RETAIL MARKET MONITORING

Quarterly Transparency Report

Quarter 1: January – March 2017

Published 31st May 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

Q1 2017 (Jan - Mar)	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[3]	5	8	5[4]	6	4[5]	6
Connections at end of quarter	794,407	71,668	194,235	3,157	32,161	1,165
Market shares of largest suppliers (by connections)	Power NI 60.8% SSE Airtricity 25.5% Budget Energy 6.1%	Power NI 47.2% SSE Airtricity 20.5% Go Power 16.7%	SSE Airtricity 73.7% firmus energy 25.5% Go Power 0.4%	SSE Airtricity 38.5% Go Power 22.6% Flogas 21.3%	firmus energy 98.9% Flogas 0.8% SSE Airtricity 0.2%	firmus energy 45.9% Flogas 33.5% SSE Airtricity 14.9%
Market shares of largest suppliers (by consumption)	Power NI 58.3% SSE Airtricity 28.2% Budget Energy 6.6%	Go Power 34.7% SSE Airtricity 18.4% Power NI 18.0%	SSE Airtricity 70.9% firmus energy 27.2% Go Power 0.9%	SSE Airtricity 38.9% firmus energy 29.1% Go Power 16.1%	firmus energy 96.9% Flogas 2.2% SSE Airtricity 0.5%	firmus energy 63.7% SSE Airtricity 21.7% Flogas 10.2%
Quarterly switching rate	4.5%	1.5%	Domestic 0.1%	All I&C 1.7%	Domestic 0%	All I&C 1.5%

[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] The number of active suppliers include all suppliers that have been certified to supply in a specific market.
[4] 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.
[5] 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 1 2017

1. The semester 2 (July - December) 2016 electricity pricing data is sourced from Eurostat and individual supplier's submissions. This semester saw a significant change in euro exchange rates from the previous semester and the resultant deterioration of the pound, together with cost/price movements, has impacted the comparison of the NI tariffs with the rest of the EU:

- NI domestic electricity prices are now amongst the lowest in Europe at 13.9 p/kWh and are considerably lower than the Republic of Ireland (20.1 p/kWh), the EU median (17.3 p/kWh) and the UK (15.7 p/kWh).
- NI I&C electricity prices for the Very Small connections (which represent 66% of I&C connections) are now one of the lowest in Europe. The NI price at 11.8 p/kWh is lower than the UK (12.6 p/kWh), the EU median (15.7 p/kWh) and Republic of Ireland (16.9 p/kWh).
- NI I&C prices in all other customer sized categories have improved their ranking in this semester as the fluctuation in the exchange rate has effectively improved the NI prices in comparison to the rest of the EU15.
- Now the majority of I&C customers in NI (99.9%) have prices lower than the RoI and lower than the UK.

2. In the gas markets the regulated tariffs for SSE Airtricity and firmus energy (the incumbent price controlled gas suppliers) were published at the end of February. The tariff reviews indicated the following:

- 7.6% increase to the SSE Airtricity regulated tariff, taking effect from 31st March 2017.
- 12.2% increase to the firmus energy regulated tariff taking effect from 31st 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 60.8% of the domestic market. Electric Ireland have made considerable domestic gains this quarter and their total market share has increased from 30,413 to 41,494 connections. Click Energy have also continued to grow their market share which has increased from 14,826 to 22,858 connections.

4. Domestic customers continue to actively engage in the electricity market with over 35,500 switches completed during Q1 2017 which is a 4.5% quarterly switching rate (an increase from 4.1% from the previous quarter). I&C switching has decreased with a switching rate of 1.5% down from 2.7% in the previous quarter.

5. In the gas sector, switching activity in the Greater Belfast domestic market remained relatively unchanged this quarter, however I&C switches increased marginally to 1.7% from 1.3% in Q4 2016. I&C market activity in the Ten Towns has decreased this quarter to 1.5% from 3.8%.

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 Q1 2017

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		💡		💧		💧
Power NI	💡	💡				
SSE Airtricity	💡	💡	💧	💧		💧
Vayu		💡		💧		💧
Suppliers	**5**	**8**	**2**	**6**	**1**	**6**

Source: UR

During the first quarter of 2017 there were **eight** 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.

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).

[6] SEM Monitoring Report Q4 2016, published March 2017: https://www.semcommittee.com/publication/sem-17-011-mmu-public-report-q4-2016

3 Electricity

3.1 NI connections and total consumption

The table below shows electricity customer numbers[7] at end March 2017 and consumption from January to March 2017.

Table 3 Electricity connections and consumption per market segment

Q1 2017

Customer groups	Number of connections	% share of connections in market sector	Consumption (GWh)	% share of consumption in market sector
Domestic prepayment	345,716	43.5%	329.3	41.1%
Domestic credit	448,691	56.5%	471.2	58.9%
Total Domestic	**794,407**	**100%**	**800.5**	**100%**
I&C < 20 MWh	47,670	66.5%	98.5	7.6%
I&C 20 – 49 MWh	13,084	18.3%	115.6	8.9%
I&C 50 – 499 MWh	9,800	13.7%	346.6	26.8%
I&C 500 – 1,999 MWh	833	1.2%	204.6	15.8%
I&C 2,000 – 19,999 MWh	263	0.4%	349.1	27.0%
I&C ≥ 20,000 MWh	18	0.025%	177.5	13.7%
Total I&C	**71,668**	**100%**	**1,292.0**	**100%**
Total	**866,075**		**2,092.5**	

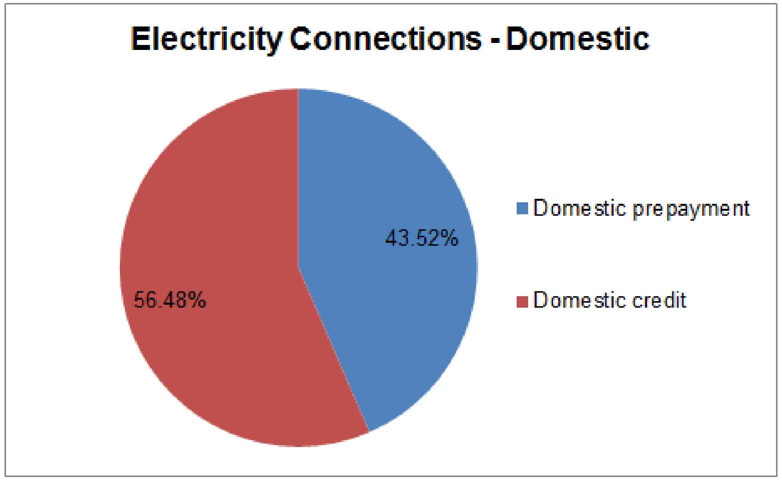
Source: NIEN

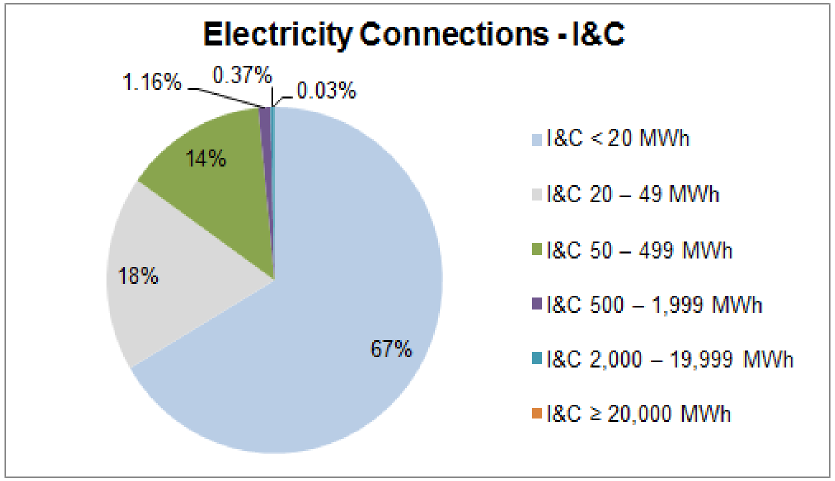
Of the total customers in Northern Ireland, 92% belong to the domestic sector, while the remaining 8% are I&C customers. In this quarter, this share translates into 38% and 62% respectively in terms of consumption.

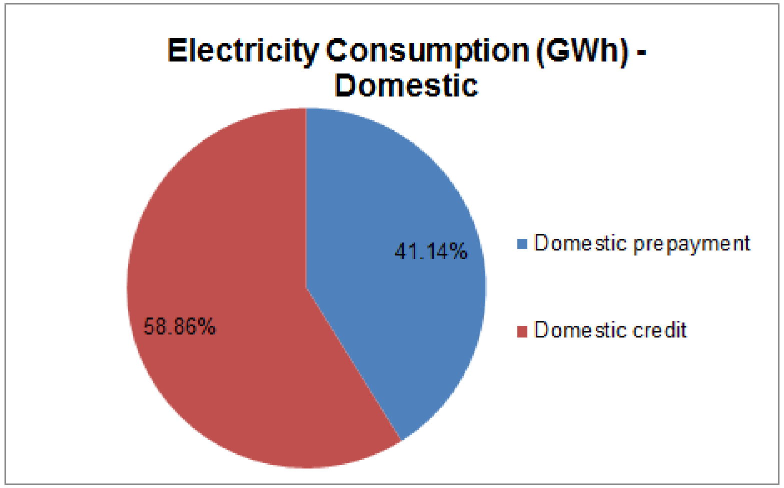
Within the domestic sector, 43% of the market use prepayment meters and 57% pay by credit.

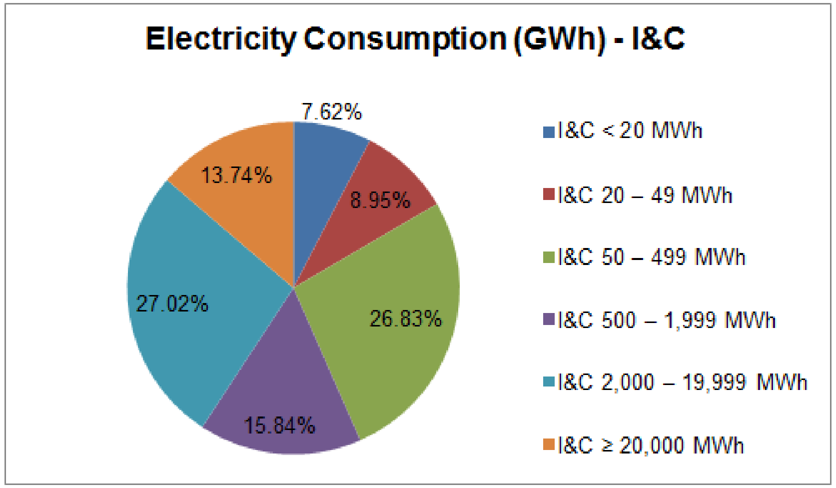
Within the I&C sector, more than 99.9% of the customers are small and medium enterprises (consuming less than 19,999 MWh), with 86.3% of the I&C consumption. The remaining are Large Energy Users (LEU) connections, that represent 8% of the total NI volume in this quarter, and 14% of the I&C consumption.

[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
43.52%
56.48%
Domestic prepayment
Domestic credit


Electricity Connections - I&C
1.16%
0.37%
0.03%
14%
18%
67%
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
41.14%
58.86%
Domestic prepayment
Domestic credit


Electricity Consumption (GWh) - I&C
7.62%
13.74%
8.95%
27.02%
26.83%
15.84%
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 Q1 2017 was 794,407. As is evident from the table below a significant number of domestic customers (60.8%) 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.

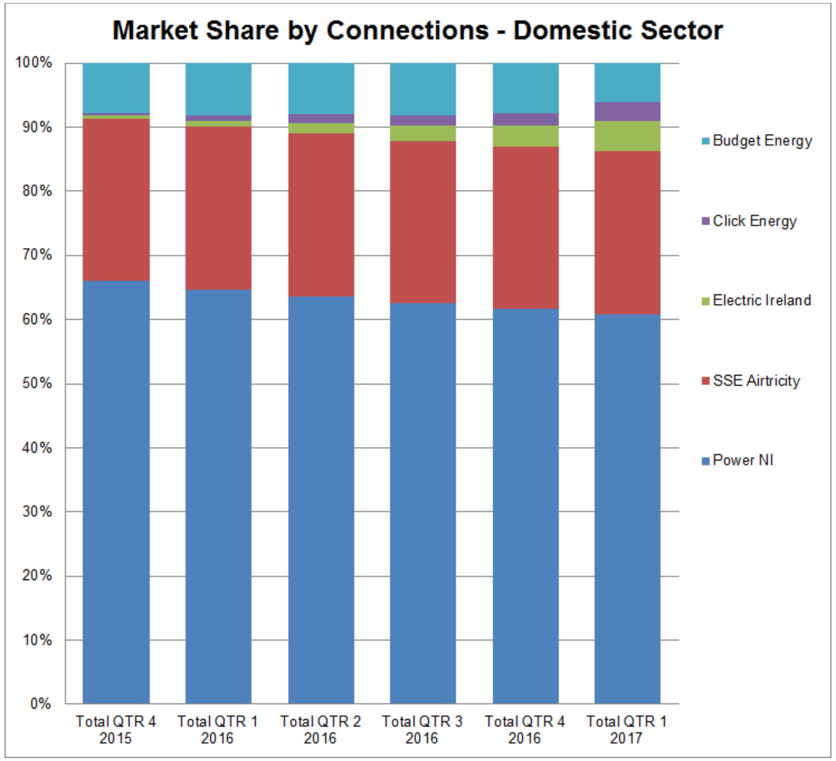


Table 4 Domestic market shares by connections

End of Q1 2017

Domestic Suppliers	Domestic Prepayment		Domestic Credit		Domestic Total	
Power NI	162,940	47.1%	319,730	71.3%	482,670	60.8%
SSE Airtricity	98,219	28.4%	104,367	23.3%	202,586	25.5%
Electric Ireland	20,190	5.8%	17,916	4.0%	38,106	4.8%
Click Energy	20,963	6.1%	1,829	0.4%	22,792	2.9%
Budget Energy	43,404	12.6%	4,849	1.1%	48,253	6.1%
Dom Market	**345,716**	**100%**	**448,691**	**100%**	**794,407**	**100%**

Source: NIEN

The market shares in this quarter illustrate a decrease for PowerNI. For Q1 2017 Power NI supplied 47.1% of the domestic prepayment and 71.3% of the domestic credit market. This shows a decrease from the last quarter and also from the same period in 2016 when Power NI held 51.6% of the domestic prepayment and 74.5% 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 39.2% of total domestic connections in NI (an increase from 35.3% in the same period last year).

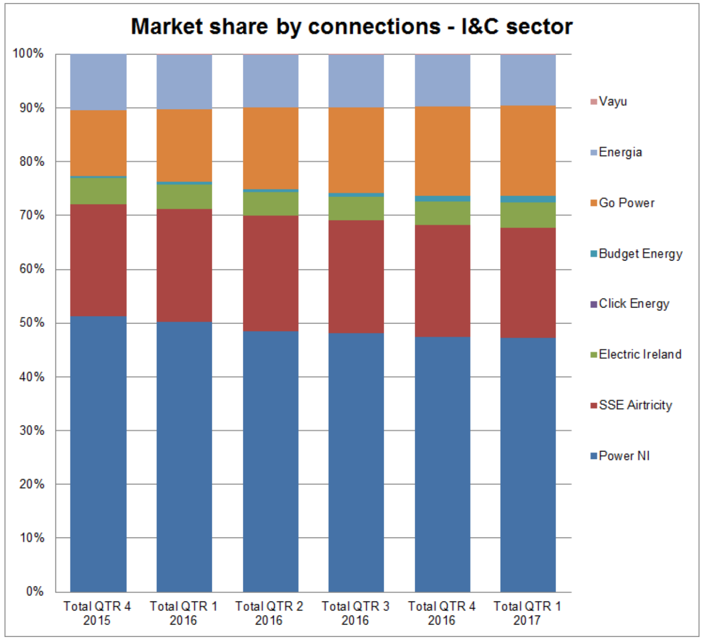
[8] Market shares figures do not include de-energised nor Long Term Vacant sites.

Table 5 I&C market shares by connections

End of Q1 2017

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	26,388	55.4%	4,545	34.7%	2,745	28.0%	105	12.6%	17	6.5%	0	0%	33,800	47.2%
SSE Airtricity	9,044	19.0%	3,432	26.2%	2,052	20.9%	139	16.7%	37	14.1%	4	22.2%	14,708	20.5%
Go Power	6,796	14.3%	2,435	18.6%	2,360	24.1%	299	35.9%	94	35.7%	9	50.0%	11,993	16.7%
Electric Ireland	1,547	3.2%	701	5.4%	968	9.9%	120	14.4%	48	18.3%	4	22.2%	3,388	4.7%
Energia	3,292	6.9%	1,784	13.6%	1,560	15.9%	166	19.9%	63	24.0%	1	5.6%	6,866	9.6%
Budget Energy	523	1.1%	174	1.3%	100	1.0%	0	0%	0	0%	0	0%	797	1.1%
Vayu	36	0.08%	2	0.02%	5	0.05%	4	0.5%	3	1.1%	0	0%	50	0.07%
Click Energy	44	0.09%	11	0.08%	10	0.10%	0	0%	1	0.4%	0	0%	66	0.09%
I&C Market	**47,670**	**100%**	**13,084**	**100%**	**9,800**	**100%**	**833**	**100%**	**263**	**100%**	**18**	**100%**	**71,668**	**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 Q1 2017, based on customer numbers, three of these suppliers have shares in excess of 10% in the largest consumption categories.

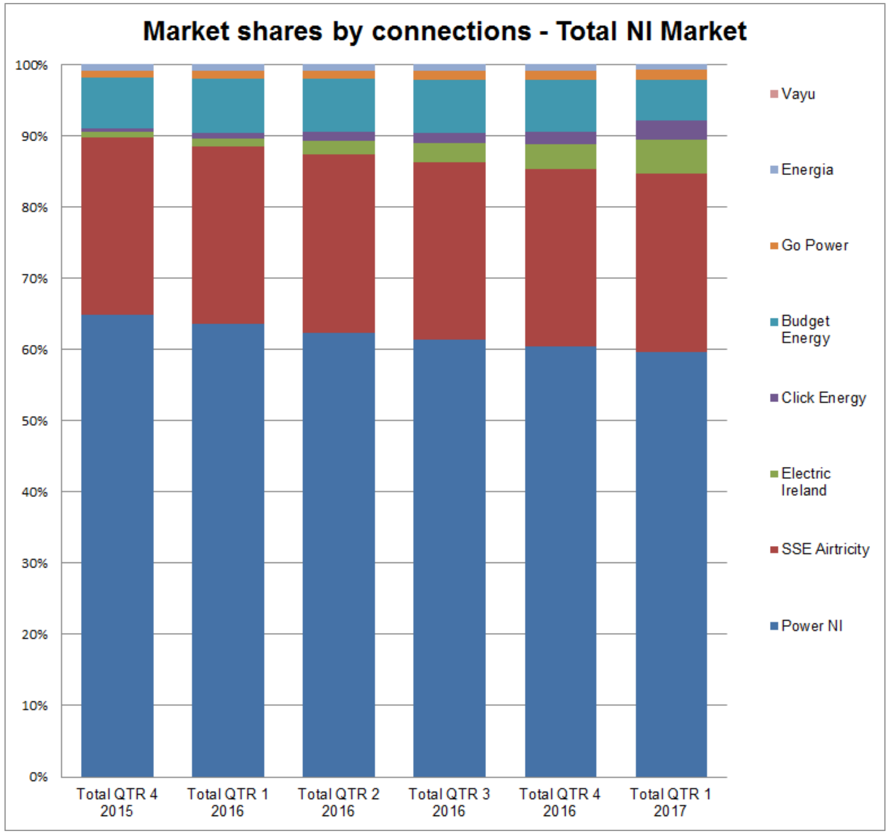
The graph to the left shows the trends in I&C market shares (by customer numbers) for each active supplier in NI for the previous six quarters.

Table 6 Total NI market shares by connections

End of Q1 2017

Suppliers	Total	
Power NI	516,470	59.6%
SSE Airtricity	217,294	25.1%
Go Power	11,993	1.4%
Electric Ireland	41,494	4.8%
Energia	6,866	0.8%
Click Energy	22,858	2.6%
Budget Energy	49,050	5.2%
Vayu	50	0.006%
Total Market	**866,075**	**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 59.6%, although this has decreased when compared to their 63.5% total market share in the same quarter last year (Q1 in 2016). 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

Q1 2017

Domestic Suppliers	Domestic Prepayment		Domestic credit		Domestic Total	
	GWh	%	GWh	%	GWh	%
Power NI	149.6	45.4%	317.2	67.3%	466.8	58.3%
SSE Airtricity	97.1	29.5%	128.7	27.3%	225.8	28.2%
Electric Ireland	17.1	5.2%	17.9	3.8%	34.9	4.4%
Click Energy	18.2	5.5%	1.8	0.4%	20.0	2.5%
Budget Energy	47.4	14.4%	5.5	1.2%	52.9	6.6%
Dom Market	**329.3**	**100%**	**471.2**	**100%**	**800.5**	**100%**

Source NIEN

In Q1 2017, Power NI's share of the market by consumption was 45.4% for domestic prepayment and 67.3% for domestic credit, this shows a decrease when compared to Q1 2016 where Power NIs domestic prepayment market share was 50.2% and domestic credit was 70.5%.

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.

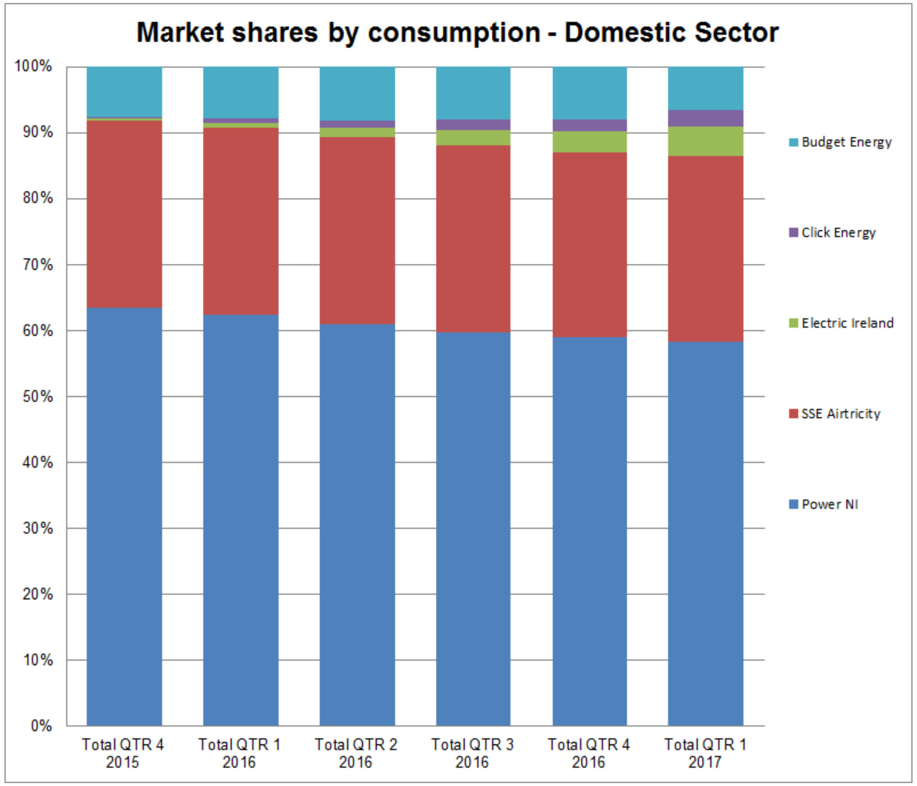


Table 8 I&C market shares by consumption

Q1 2017

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	48.2	49.0%	40.6	35.1%	83.4	24.1%	24.6	12.0%	35.7	10.2%	0.0	0.0%	232.5	18.0%
SSE Airtricity	20.2	20.5%	29.3	25.4%	69.7	20.1%	30.3	14.8%	49.6	14.2%	39.0	22.0%	238.1	18.4%
Go Power	16.7	17.0%	22.1	19.1%	90.8	26.2%	80.4	39.3%	133.2	38.2%	105.8	59.6%	449.0	34.7%
Electric Ireland	4.0	4.0%	5.9	5.1%	39.8	11.5%	29.7	14.5%	67.0	19.2%	24.0	13.5%	170.4	13.2%
Energia	8.4	8.5%	16.1	13.9%	59.7	17.2%	38.5	18.8%	60.9	17.4%	8.7	4.9%	192.2	14.9%
Budget Energy	0.9	0.9%	1.6	1.4%	2.7	0.8%	0.0	0.0%	0.0	0.0%	0.0	0.0%	5.2	0.4%
Vayu	0.02	0.024%	0.00	0.00%	0.2	0.06%	1.3	0.6%	2.4	0.7%	0.0	0.0%	3.9	0.3%
Click Energy	0.09	0.09%	0.08	0.07%	0.3	0.08%	0.0	0%	0.3	0.09%	0.0	0%	0.8	0.07%
I&C Market	**98.5**	**100%**	**115.6**	**100%**	**346.6**	**100%**	**204.6**	**100%**	**349.1**	**100%**	**177.5**	**100%**	**1,292.0**	100.0%

Source: NIEN

The main suppliers by consumption in the I&C sector are Go Power (34.7%), SSE Airtricity (18.4%), Power NI (18.0%), Energia (14.9%) and Electric Ireland (13.2%).

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

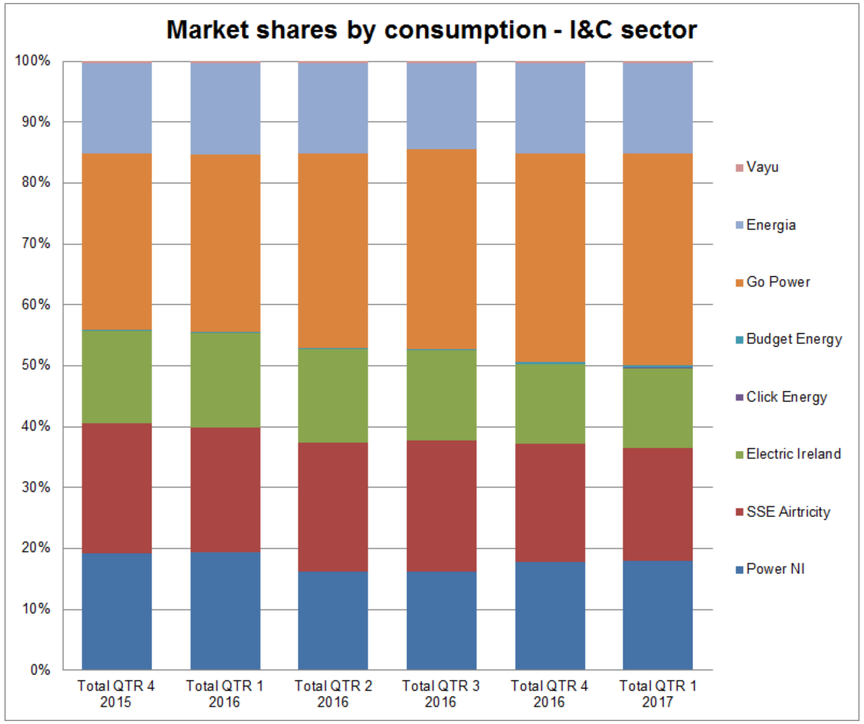
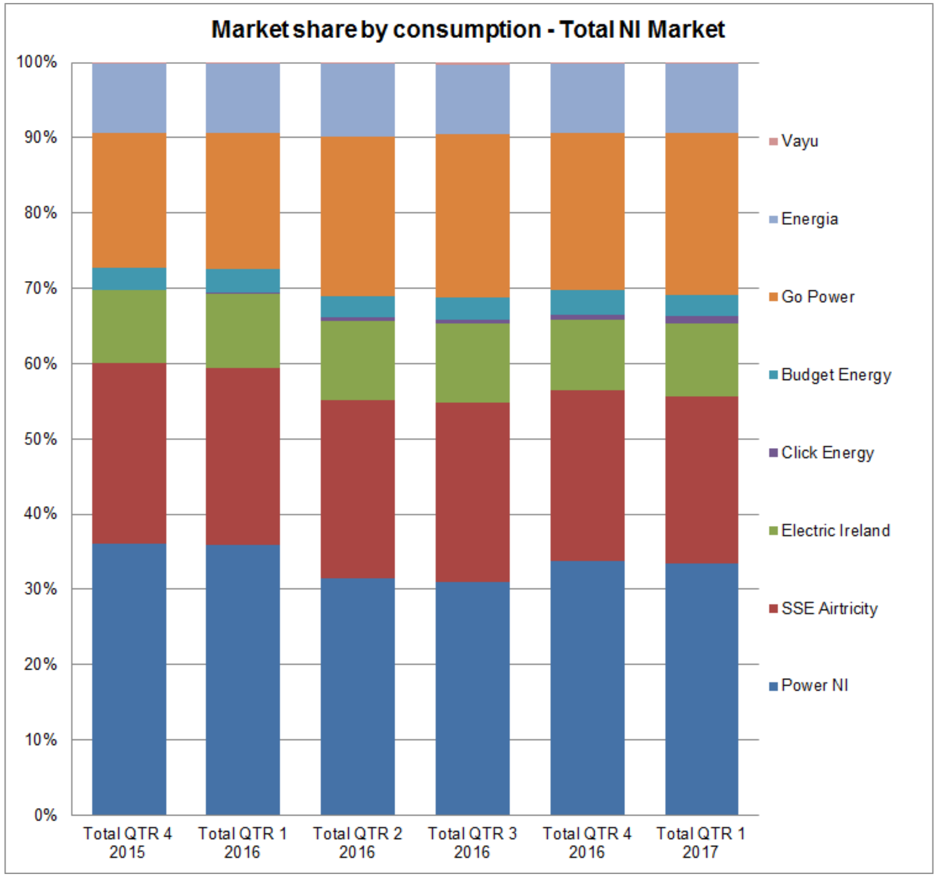


Table 9 Total NI market shares by consumption

Q1 2017

Total Market	Total	
	GWh	%
Power NI	699.3	33.4%
SSE Airtricity	463.9	22.2%
Go Power	449.0	21.5%
Electric Ireland	205.3	9.8%
Energia	192.2	9.2%
Click Energy	20.8	1.0%
Budget Energy	58.1	2.8%
Vayu	3.9	0.2%
Total Market	**2,092.5**	**100%**

Source: NIEN

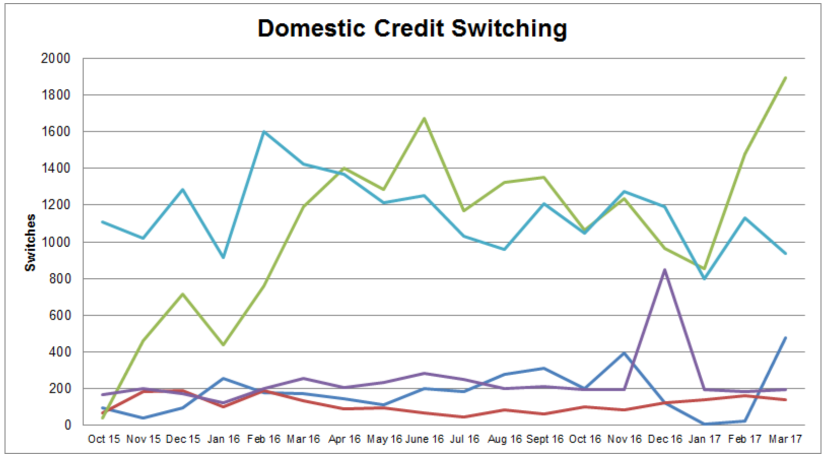


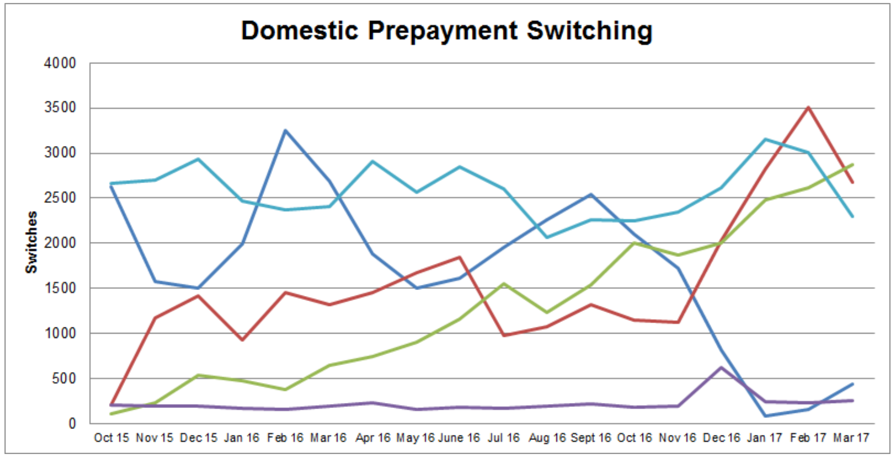
Electricity consumption in NI retail market for Q1 2017 was over 2,092.5 GWh, which indicates a small year on year decrease when compared to 2,106.4 GWh consumed in Q1 2016.

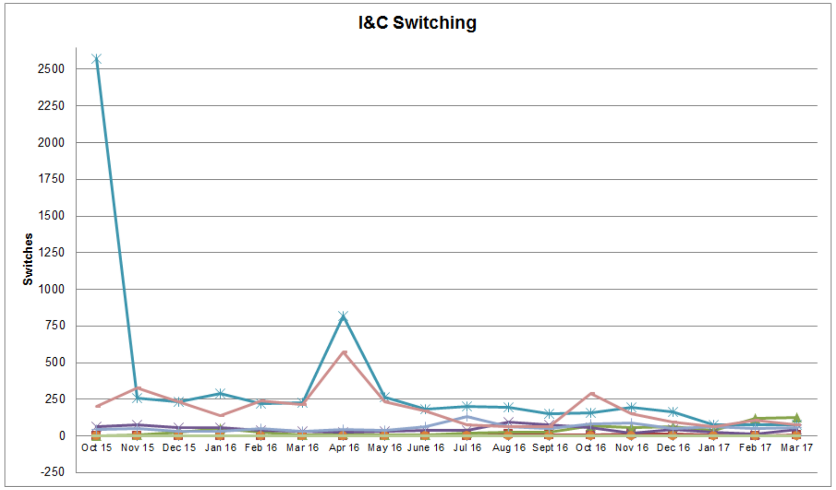
The graph to the right reflects the trends in market shares (by total consumption) for each active domestic and I&C supplier in NI for the previous six quarters.

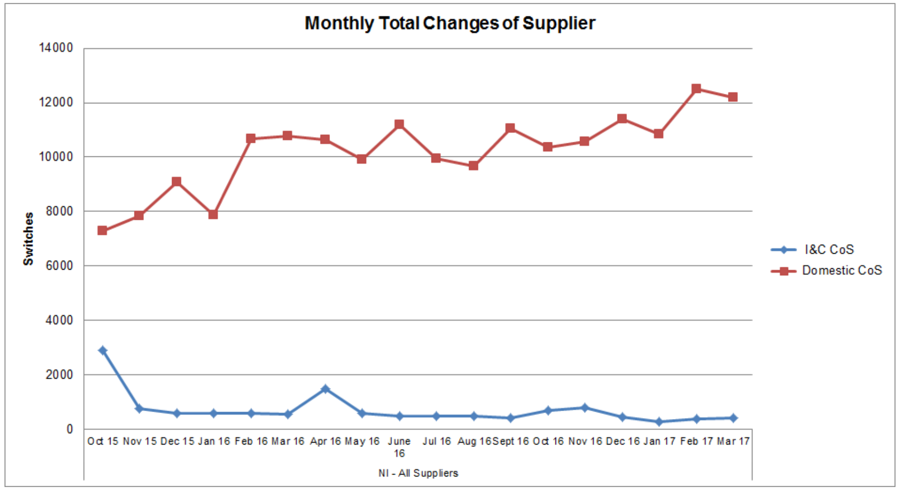
3.3 Electricity market activity

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

Q1 2017

Period	Domestic Switching		I&C Switching		Total Switching	
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%	34,275	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%
2017 Q1	35,543	4.5%	1,060	1.5%	36,603	4.2%

Source: NIEN

The number of domestic switches over this quarter has increased from the previous quarter, with an average of c11,800 switches per month. In comparison to the equivalent quarter in 2016, there has been an increase in market activity from c10,300 switches per month. The percentage of domestic switching is currently 4.5% for the quarter which illustrates more market activity when compared to the same period last year (3.7%).

The I&C sector market activity has decreased when comparing quarter on quarter, with a switching rate of 1.5% (from 2.5% for Q1 2016).

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[9] and Eurostat data base[10]) once these figures have been converted to GBP.

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.

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

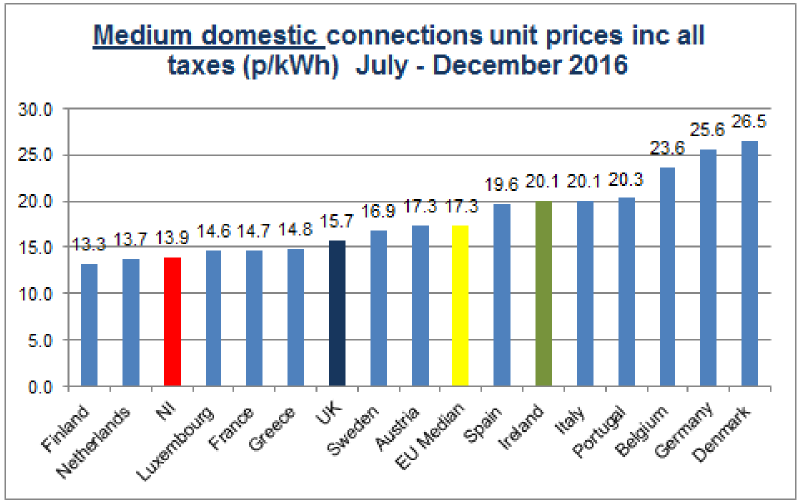
It should be noted that the comparability of the derived NI prices to the other Member States can be greatly affected by fluctuations in the Euro GBP exchange rate. For the purposes of tariff comparisons we convert the EU tariff data from Euro to GBP using the monthly average exchange rate applicable for the semester (published by Eurostat). Therefore tariff movements and comparisons between NI and other Member States can be impacted by both an increase and decrease in a tariff and/or also by any variation in exchange rates. The exchange rate effect is particularly prevalent in this semester due to the weakening of the pound.

The pricing data detailed in this QTR is for the semester July to December 2016.

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 S2 2016 the NI price was significantly below the EU median, and now ranks among the cheapest in Europe. The NI domestic price is also considerably less than that of GB and RoI. This is largely attributable to exchange rate fluctuations between the two semesters as well as movements in the tariffs.



I&C price comparison with EU

The following graphs show I&C electricity prices in the 15 EU countries (converted to GBP) 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.

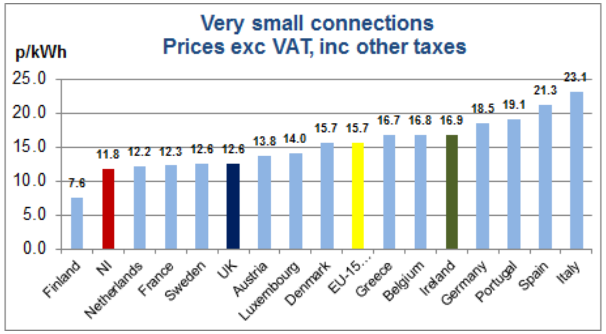
For the Very Small I&C Category the NI prices are now listed as one of the most reasonable in the EU and also significantly lower than RoI (two thirds of I&C connections in NI are in this size category). Medium I&C connections are now enjoying lower prices than RoI. For the larger I&C customers, prices 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 (S2 2016).

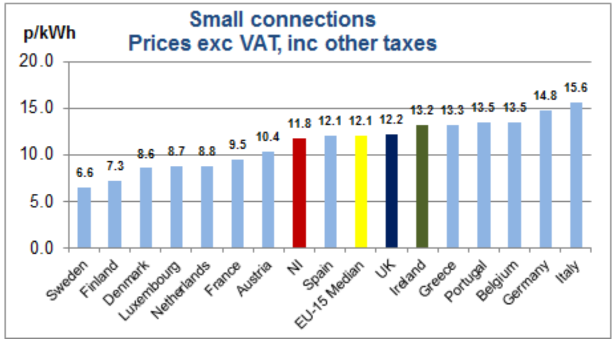
Table 11 Electricity market % by I&C consumption band

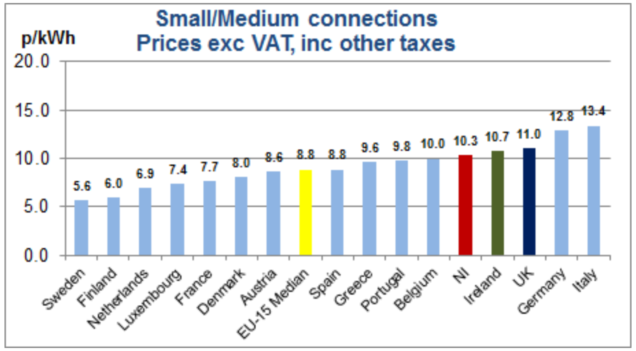
End of Q4 2016[11]

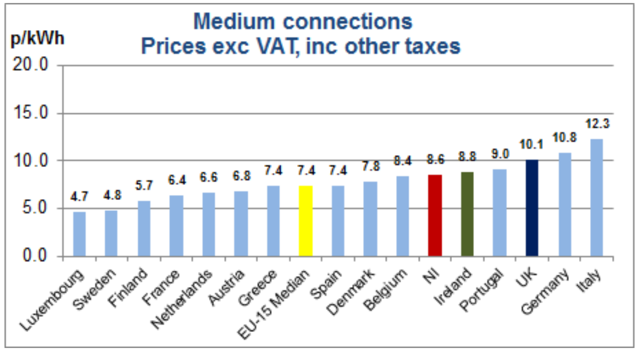
Size of customer	Annual consumption bands (MWh)	% of I&C connections[12]	% of I&C consumption	I&C connection numbers
Very small	< 20	66.3%	7.1%	47,306
Small	20 – 499	32.2%	35.6%	22,986
Small / Medium	500 – 1,999	1.1%	15.9%	830
Medium	2,000 – 19,999	0.4%	27.2%	267
Large & Very Large	>20,000	0.03%	14.2%	18

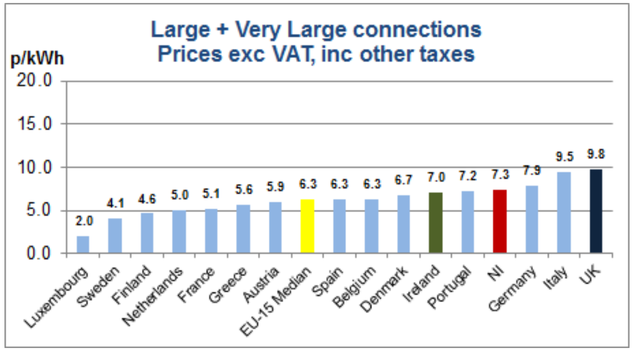
Source: NIEN











Source: NI electricity suppliers, Eurostat and UR internal calculations

[11] The pricing data relates to Q4 2016 as opposed to Q1 2017. 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 March 2017 and the consumption in this area during January to March 2017.

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

Q1 2017

Market sector	Number of connections	% share of connections in sector	Consumption (MWh)[13]	% share of consumption in sector
Domestic prepayment	120,875	62.2%	427,429	49.1%
Domestic credit	65,598	33.8%	442,933	50.9%
I&C < 73,200 kWh	7,762	4.0%		
Total Domestic and Small I&C[14]	**194,235**	**100%**	**870,362**	**100%**
I&C 73,200 to 732,000 kWh	2,772	87.8%	219,092	34.7%
I&C 732,001 to 2,196,000 kWh	277	8.8%	111,642	17.7%
I&C > 2,196,000 kWh	108	3.4%	301,024	47.6%
Medium & Large I&C[15]	**3,157**	**100%**	**631,759**	**100%**
Total	**197,392**		**1,502,121**	

Source: PNGL

At the end of March 2017, the domestic and small I&C connections represent 98.4% of the total connections and 57.9% by consumption. The remaining 1.6% of connections are medium and large I&C which represent 42.1% of consumption.

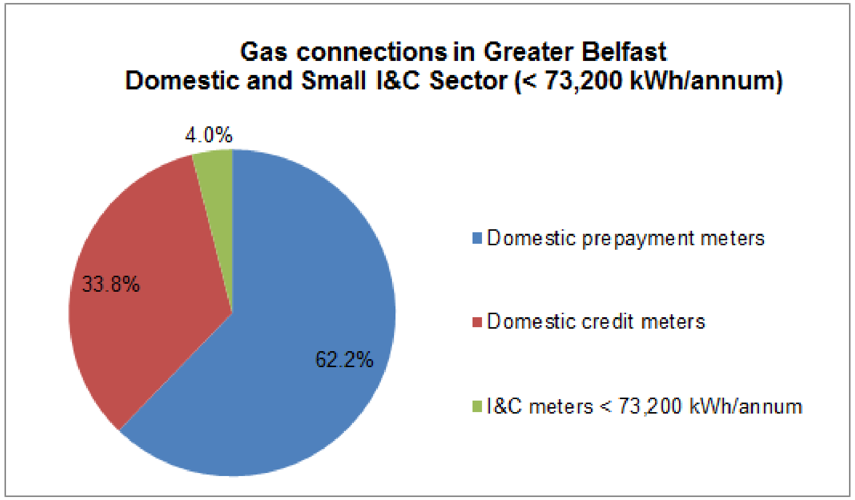
Within the domestic sector, 64.8% of the connections use prepayment meters and 35.2% use credit meters to pay for their gas.

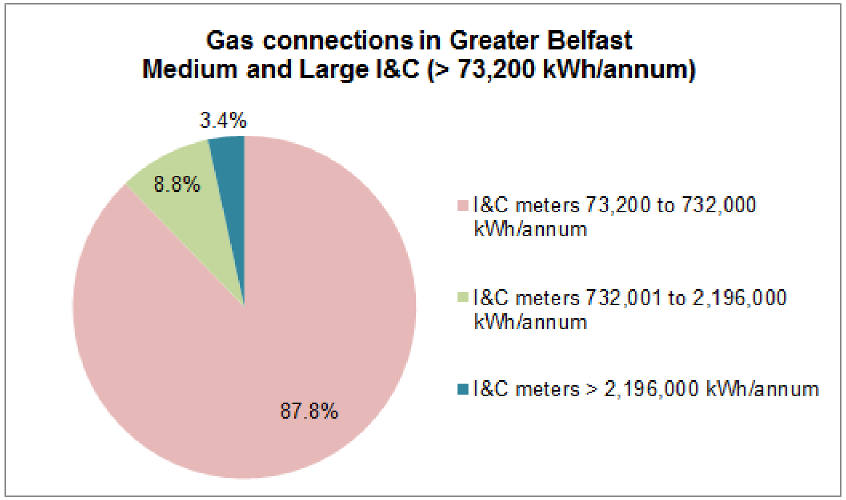
[13] Gas consumption is presented in MWh (previously up to 2015 gas consumption was presented in Therms in the QTRs.

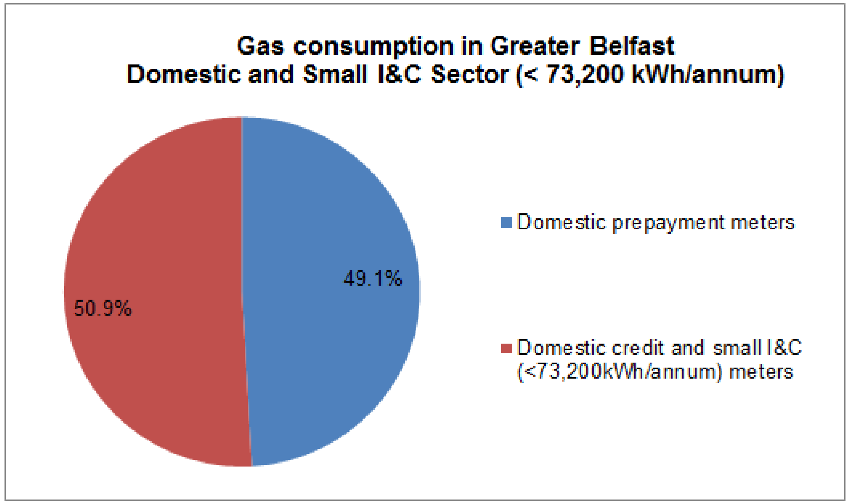
[14] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum. The consumption information for domestic credit and small I&C are combined as this information is not available separately.

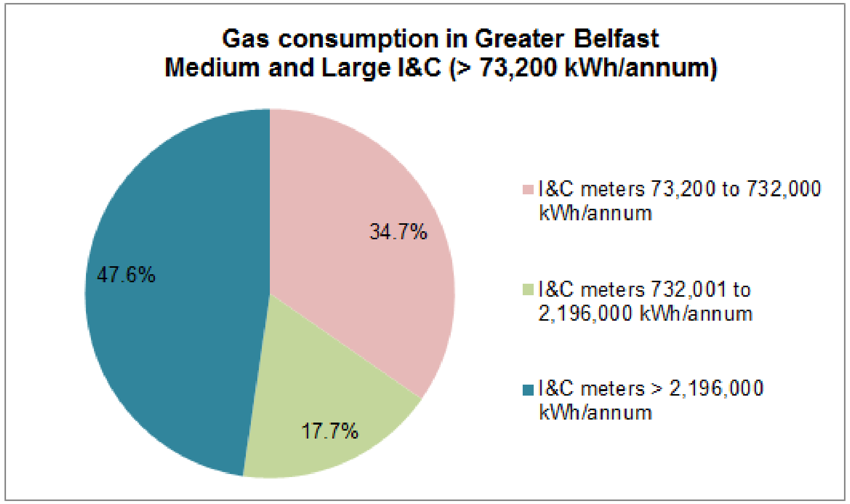
[15] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

The charts below show the numbers of gas connections in the Greater Belfast area at the end of March 2017 and the consumption in this area during January to March 2017.









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 March 2017 and the market shares in terms of consumption are for the period January to March 2017. 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 March 2017).

Table 13 Domestic and small I&C[16] market shares by connections

End of Q1 2017

Supplier	Domestic prepayment		Domestic Credit		I&C < 73,200 kWh		Total for Domestic and Small I&C	
SSE Airtricity	85,539	70.8%	52,397	79.9%	5,246	67.6%	**143,182**	**73.7%**
firmus energy	35,336	29.2%	13,201	20.1%	958	12.3%	**49,495**	**25.5%**
Vayu	0	0%	0	0%	15	0.2%	**15**	**0.01%**
Go Power	0	0%	0	0%	694	8.9%	**694**	**0.4%**
Flogas	0	0%	0	0%	849	10.9%	**849**	**0.4%**
Total	**120,875**	**100%**	**65,598**	**100%**	**7,762**	**100%**	**194,235**	**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 73.7%. This market share has remained consistent to the equivalent quarter in 2016 (72.8%).

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 0.7% for Q1 in 2016).

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

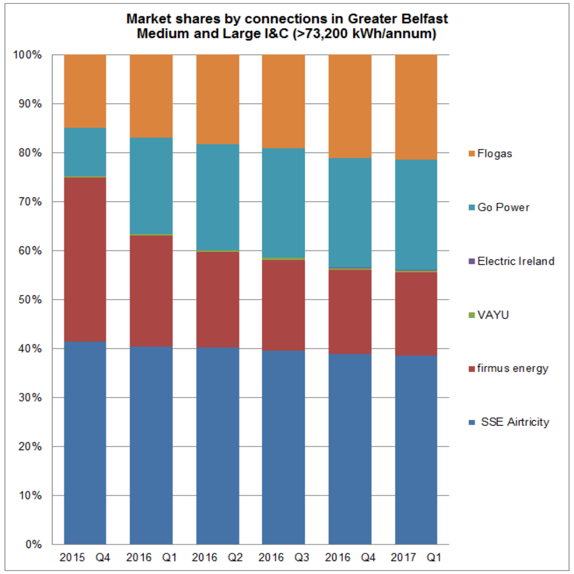
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. I&Cs with consumption over 73,200 kWh per annum) in the Greater Belfast area at the end of March 2017. The corresponding graph shows the change in market shares by supplier within the same sector over the last eighteen months.

Table 14 Medium and large I&C[17] market shares by connections

End of Q1 2017

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	1,059	38.2%	110	39.7%	47	43.5%	**1,216**	**38.5%**
firmus energy	408	14.7%	96	34.7%	35	32.4%	**539**	**17.1%**
Vayu	10	0.4%	1	0.4%	0	0%	**11**	**0.3%**
Electric Ireland	0	0%	0	0%	4	3.7%	**4**	**0.1%**
Go Power	666	24.0%	33	11.9%	14	13.0%	**713**	**22.6%**
Flogas	629	22.7%	37	13.4%	8	7.4%	**674**	**21.3%**
Total	**2,772**	**100%**	**277**	**100%**	**108**	**100%**	**3,157**	**100%**

Source: PNGL



Competition in the medium and large I&C market is more active and the market shares have continued to increase 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 Q1 2017, Go Power and Flogas had 22.6% and 21.3% share of the medium and large I&C market respectively, which is a marked increase from 19.7% and 16.9% share at the end of Q1 2016.

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 22.5% at the end of Q1 2016 but this has reduced to 17.1% by the end of Q1 2017.

[17] 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[18]

This section provides information on the consumption, by supplier, in the Greater Belfast area during Q1 2017. 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[19] market shares by consumption

Q1 2017

Supplier	Total for Domestic and Small I&C Sector (MWh)	% share
SSE Airtricity	617,438	70.9%
firmus energy	236,858	27.2%
Vayu	162	0.02%
Go Power	8,084	0.9%
Flogas	7,820	0.9%
Total	**870,362**	**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 Q1 2017 was 70.9% compared with 70.0% in the same period last year.

firmus energy's market share has decreased from 28.9% during Q1 2016 to 27.2% during Q1 2017. 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.

[18] 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.
[19] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

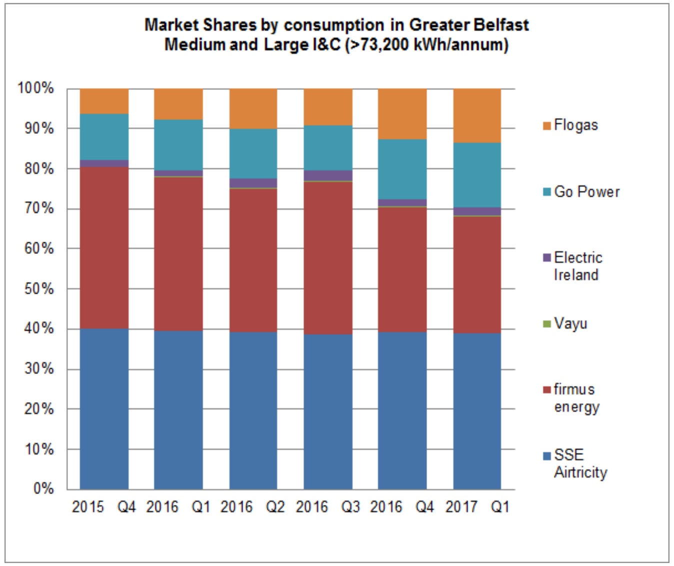
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. those using at least 73,200 kWh per annum) in the Greater Belfast area during Q1 2017. The corresponding graph shows the change in market shares by supplier within the same sector over the last eighteen months.

Table 16 Medium and large I&C[20] market shares by consumption

Q1 2017

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	79,557	36.3%	45,145	40.4%	120,942	40.2%	**245,644**	**38.9%**
firmus	32,140	14.7%	41,089	36.8%	110,729	36.8%	**183,958**	**29.1%**
Vayu	665	0.3%	628	0.6%	0	0%	**1,293**	**0.2%**
Electric Ireland	0	0%	0	0%	14,457	4.8%	**14,457**	**2.3%**
Go Power	55,997	25.6%	10,725	9.6%	35,127	11.7%	**101,849**	**16.1%**
Flogas	50,733	23.2%	14,056	12.6%	19,769	6.6%	**84,558**	**13.4%**
Total	**219,092**	**100%**	**111,642**	**100%**	**301,024**	**100%**	**631,759**	**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).

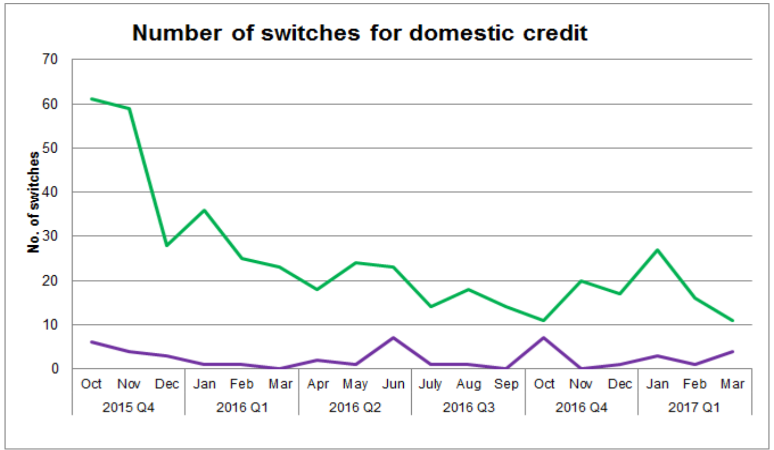
Flogas' market share by consumption in the medium and large I&C market has increased substantially compared to the same period last year. In Q1 2016 they held 7.6% compared to 13.4% in Q1 2017.

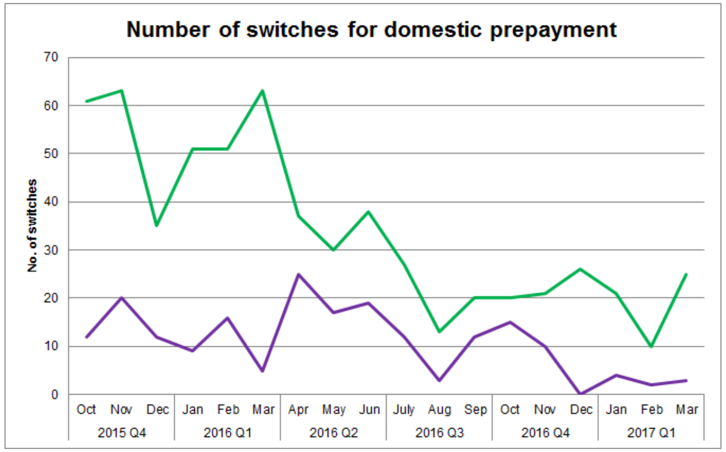
The market shares of firmus energy in this market have decreased from 38.4% during Q1 2016 to 29.1% in Q1 2017.

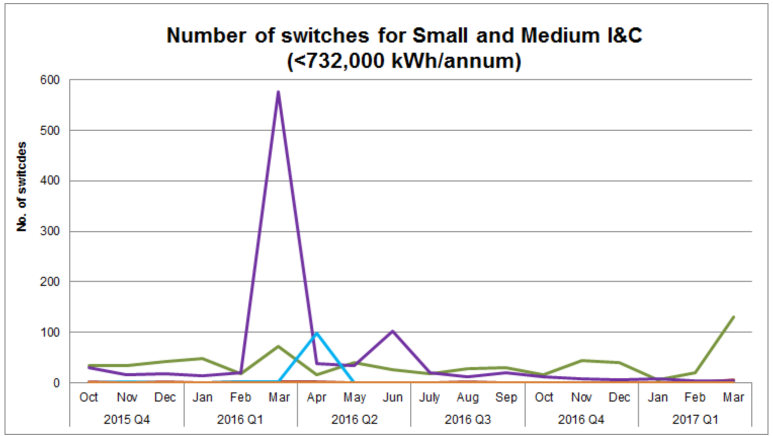
[20] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

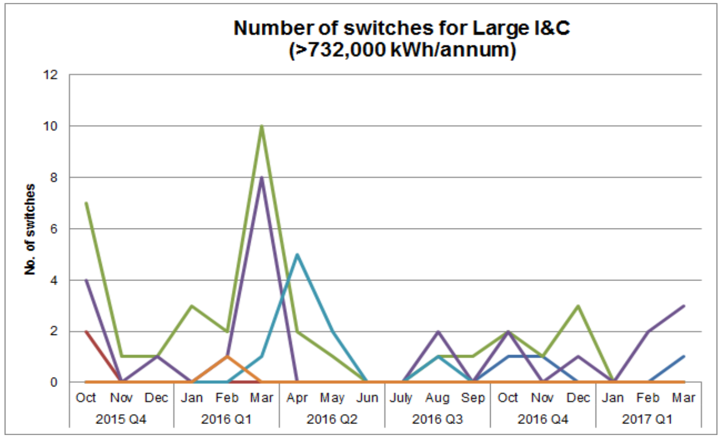
4.3 Market activity in the Greater Belfast area

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 small and medium I&C customers (i.e. customers consuming less than 732,000 kWh per annum) and large I&C consumers (i.e. consuming more than 732,000 kWh per annum). Following a spike in switching in the small and medium I&C sector (<732,000 kWh/annum) at the end of Q1 2016 the switching levels returned to lower levels for Q3 and Q4 2016 with a slight upturn in Q1 2017.

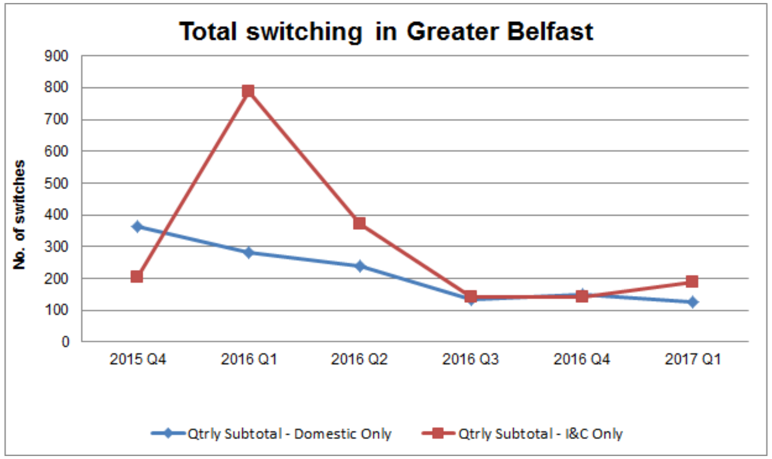
The table below shows market activity through the number of customer switches on a quarterly basis in the Greater Belfast gas market and the associated percentage switching rate. The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at 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 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%
2017 Q1	127	0.1%	188	1.7%	315	0.2%

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 March 2017 and the consumption in this area during January to March 2017.

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

Q1 2017

<table>
<tr><th>Market segment</th><th>Number of connections</th><th>% share of connections in sector</th><th>Consumption (MWh)[21]</th><th>% share of consumption in sector</th></tr>
<tr><td>Domestic prepayment</td><td>27,556</td><td>85.7%</td><td>78,881</td><td>75.9%</td></tr>
<tr><td>Domestic credit</td><td>3,348</td><td>10.4%</td><td rowspan="2">25,021</td><td rowspan="2">24.1%</td></tr>
<tr><td>I&C < 73,200 kWh</td><td>1,257</td><td>3.9%</td></tr>
<tr><td>Total Domestic and Small I&C[22]</td><td>32,161</td><td>100.0%</td><td>103,902</td><td>100%</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>I&C 73,200 to 732,000 kWh</td><td>917</td><td>78.7%</td><td>89,513</td><td>21.0%</td></tr>
<tr><td>I&C 732,001 to 2,196,000 kWh</td><td>158</td><td>13.6%</td><td>63,069</td><td>14.8%</td></tr>
<tr><td>I&C > 2,196,000 kWh</td><td>90</td><td>7.7%</td><td>274,177</td><td>64.2%</td></tr>
<tr><td>Medium & Large I&C[23]</td><td>1,165</td><td>100%</td><td>426,759</td><td>100.0%</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>33,326</td><td></td><td>530,661</td><td></td></tr>
</table>

Source: feDL

At the end of March 2017, the domestic and small I&C connections represent 96.5% of the total connections and 19.5% of consumption. The remaining 3.5% are medium and large I&C connections and represent 80.5% of total consumption in this area.

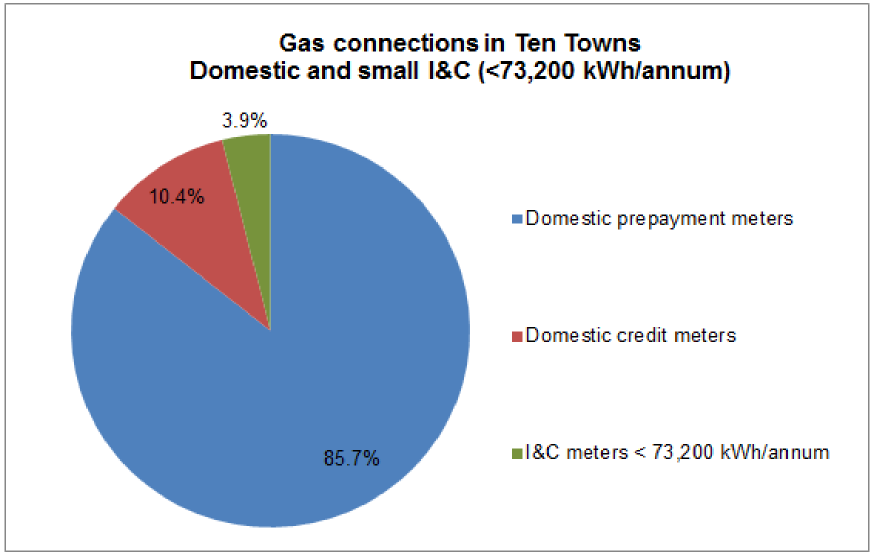
Within the domestic sector, 89.2% of the domestic connections use prepayment meters and 10.8% use credit meters to pay for their gas.

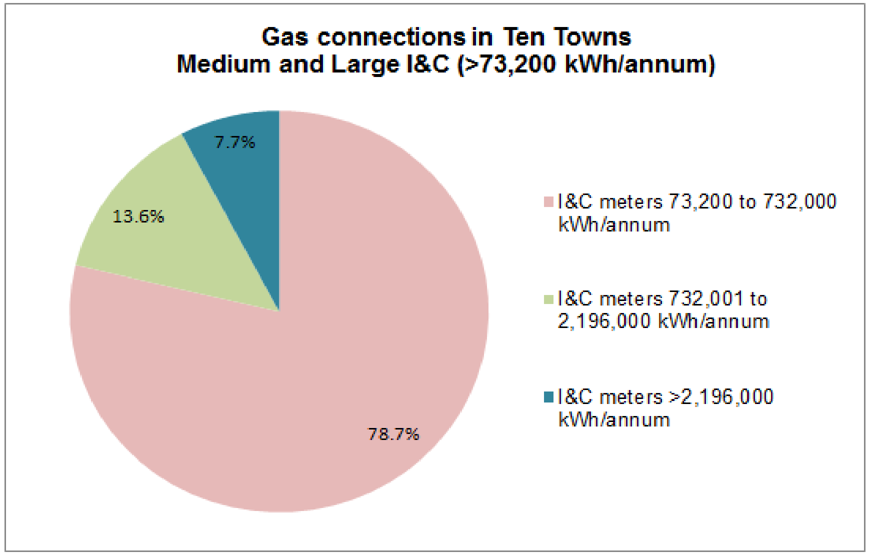
[21] Gas consumption is presented in this QTR in MWh. It is important to note that gas consumption was presented in Therms in the QTRs for 2015 and previous years.

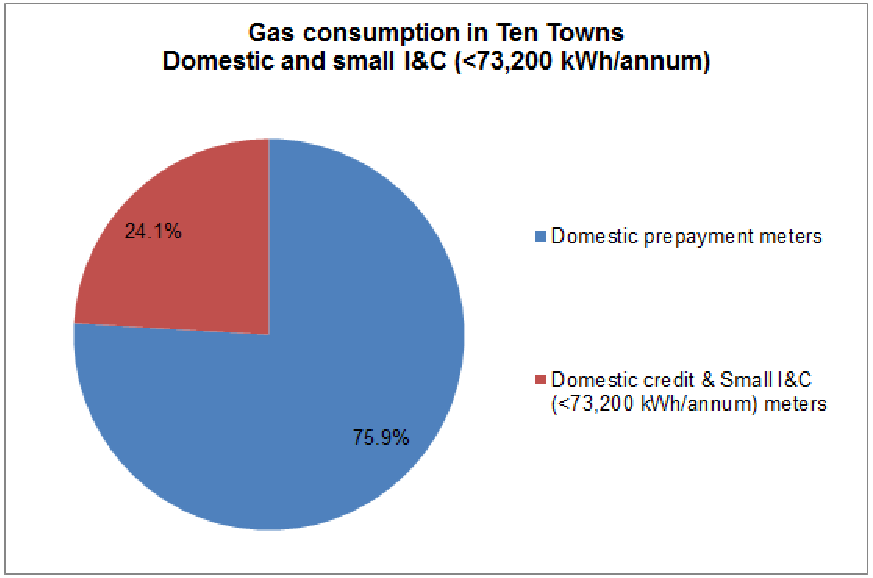
[22] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum. The consumption information for domestic credit and small I&C are combined as this information is not available to us with a full split.

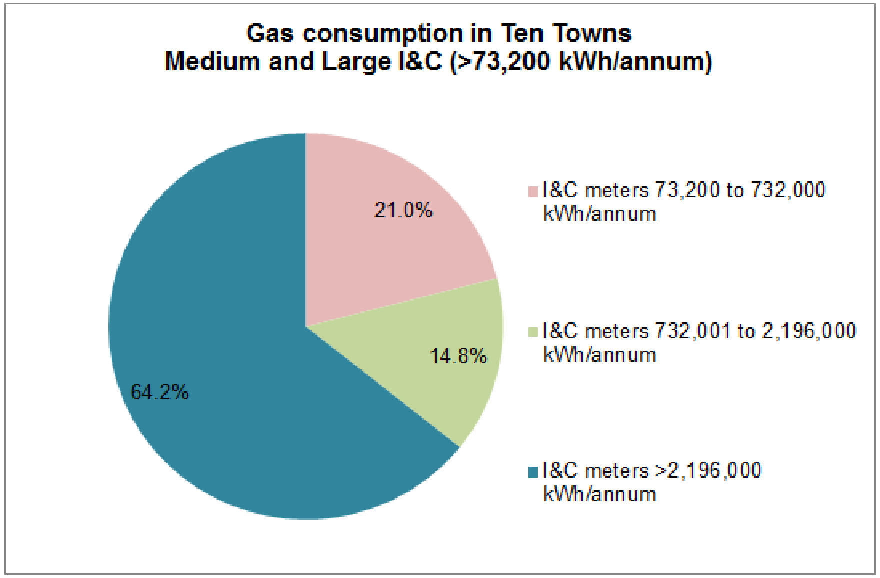
[23] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

The charts below show the numbers of gas connections in the Ten Towns area at the end of March 2017 and the consumption in this area during January to March 2017.









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 March 2017 and the market shares in terms of consumption are for the period January to March 2017.

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 Q1 2017, although only one supplier was active in the domestic market (the incumbent supplier). In the medium and large I&C market there were five 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[24] market shares by connections

End of Q1 2017

Supplier	Domestic prepayment		Domestic credit		I&C < 73,200 kWh		Total for Domestic and Small I&C	
SSE Airtricity	0	0%	0	0%	51	4.1%	**51**	**0.2%**
firmus energy	27,556	100%	3,348	100%	906	72.1%	**31,810**	**98.9%**
Go Power	0	0%	0	0%	51	4.1%	**51**	**0.2%**
Flogas	0	0%	0	0%	249	19.8%	**249**	**0.8%**
Total	**27,556**	**100%**	**3,348**	**100%**	**1,257**	**100%**	**32,161**	**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 72.1% share at the end of Q1 2017. 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 Q1 2016, the collective market share of these three suppliers was 10.1% compared to 27.9% at the end of Q1 2017.

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

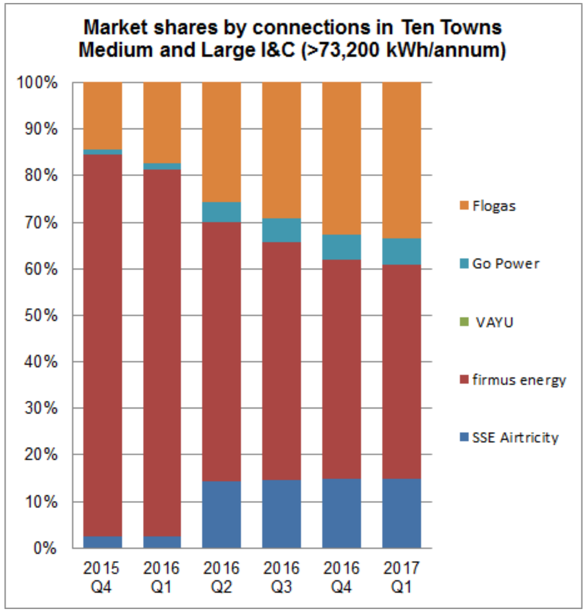
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. I&Cs with consumption over 73,200 kWh per annum) in the Ten Towns area at the end of Q1 2017. The corresponding graph shows the change in market shares by supplier within the same sector over the last eighteen months.

Table 20 Medium and large I&C[25] market shares by connections

End of Q1 2017

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	13.6%	28	17.7%	21	23.3%	**174**	**14.9%**
firmus energy	373	40.7%	103	65.2%	59	65.6%	**535**	**45.9%**
Vayu	0	0%	0	0%	1	1.1%	**1**	**0.1%**
Go Power	45	4.9%	12	7.6%	8	8.9%	**65**	**5.6%**
Flogas	374	40.8%	15	9.5%	1	1.1%	**390**	**33.5%**
Total	**917**	**100%**	**158**	**100%**	**90**	**100%**	**1,165**	**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.

Overall in the medium and large sector market shares of SSE Airtricity, Go Power and Flogas are 14.9%, 5.6% and 33.5% respectively at the end of Q1 2017, compared to 2.4%, 1.5% and 17.3% respectively at the end of Q1 2016. The shares of firmus energy, the incumbent supplier, have decreased from 78.7% to 45.9% over the same period. Vayu entered the Ten Towns I&C market in Q1 2017.

[25] 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[26])

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 January to March 2017.

Table 21 Domestic and small I&C[27] market shares by consumption

Q1 2017

Supplier	Total for Domestic and Small I&C Sector	
	(MWh)	% share
SSE Airtricity	498	0.5%
firmus energy	100,680	96.9%
Go Power	433	0.4%
Flogas	2,291	2.2%
Total	**103,902**	**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 Q1 2017 their combined market share in terms of consumption in the domestic and small I&C market was 3.1% compared to 1.1% in the same period last year (i.e. Q1 2016).

[26] 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.
[27] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

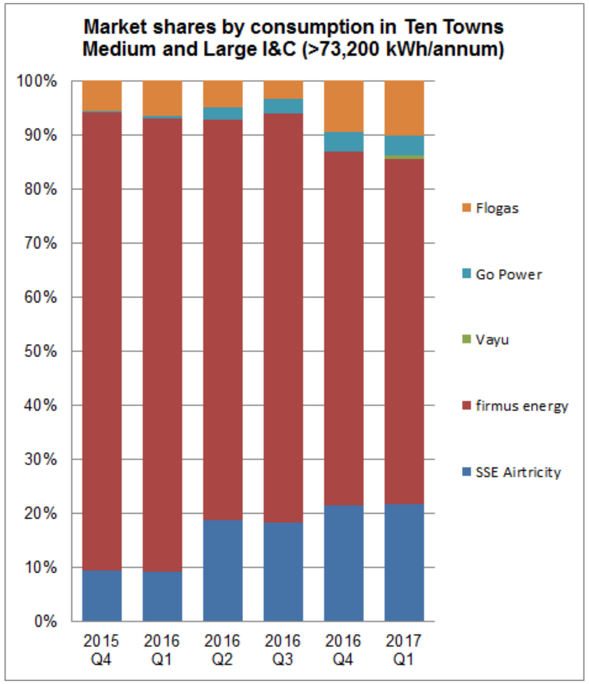
The table below shows the market shares for each supplier within the medium and large I&C sector (I&Cs using more than 73,200 kWh per annum) in the Ten Towns area during Q1 2017.

Table 22 Medium and large I&C[28] market shares by consumption

Q1 2017

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	14,782	16.5%	13,010	20.6%	64,906	23.7%	**92,698**	**21.7%**
firmus energy	32,070	35.8%	41,372	65.6%	198,575	72.4%	**272,016**	**63.7%**
Vayu	0	0%	0	0%	3,075	1.1%	**3,075**	**0.7%**
Go Power	4,366	4.9%	4,172	6.6%	6,977	2.5%	**15,516**	**3.6%**
Flogas	38,296	42.8%	4,514	7.2%	644	0.2%	**43,454**	**10.2%**
Total	**89,513**	**100%**	**63,069**	**100%**	**274,177**	**100%**	**426,759**	**100%**

Source: feDL

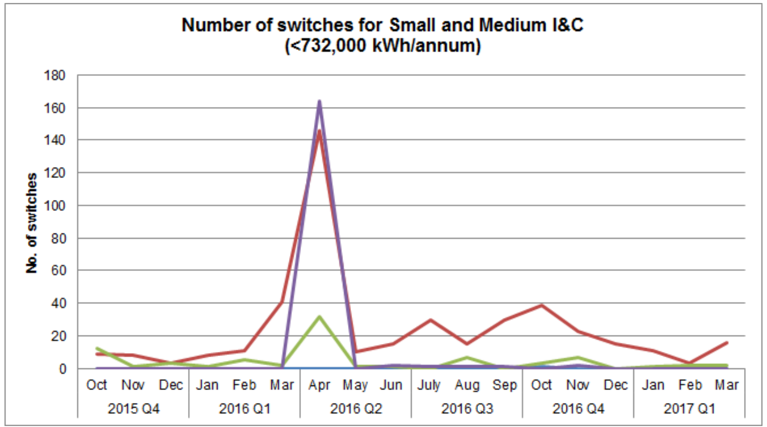


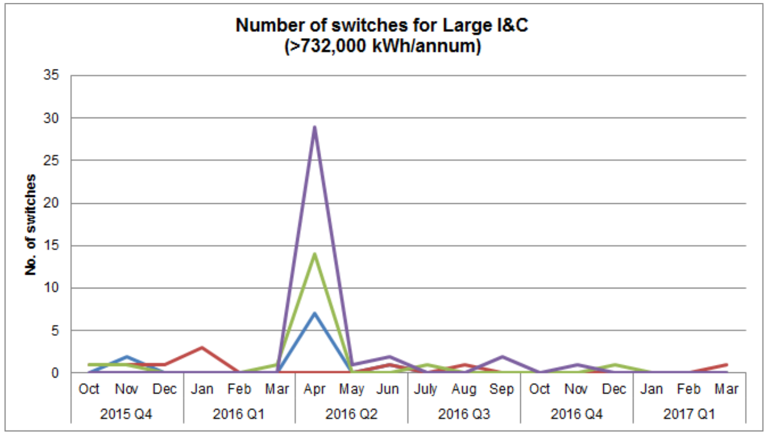
In terms of market share by consumption, firmus energy retains the largest share of the medium and large I&C sector. There has been a notable reduction in firmus energy's share of the medium and large I&C market over the last year. At the end of Q1 2017, firmus energy has 63.7% share of this market sector compared to 83.6% at the end of Q1 2016.

[28] 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. There is 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 the Ten Towns. In both sectors there was a spike in the number of switches in April 2016 and then the switching numbers returned to lower levels.

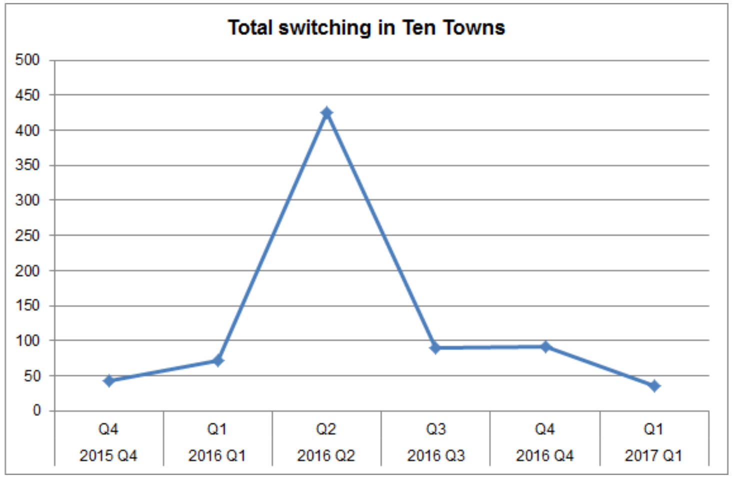
The table below shows market activity through the number of switches on a quarterly basis in the Ten Towns gas market and the associated percentage switching rate. The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at the end of the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

Table 23 Market activity in the Ten Towns area

Period	I&C Switching	
2015 Q4	43	2.0%
2016 Q1	72	3.1%
2016 Q2	426	18.3%
2016 Q3	89	3.8%
2016 Q4	92	3.8%
2017 Q1	37	1.5%

Source: feDL

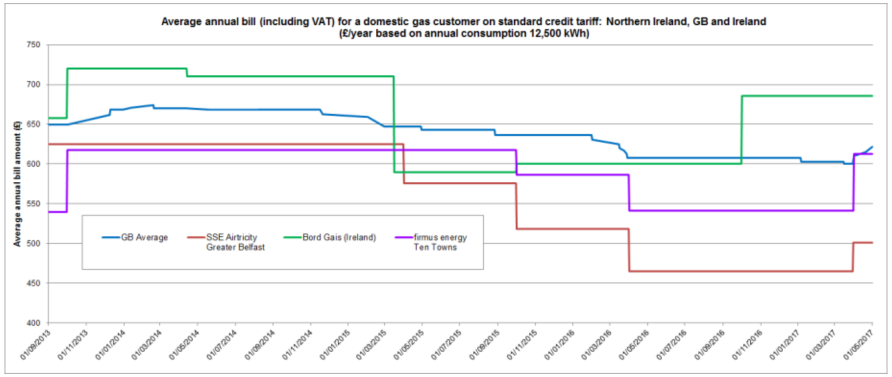
The overall level of switching has been consistently low in the Ten Towns however there was a substantial increase in switches within the I&C sector in April 2016 which is shown in the graph below.



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[29]. The annual usage estimate used is 12,500 kWh[30]. 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

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 took effect from the 31st March 2017).

In the Republic of Ireland (RoI) Bord Gais announced a reduction of 2.5% from 1 October 2016. This reduction is included in the figures used to plot the graph above but 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 10.2% on 1 April 2016. Following the most recent tariff review in March 2017 SSE Airtricity announced a 7.6% increase, taking effect from 31 March 2017.

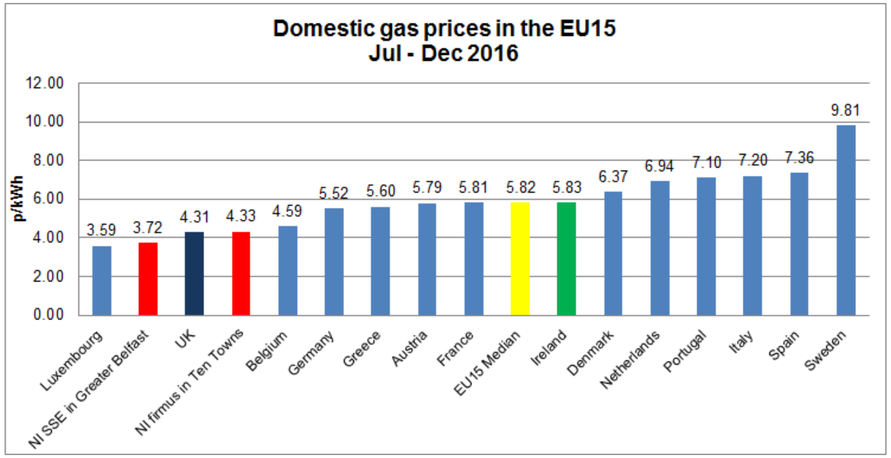
The firmus energy tariffs in the Ten Towns area were reduced by 7.7% from 1 April 2016. Following the most recent tariff review in March 2017 firmus energy announced a 12.2% increase, taking effect from 31 March 2017.

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 July to December 2016.

[29] 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.

[30] Ofgem's most recent review of the typical domestic consumption is 12,500kWh per annum.



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 tariff of SSE Airtricity, including VAT, that applied during July to December 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 July to December 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 tariff of firmus energy, including VAT, that applied during July to December 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 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 July to December 2016. These prices include taxes. These prices are published by Eurostat.

As is evident from the graph, Northern Ireland's gas prices rank in the lower quartile and are among the lowest in Europe when compared to the EU15.

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[31] July 2011: Budget Energy February 2012: VAYU April 2012: Go Power October 2015: Click Energy

Gas: Greater Belfast Area[32]	
Domestic	Incumbent supplier since September 1996: SSE Airtricity[33] 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[34]	
Domestic	Incumbent supplier since 2005: firmus
I&C	Incumbent supplier since 2005: firmus January 2013: SSE Airtricity May 2015: Flogas June 2015: Go Power January 2017: Vayu

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

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