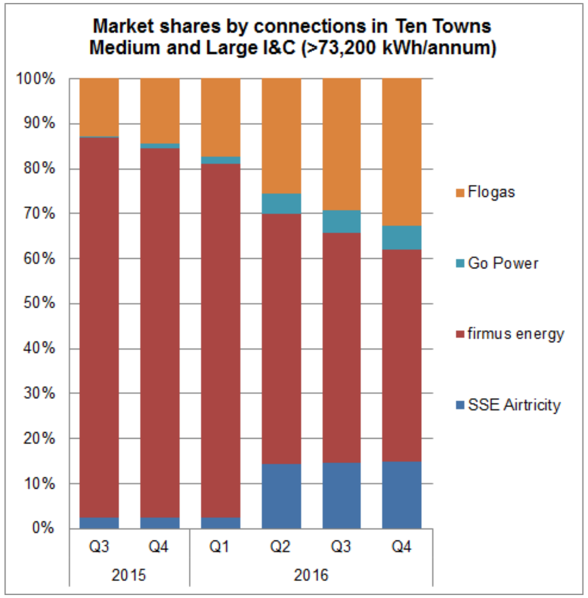
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. I&Cs with consumption over 73,200 kWh per annum) in the Ten Towns area at the end of Q4 2016. The corresponding graph shows the change in market shares by supplier within the same sector over the last eighteen months.

Table 20 Medium and large I&C[26] market shares by connections

End of Q4 2016

Supplier	I&C 73,200 to 732,000 kWh		I&C 732,001 to 2,196,000 kWh		I&C > 2,196,000 kWh		Total for Medium and Large I&C	
SSE Airtricity	125	13.7%	28	17.7%	21	23.1%	**174**	**15.0%**
firmus energy	379	41.6%	104	65.8%	61	67.0%	**544**	**46.9%**
Go Power	44	4.8%	12	7.6%	8	8.8%	**64**	**5.5%**
Flogas	363	39.8%	14	8.9%	1	1.1%	**378**	**32.6%**
Total	**911**	**100%**	**158**	**100%**	**91**	**100%**	**1,160**	**100%**

Source: feDL



Competing suppliers are more active in the medium and large I&C market than the small I&C market in the Ten Towns area. During Q4 2016 there has been some movement in the market shares in this sector in percentage terms, most notably within the 73,200 to 732,000 kWh/annum sector of I&C customers.

Overall in the medium and large market shares of SSE Airtricity, Go Power and Flogas are 15%, 5.5% and 32.6% respectively at the end of Q4 2016, compared to 2.5%, 1.1% and 14.5% respectively at the end of Q4 2015. The shares of firmus energy, the incumbent supplier, have decreased from 86.5% to 46.9% over the same period.

[26] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

Gas shares by consumption (MWh[27])

This section provides information on the consumption, by supplier, in the Ten Towns area. The market shares in terms of consumption are for the period from October to December 2016.

Table 21 Domestic and small I&C[28] market shares by consumption

Q4 2016

Supplier	Total for Domestic and Small I&C Sector (MWh)	% share
SSE Airtricity	476	0.5%
firmus energy	93,032	97.1%
Go Power	380	0.4%
Flogas	1,954	2.0%
Total	**95,842**	**100%**

Source: feDL

As firmus energy is the only supplier in the domestic market they hold the large majority of the market share by consumption in the domestic and small I&C sector.

The other competing suppliers in the small I&C section of this market (SSE Airtricity, Go Power and Flogas) have been active since Q3 2015 and are gradually increasing their market share as they take on more customers. During Q4 2016 their combined market share in terms of consumption in the domestic and small I&C market was 2.9% compared to 0.9% in the same period last year (i.e. Q4 2015).

[27] Gas consumption is presented in this QTR in MWh. It is important to note that gas consumption was presented in Therms in the QTRs for 2015 and previous years.
[28] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

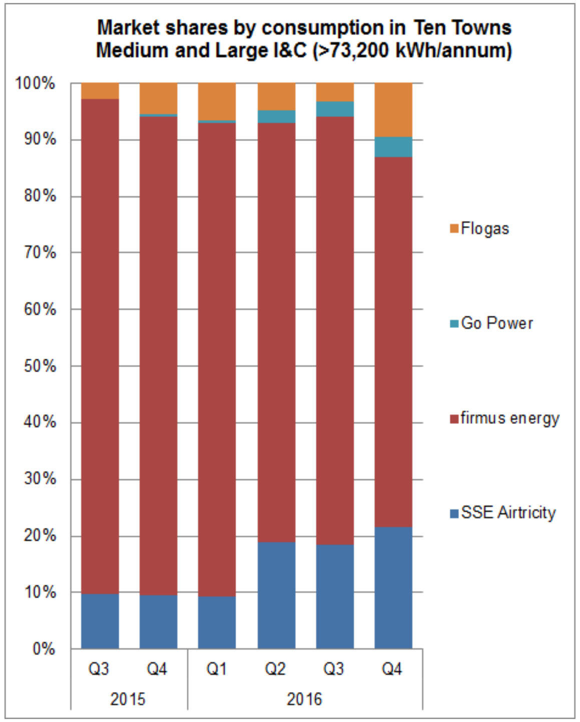
The table below shows the market shares for each supplier within the medium and large I&C sector (I&Cs using more than 73,200 kWh per annum) in the Ten Towns area during Q4 2016.

Table 22 Medium and large I&C[29] market shares by consumption

Q4 2016

Supplier	I&C 73,200 to 732,000 kWh		I&C 732,001 to 2,196,000 kWh		I&C > 2,196,000 kWh		Total for Medium and Large I&C	
	(MWh)	% share	(MWh)	% share	(MWh)	% share	(MWh)	% share
SSE Airtricity	12,767	16.6%	10,376	19.7%	61,003	23.3%	**84,146**	**21.5%**
firmus energy	28,346	36.8%	34,073	64.5%	193,336	74.0%	**255,756**	**65.4%**
Go Power	3,566	4.6%	4,151	7.9%	6,297	2.4%	**14,015**	**3.6%**
Flogas	32,300	42.0%	4,205	8.0%	643	0.2%	**37,148**	**9.5%**
Total	**76,980**	**100%**	**52,805**	**100%**	**261,280**	**100%**	**391,064**	**100%**

Source: feDL

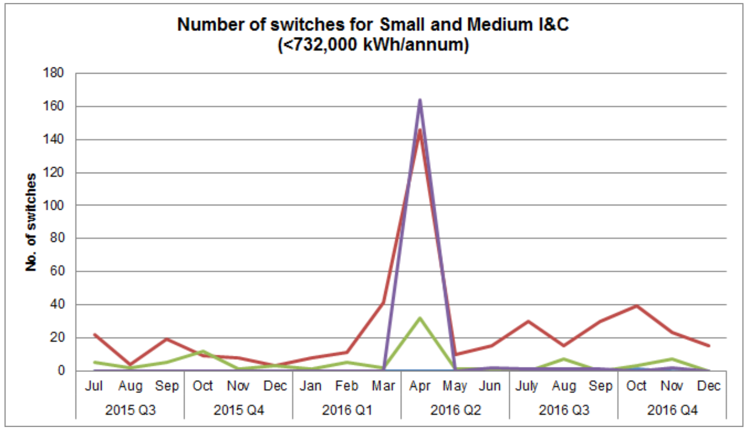


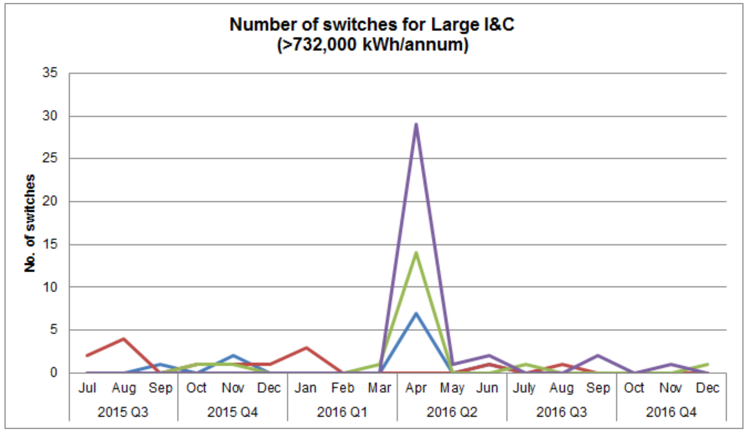
In terms of market share by consumption, firmus energy retains the largest share of the medium and large I&C sector; however their market shares are continuing to decrease as customers switch to competing suppliers. There has been a notable reduction in firmus energy's share of the medium and large I&C market over the last year. At the end of Q4 2016, firmus energy has 65.4% share of this market sector compared to 84.6% at the end of Q4 2015.

[29] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

5.3 Market activity in the Ten Towns area

The line graphs below reflect the number of switching gains in the I&C market sector in the Ten Towns area. The switching gains are displayed by supplier; however the supplier names have been anonymised. Also note that no information is provided on domestic switching in the Ten Towns area as there are no competing suppliers in the domestic market.





These line graphs represent the split between the price-regulated and non price-regulated sectors. In both sectors there was a spike in the number of switches in April 2016 and then the switching numbers returned to lower levels.

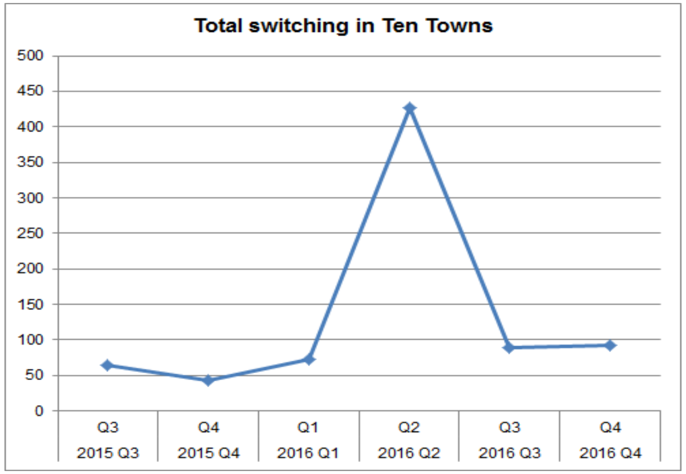
The table below shows market activity through the number of switches on a quarterly basis in the Ten Towns gas market and the associated percentage switching rate. The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at the end of the quarter in the relevant market.

Table 23 Market activity in the Ten Towns area

Period	I&C Switching	
2015 Q3	64	2.9%
2015 Q4	43	2.0%
2016 Q1	72	3.1%
2016 Q2	426	18.3%
2016 Q3	89	3.8%
2016 Q4	92	2.9%

Source: feDL

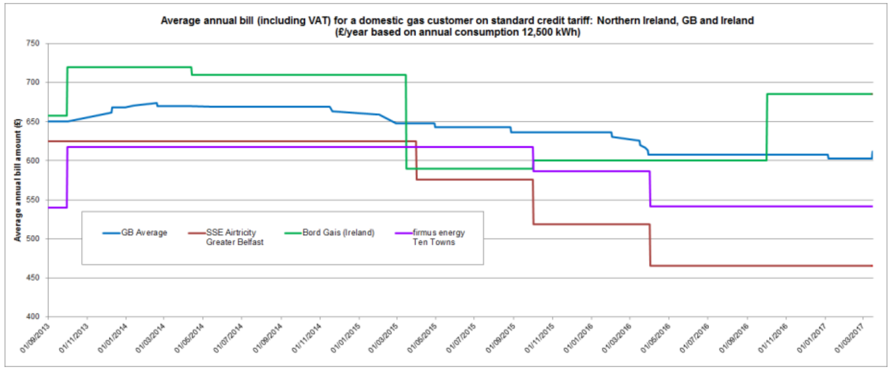
The overall level of switching has been consistently low in the Ten Towns however there was a substantial increase in switches within the I&C sector in April 2016 which is shown in the graph below.



6 Gas prices in the Greater Belfast & Ten Towns areas

6.1 Comparison against GB and RoI standard tariffs

The graph below compares gas domestic prices for standard gas tariffs. It shows a GB average which includes the 'Big Six' suppliers[30]. The annual usage estimate used is 12,500 kWh[31]. The tariffs used for comparison purposes are the standard tariff rates for domestic credit customers excluding any discounts that might be available such as payment by direct debit, viewing bills online etc.



Source: GB, ROI & NI published tariffs collated by UR

Each of the Big 6 Suppliers in GB decreased their standard domestic gas tariffs during Q1 2016. These decreases ranged from 5% to 5.4% and took effect between 1st February 2016 and 29 March 2016. In GB, EDF announced a 5.2% gas tariff decrease from the 6th January 2017 and N-Power have announced a 4.8% decrease of their standard gas tariff, taking from the 16th March 2017. Scottish Power have however announced a 4.8% increase to their standard gas tariff (which is due to take effect from the 31st March 2017). In the Republic of Ireland (RoI) Bord Gais announced a reduction of 2.5% off its gas tariffs from 1 October 2015 and another reduction of 2.5% from 1 October 2016. These reductions are both included in the figures used to plot the graph above but on each occasion the price change is displayed as an increase on the graph. This is because, for the purposes of tariff comparison, we convert the RoI tariff from Euro to GBP using the exchange rate applicable at the date of each tariff change. The fluctuations in the exchange rate therefore can have a material effect on the figures reflected in the graph.

In NI, SSE Airtricity decreased its domestic tariff in the Greater Belfast area by 10% from 1 October 2015. SSE Airtricity then announced a further decrease of 10.2% to its tariffs in the Greater Belfast area. This decrease took effect from 1 April 2016.

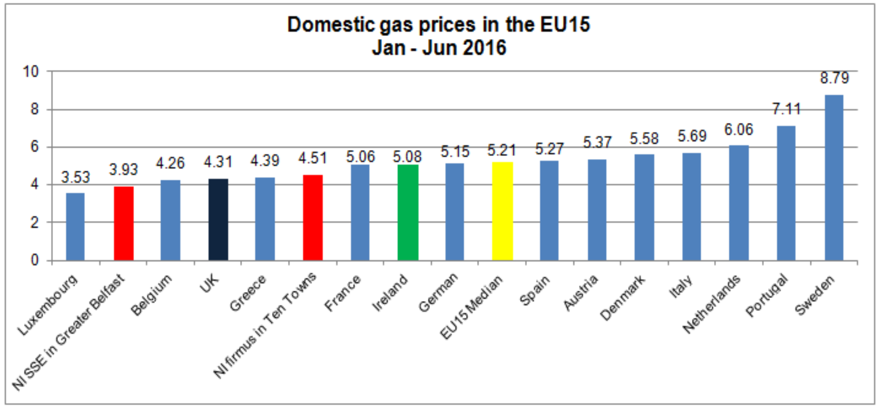
The firmus energy tariffs in the Ten Towns area were reduced by 5% from 1 October 2015. firmus energy then implemented a further reduction of 7.7% to their tariffs in the Ten Towns area which took effect from 1 April 2016.

Both SSE Airtricity and firmus regulated tariffs are currently being reviewed.

[30] The larger energy suppliers in GB (often called the 'Big Six') are the companies that supply most of the energy to domestic households in the GB market. They are: British Gas, E.ON UK, Scottish and Southern Energy (SSE), nPower, EDF Energy and Scottish Power.
[31] Ofgem's most recent review of the typical domestic consumption is 12,500kWh per annum.

6.2 Comparison against EU prices

The graph below compares NI regulated gas tariffs with the prices for other countries in Europe, including taxes, for the period January to June 2016.



Source: Eurostat and NI published tariffs collated by UR

The NI price for Greater Belfast shown in the graph is based on the standard credit tariffs of SSE Airtricity, including VAT, that applied during January to June 2016. The price has been calculated as an average of the SSE Airtricity tariff that applied from January to March 2016 and the tariff that applied from A
pril to June 2016. The average pence per kWh was calculated based on a domestic customer with average annual consumption of 12,500 kWh.

- The SSE Airtricity tariff that applied during the period January to March 2016 was: 5.635 p/kWh for first 2000 kWh, and then 3.862 p/kWh;
- The SSE Airtricity tariff that applied during the period April to June 2016 was: 5.061 p/kWh for first 2000 kWh, and then 3.468 p/kWh.

The NI price for Ten Towns shown in the graph is based on the standard credit tariffs of firmus energy, including VAT, that applied during January to June 2016. The price has been calculated as an average of the firmus energy tariff that applied from January to March 2016 and the tariff that applied from April to June 2016. The average pence per kWh was calculated based on a domestic customer with average annual consumption of 12,500 kWh.

- The firmus energy tariff that applied during the period January to March 2016 was 6.464 p/kWh for first 2000 kWh, and then 4.357 p/kWh;
- The firmus energy tariff that applied during the period April to June 2016 was: 5.965 p/kWh for first 2000 kWh, and then 4.022 p/kWh.

The prices for the EU countries shown in the graph above are the average domestic gas prices for medium consumers (5,557-55,556 kWh per annum) during the period from January to June 2016. These prices include taxes. These prices are published by Eurostat.

Glossary

CCL	The Climate Change Levy (CCL) is a tax on electricity, gas and solid fuels delivered to I&C consumers. Its objective is to encourage businesses to reduce their energy consumption or use energy from renewable sources. The rate changes every year.
CoS	Change of supplier
ERGEG	European Regulators' Group for Electricity and Gas
EU	European Union
Eurostat	Statistical office of the EU. Its task is to provide the EU with statistics at European level that enable comparisons between countries and regions
feDL	firmus energy (Distribution) Limited
firmus energy	firmus energy (Supply) Limited
GB	Great Britain
GBP	Great British Pound
I&C	Industrial and Commercial
kWh	Kilowatt hour. Unit of energy equivalent to one kilowatt (1kW) of power expended for one hour (1h) of time. 1,000kWh = 1MWh. 1,000MWh = 1GWh.
NI	Northern Ireland
NIEN	Northern Ireland Electricity Networks
LEU	Large Energy Users
Ofgem	Office of the Gas and Electricity Markets
PNGL	Phoenix Natural Gas Limited
Q	Quarter. In this report, Q refers to the calendar year (i.e. Q1 refers to the quarter January-March).

QTRs	Quarterly Transparency Reports published by the UR at the end of the second month after each calendar quarter (at the end of Feb, May, Aug and Nov).
REMM	Retail Energy Market Monitoring
RoI	Republic of Ireland
S1	Semester 1
S2	Semester 2
UR	Utility Regulator
VAT	Value Added Tax
UK	United Kingdom

Annex A: Supplier Entry to Retail Markets

The tables below set out the dates that each supplier entered the retail market sectors.

Electricity	
Domestic	Incumbent supplier: Power NI June 2010: SSE Airtricity June 2009: firmus supply June 2011: Budget Energy October 2011: Electric Ireland October 2015: Click Energy October 2015: Open Electric December 2016: Open Electric ceased supply
I&C	Incumbent supplier: Power NI July 1999: ESB Independent Energy (NI) t/a Electric Ireland August 1999: Energia January 2008: SSE Airtricity April 2009: firmus supply[32] July 2011: Budget Energy February 2012: VAYU April 2012: Go Power October 2015: Click Energy

Gas: Greater Belfast Area[33]	
Domestic	Incumbent supplier since September 1996: SSE Airtricity[34] July 2010: firmus energy
I&C	Incumbent supplier since September 1996: SSE Airtricity September 2008: firmus energy March 2009: Vayu May 2013: Electric Ireland August 2014: Go Power December 2014: Flogas

Gas: Ten Towns Area[35]	
Domestic	Incumbent supplier since 2005: firmus
I&C	Incumbent supplier since 2005: firmus January 2013: SSE Airtricity May 2015: Flogas June 2015: Go Power

[32] Note that firmus supply left the electricity market at the end of 2015.

[33] The Greater Belfast area is defined in Schedule 1 of the Phoenix Natural Gas Limited conveyance licence.
[34] Formerly Phoenix Supply Ltd (PSL).
[35] The Ten Towns area is defined in Schedule 1 of the firmus energy (Distribution) Limited conveyance licence.