RETAIL MARKET MONITORING

Annual Transparency Report

For calendar year 2018

Published: 30 August 2019



Abstract

This paper is the latest of a series of Utility Regulator (UR) reports (the Quarterly Transparency Reports (QTRs) and Annual Transparency Report (ATRs), which 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.

We collect and monitor market information through the Retail Energy Market Monitoring (REMM) framework.

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

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

The ATR report is the summation of the four quarters of the relevant calendar year.

Audience

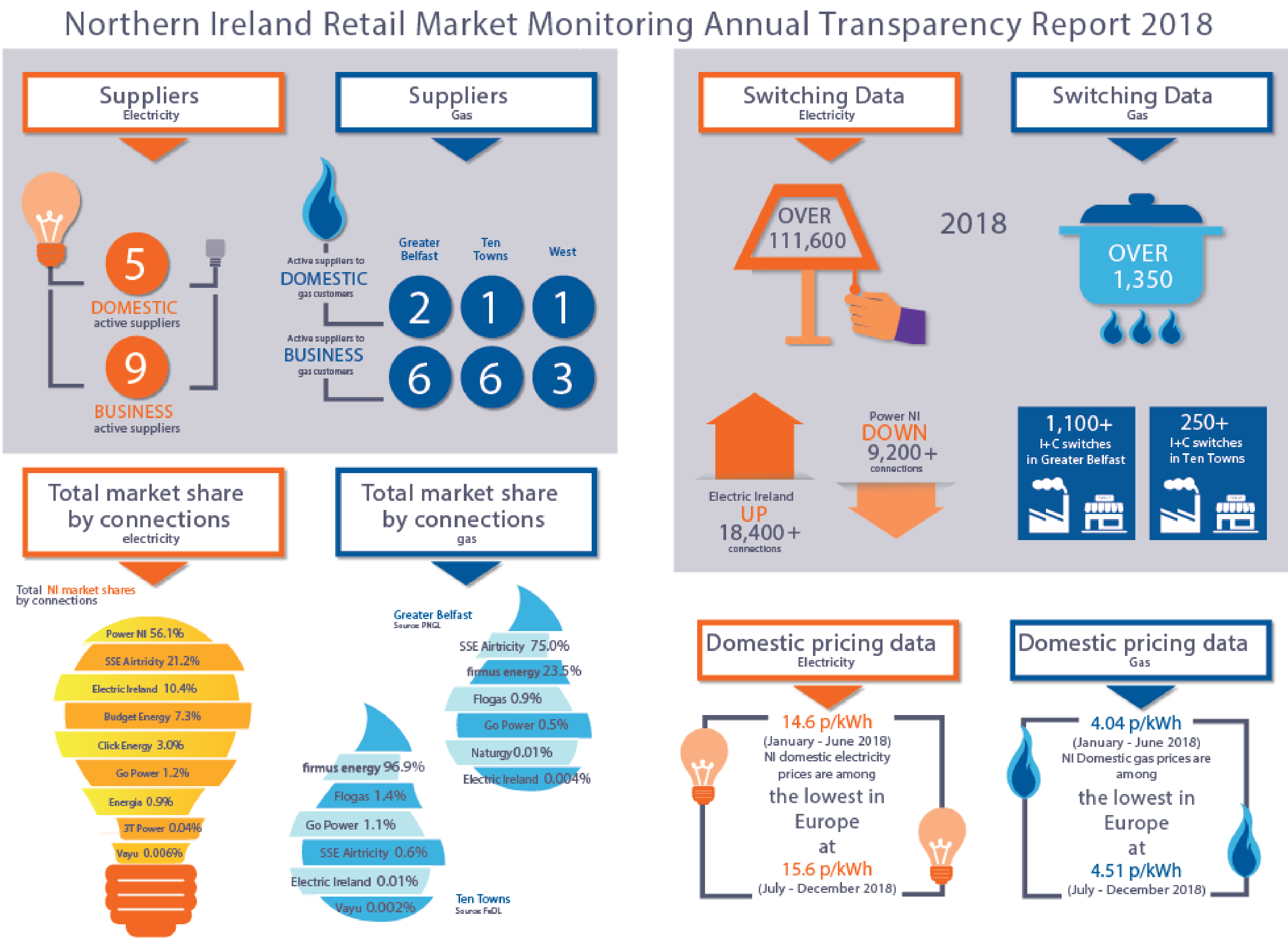
Electricity and gas industry, associations of consumers, regulators, statistical bodies, suppliers, potential new market entrants, consultants, researchers and journalists.

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



1.1 Key developments during 2018

1.	The electricity pricing data is sourced from Eurostat and individual supplier's submissions. The data outlined the following trends in prices: • NI remain among the lowest in Europe at 15.6 p/kWh and considerably lower than the Republic of Ireland (22.6 p/kWh), the EU median (18.0 p/kWh) and the UK (18.0 p/kWh). • NI I&C electricity prices for the Very Small connections (which represent 67% of I&C connections) were one of the lowest in Europe. The NI price at 15.9 p/kWh was lower than the UK (16.0 p/kWh), the EU median (18.8 p/kWh) and Republic of Ireland (16.0 p/kWh). • For medium and large I&C customers, NI prices are higher than RoI but are lower than in the UK overall.
2.	The domestic gas prices in NI are amongst the lowest in Europe at 4.04 p/kWh. This is less than RoI at 5.56 p/kWh and the rest of the UK at 4.06 p/kWh.
3.	Market activity in the electricity domestic and I&C sectors continues to illustrate a gradual change in the market dynamics. Based on total connections Power NI (the incumbent price controlled electricity supplier) retain their dominant position with 56.8% of the domestic market, although this has reduced from 58.7% in 2017.
4.	Domestic customers continue to actively engage in the electricity market with over 111,000 switches completed during 2018, indicating 12.6% of the market participating, although this was a small decrease from 2017. The I&C sector also saw switching activity increase from 7.7% in 2017 to 9.8% in 2018.
5.	In the gas sector, there was a decrease in switching activity in the Greater Belfast area in 2018 with over 1,144 switches compared to 2,080 in 2017. I&C switching in the Ten Towns also saw a decrease during the year with 254 in 2018 compared to 402 in 2017.

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 (QTR) and Annual Transparency Reports (ATRs) serve as the primary platform 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 annual report lies is the 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.

The main data sources for this ATR 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), firmus energy (Distribution) Limited (feDL) and SGN Natural Gas Limited (SGN)
- 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.

The ATR merges the relevant quarterly information for the calendar year from the Quarterly Transparency Reports (QTRs) and is therefore the summation of Quarter 1 (Q1) through to Quarter 4 (Q4) for 2018. We will continue to make ongoing additions to this annual report based on the data collected through the REMM project.

As part of the UR's Forward Work Programme for 2018/19 we consulted on a second phase for REMM (REMM CIMA - Consumer Insight & Market Analysis), with a focus on deploying the REMM framework to:

- Improve evidence based regulation and reporting within the UR;
- Define and publish retail market outcomes externally to promote transparency and consumer empowerment; and
- Improve supplier compliance analysis and assurance, including via supplier test audits.

We will engage with industry on how these metrics will be published over the coming months.

Table 1 Suppliers in the Retail Market
End of Q4 2018

	Network Operator							
	NIEN		PNGL		feDL		SGN	
	Electricity		Gas Greater Belfast		Gas Ten Towns		Gas West	
	Dom	I&C	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		💡		🔥		🔥		
3T Power		💡						
Suppliers	**5**	**9**	**2**	**6**	**1**	**6**	**1**	**3**

Source: UR

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.

The first gas connection to the West[1] gas distribution area was a large I&C user during Q1 2017.

In summary there were **nine** active suppliers in the electricity market during 2018. In the gas markets there were **six** active suppliers during 2018 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 Electricity Wholesale market monitoring data

Readers should also be aware of the Electricity Wholesale 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 are prepared by the Market Monitoring Unit (MMU) within the

[1] It is anticipated that gas in the West distribution area will be developed as per Annex 2, Part 3 of the Scotia Gas Networks Northern Ireland licence.

UR in joint collaboration with the Commission for Regulation of Utilities (CRU).

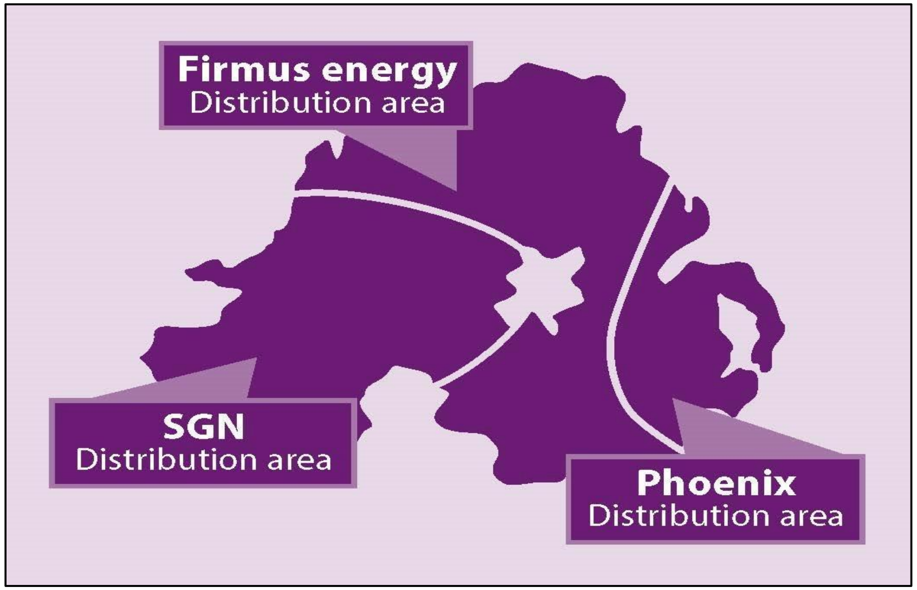
2.4 Northern Ireland gas market overview

The gas distribution network licensees are responsible for the medium and low pressure mains that convey to the licensed areas throughout Northern Ireland. There are three Distribution Network Operators (DNOs) who operate in separate distribution areas as illustrated on the map which follows:

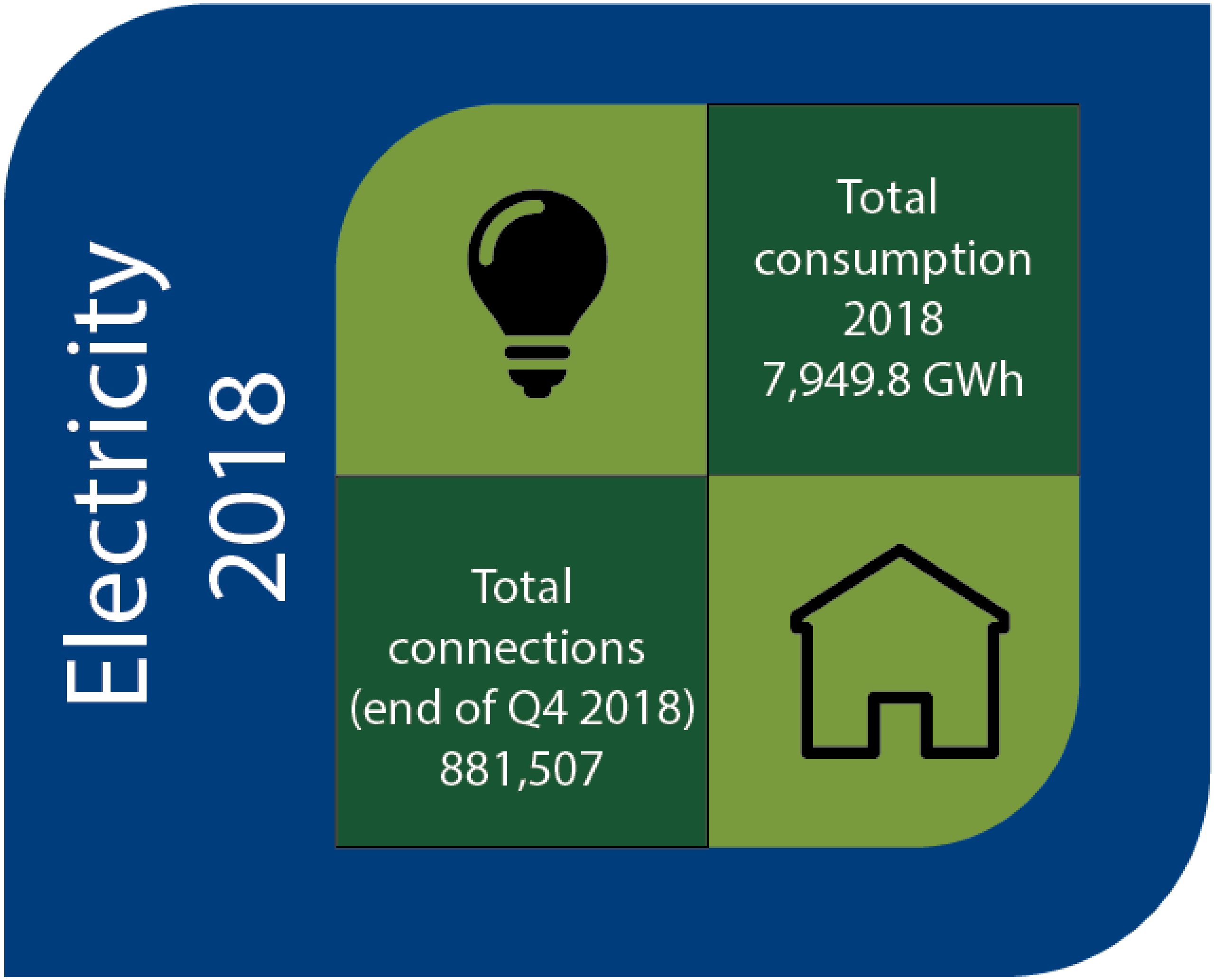
- firmus energy (Distribution) Ltd (feDL) from the North West through the Central region to the Southern areas of Northern Ireland;
- Phoenix Natural Gas Ltd (PNGL) mainly Greater Belfast, Larne and a recent extension into East Down; and
- SGN Natural Gas Ltd (SGN NG) in the West of Northern Ireland.

Each DNO owns and manages the natural gas distribution network in their distribution area. Those companies who supply gas (suppliers) pay the relevant DNO a fee to transport natural gas, and then sell it straight to the consumer. Although a DNO is responsible for making sure the natural gas reaches individual homes, it is the responsibility of the gas supplier to bill consumers for the gas they use.

Figure 1: Gas Distribution Licenced Areas



3 Electricity



3.1 NI connections and total consumption

The table below shows electricity customer numbers[2] at end December 2018 and consumption from January to December 2018.

Table 2 Electricity connections and consumption per market segment

Connections as of end of Q4 2018
Total Consumption 2018

Customer groups	Number of connections	% share of connections in market sector	Consumption (GWh)	% share of consumption in market sector
Domestic prepayment	359,262	44.5%	1,259.3	42.9%
Domestic credit	448,883	55.5%	1,679.0	57.1%
Total Domestic	**808,145**	**100%**	**2,938.4**	**100%**
I&C < 20 MWh	49,079	66.9%	354.2	7.1%
I&C 20 – 49 MWh	13,117	17.9%	430.9	8.6%
I&C 50 – 499 MWh	10,053	13.7%	1,338.4	26.7%
I&C 500 – 1,999 MWh	841	1.1%	808.4	16.1%
I&C 2,000 – 19,999 MWh	253	0.3%	1,339.6	26.7%
I&C ≥ 20,000 MWh	19	0.03%	740.0	14.8%
Total I&C	**73,362**	**100%**	**5,011.4**	**100%**
Total	**881,507**		**7,949.8**	

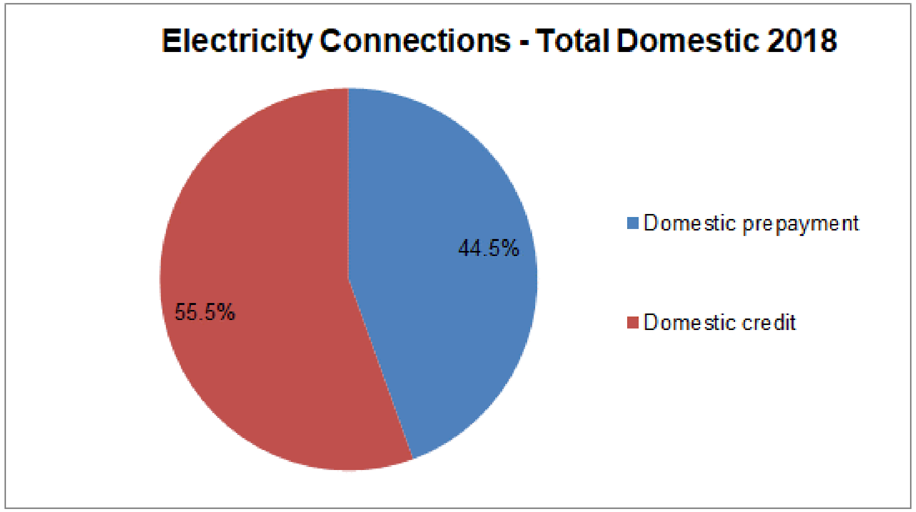
Of the total customers in Northern Ireland, 91.7% belong to the domestic sector, while the remaining 8.3% are I&C customers. During 2018, this share translates into 37.0% and 63.0% respectively in terms of consumption.

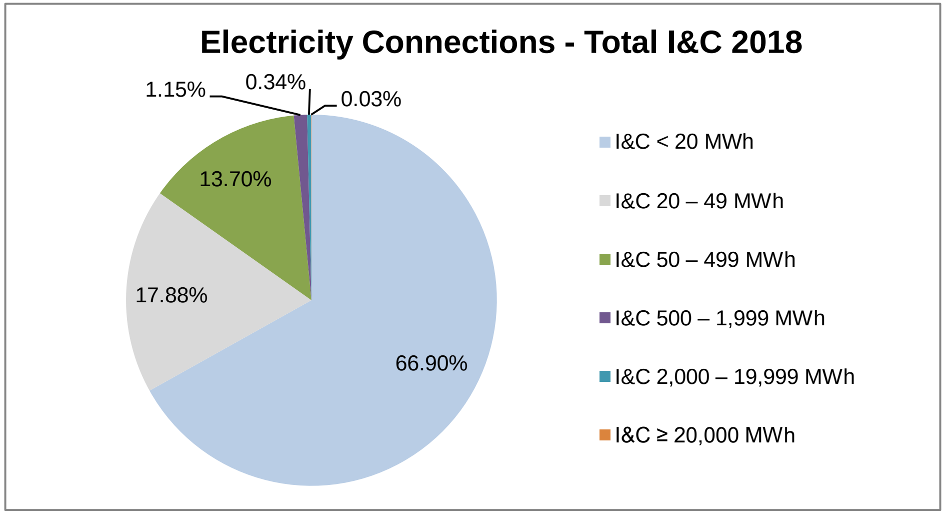
Within the domestic sector, 44.5% of the market use prepayment meters and 55.5% pay by credit.

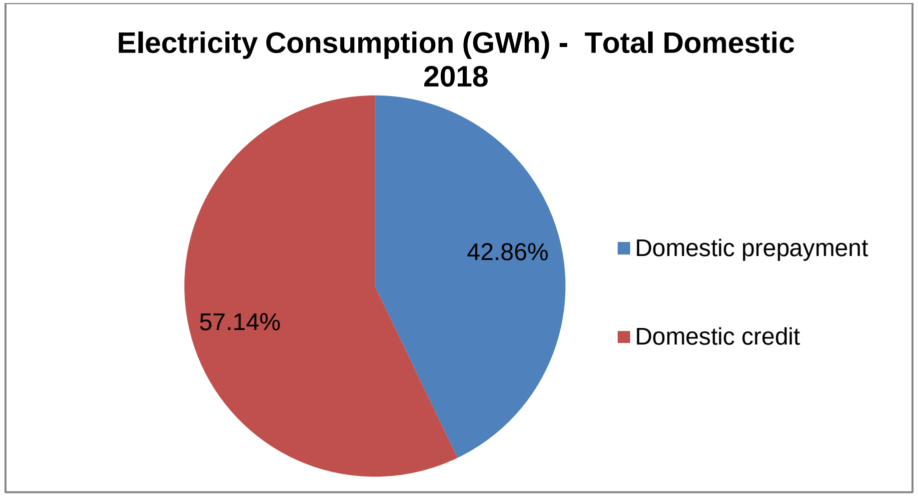
Within the I&C sector, more than 99.9% of the customers are small and medium enterprises (consuming less than 19,999 MWh), with 85.2% of the 2018 I&C consumption. The remaining are Large Energy Users (LEU) connections, that represent 9.3% of the total NI volume for the year, and 14.8% of the I&C consumption.

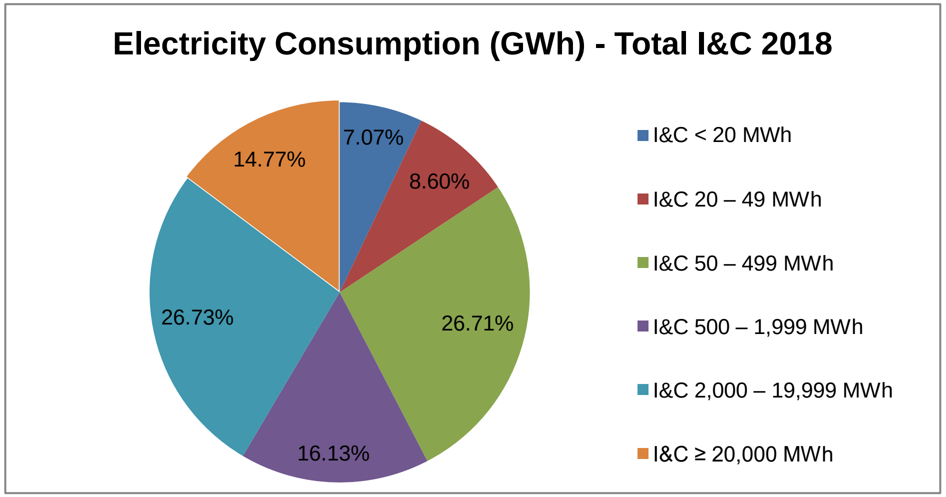
Source: NIEN

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


Electricity Connections - Total Domestic 2018
44.5%
55.5%
Domestic prepayment
Domestic credit


Electricity Connections - Total I&C 2018
1.15%
0.34%
0.03%
13.70%
17.88%
66.90%
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) - Total Domestic 2018
42.86%
57.14%
Domestic prepayment
Domestic credit


Electricity Consumption (GWh) - Total I&C 2018
7.07%
8.60%
14.77%
26.73%
26.71%
16.13%
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[3]

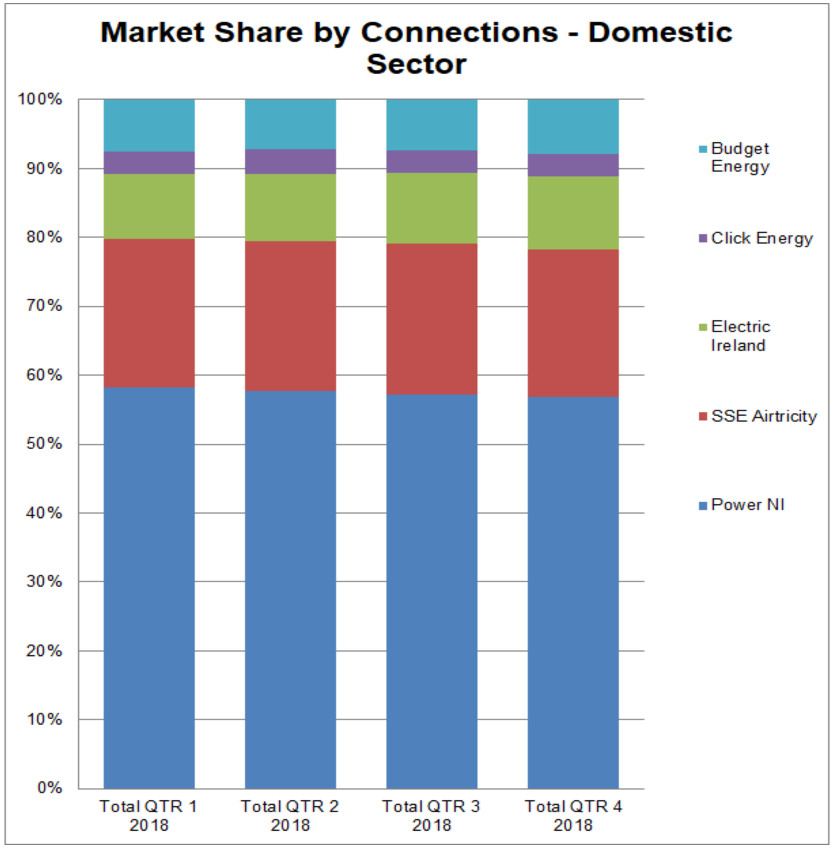
During 2018 there were five domestic electricity suppliers in NI, and eight active suppliers in the I&C electricity market. The total number of domestic customers at the end of 2018 was 808,145. As is evident from the table below a significant number of domestic customers (56.8%) remain with the previously 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.

Table 3 Domestic market shares by connections

End of Q4 2018

Domestic Suppliers	Domestic Prepayment		Domestic Credit		Domestic Total	
Power NI	158,475	44.1%	300,790	67.0%	459,265	56.8%
SSE Airtricity	78,584	21.9%	94,744	21.1%	173,328	21.4%
Electric Ireland	41,923	11.7%	44,166	9.8%	86,089	10.7%
Click Energy	24,280	6.8%	2,075	0.5%	26,355	3.3%
Budget Energy	56,000	15.6%	7,108	1.6%	63,108	7.8%
Dom Market	**359,262**	**100%**	**448,883**	**100%**	**808,145**	**100%**

Source: NIEN



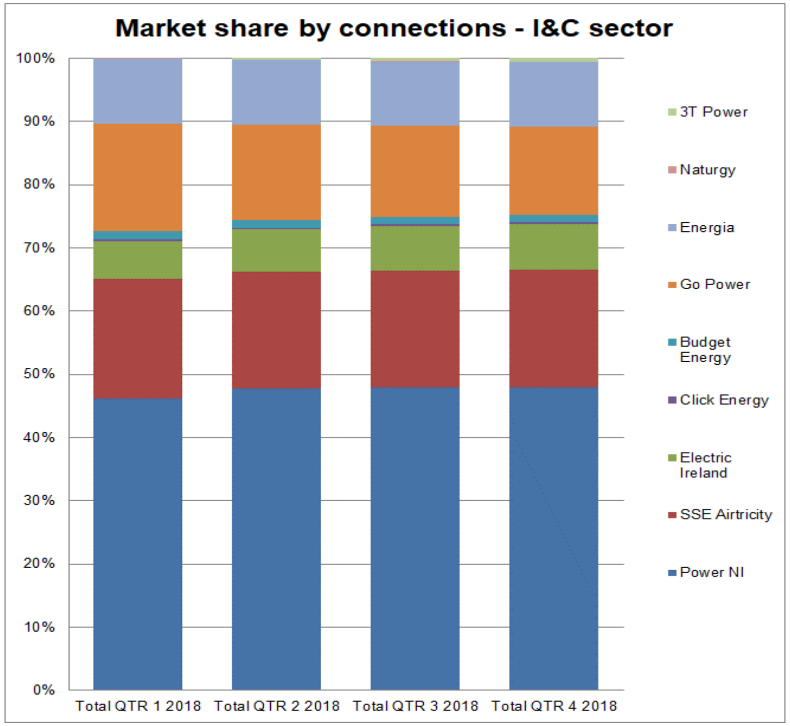
The market shares at the end of 2018 illustrate a marginal decrease for Power NI. In the last quarter for 2018 Power NI supplied 44.1% of the domestic prepayment and 67.0% of the domestic credit market. This shows a decrease from 2017 when Power NI held 45.2% of the domestic prepayment and 69.3% of the domestic credit connections. The continued growth of the new entrants in the domestic market is clear, given that the non-incumbents now represent over 43.2% of total domestic connections in NI (an increase from 41.3% in the same period last year).

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

Table 4 I&C market shares by connections

End of Q4 2018

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	27,524	56.1%	4,741	36.1%	2,773	27.6%	124	14.7%	24	9.5%	0	0%	35,186	48.0%
SSE Airtricity	8,704	17.7%	3,123	23.8%	1,642	16.3%	109	13.0%	34	13.4%	4	21.1%	13,616	18.6%
Go Power	6,002	12.2%	2,023	16.4%	1,894	18.8%	216	25.7%	49	19.4%	4	21.1%	10,188	13.9%
Electric Ireland	2,382	4.9%	1,123	8.6%	1,605	16.0%	159	18.9%	63	24.9%	8	42.2%	5,340	7.3%
Energia	3,554	7.2%	1,872	14.3%	1,817	18.1%	203	24.1%	70	27.7%	3	15.8%	7,519	10.2%
Budget Energy	584	1.2%	178	1.4%	118	1.2%	2	0.2%	1	0.4%	0	0%	883	1.2%
Naturgy	32	0.07%	3	0.02%	7	0.07%	6	0.7%	3	1.2%	0	0%	51	0.07%
Click Energy	140	0.29%	27	0.21%	17	0.17%	0	0%	2	0.8%	0	0%	186	0.25%
3T Power	157	0.32%	27	0.21%	180	1.79%	22	2.6%	7	2.7%	0	0%	393	0.54%
I&C Market	**49,079**	**100%**	**13,117**	**100%**	**10,053**	**100%**	**841**	**100%**	**253**	**100%**	**19**	**100%**	**73,362**	**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 year 2018. Competition in the I&C market is more developed than the domestic sector, and consequently market shares are much more dispersed. Out of the nine[4] active suppliers at the end of 2018, based on customer numbers, four of these suppliers had 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 year.

[4] 3T Power Ltd became an active supplier during Q2 2018.

Table 5 Total NI market shares by connections

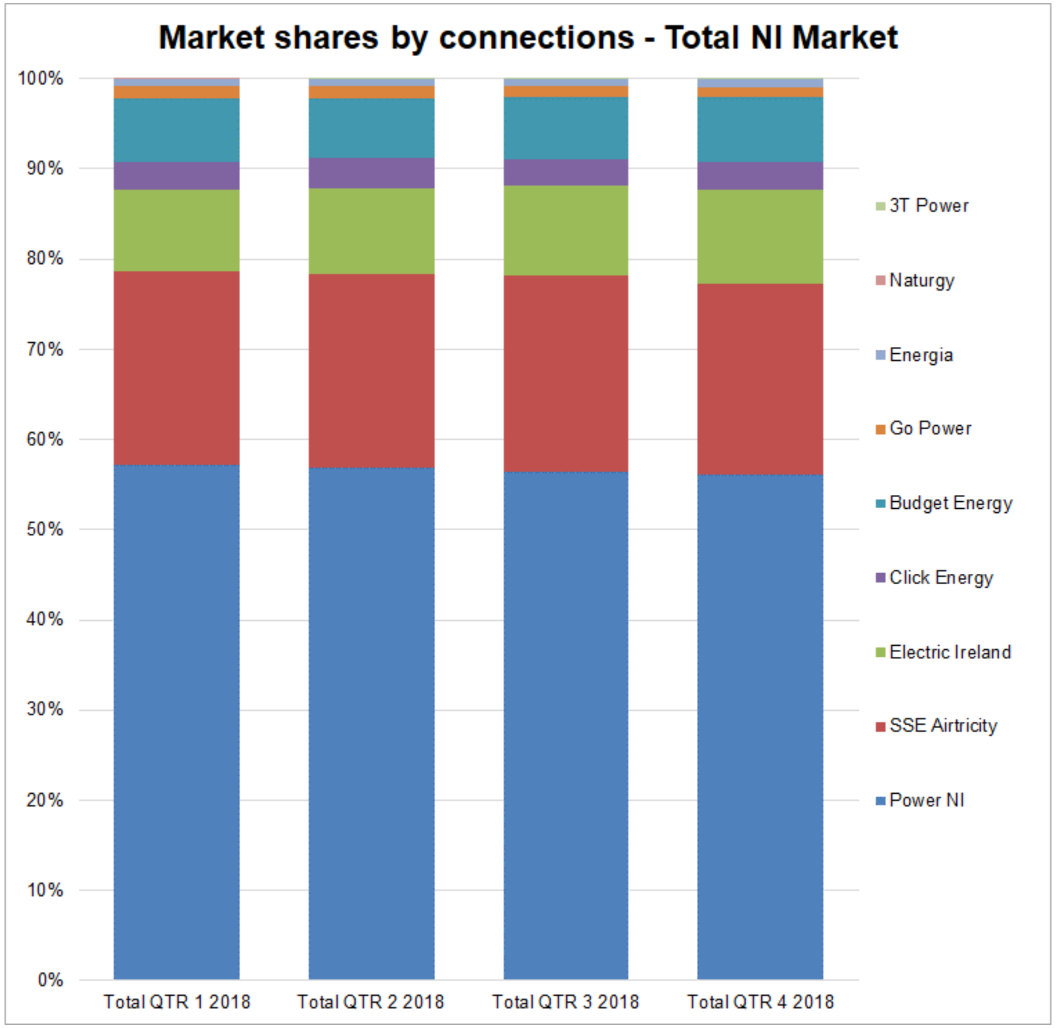
End of Q4 2018

Suppliers	Total	
Power NI	494,451	56.1%
SSE Airtricity	186,944	21.2%
Go Power	10,188	1.2%
Electric Ireland	91,429	10.4%
Energia	7,519	0.9%
Click Energy	26,541	3.0%
Budget Energy	63,991	7.3%
Naturgy	51	0.006%
3T Power	393	0.04%
Total Market	**881,507**	**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 56.1% in 2018, although this has decreased when compared to their 57.7% total market share at the end of 2017. 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 year.



Electricity shares by consumption (GWh)

Table 6 Domestic market shares by consumption

Total Consumption 2018

Domestic Suppliers	Domestic Prepayment		Domestic credit		Domestic Total	
	GWh	%	GWh	%	GWh	%
Power NI	536.9	42.6%	1,079.9	64.3%	1,616.8	55.0%
SSE Airtricity	292.8	23.3%	401.0	23.9%	693.8	23.6%
Electric Ireland	153.4	12.2%	153.5	9.1%	307.0	10.4%
Click Energy	90.6	7.2%	8.1	0.5%	98.7	3.4%
Budget Energy	185.6	14.7%	36.6	2.2%	222.1	7.6%
Dom Market	**1,259.3**	**100%**	**1,679.1**	**100%**	**2,938.4**	**100%**

Source NIEN

In 2018, Power NI's share of the market by consumption was 42.6% for domestic prepayment and 64.3% for domestic credit, this shows a decrease when compared to 2017 when Power NI's domestic prepayment market share was 44.3% and domestic credit was 66.2%.

The graph to the right shows the trends in market shares (by consumption) for each active domestic supplier in NI for 2018.

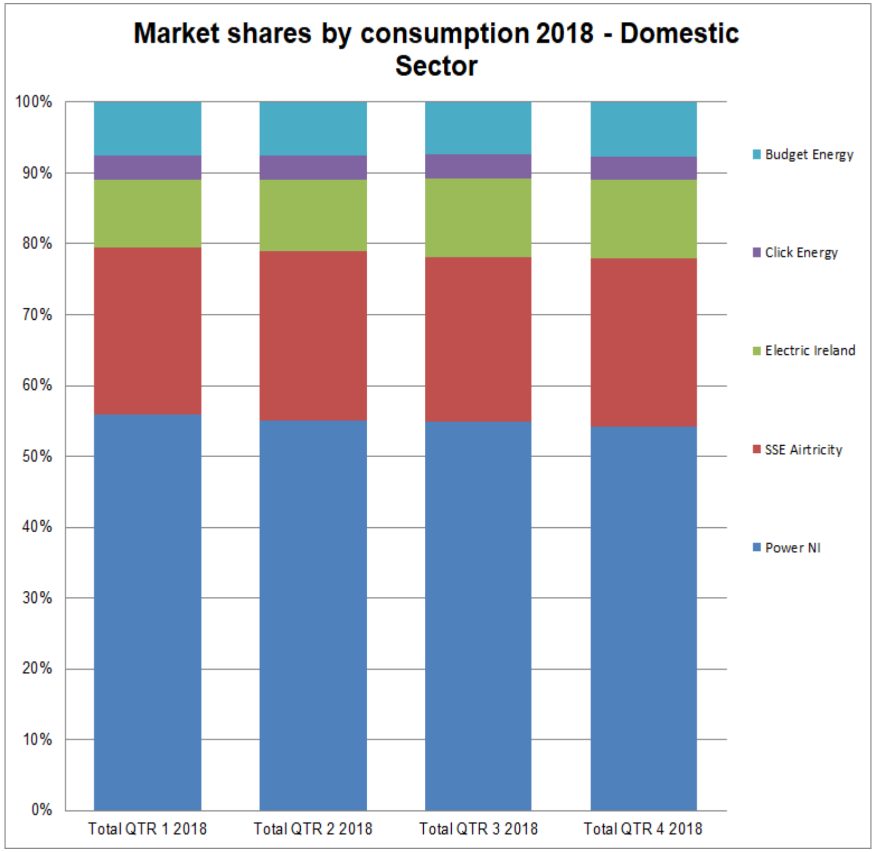


Table 7 I&C market shares by consumption

Total Consumption 2018

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	165.6	46.7%	152.3	35.3%	321.1	24.0%	105.6	13.1%	134.8	10.1%	0.0	0.0%	879.3	17.5%
SSE Airtricity	67.7	19.1%	101.4	23.5%	207.1	15.5%	91.7	11.3%	167.2	12.5%	187.9	25.4%	823.0	16.4%
Go Power	58.0	16.4%	75.5	17.5%	312.7	23.4%	240.6	29.8%	304.0	22.7%	253.8	34.3%	1,244.8	24.8%
Electric Ireland	21.2	6.0%	33.5	7.8%	210.4	15.7%	129.6	16.0%	316.9	23.7%	106.3	14.4%	817.9	16.3%
Energia	36.1	10.2%	60.2	14.0%	255.4	19.1%	224.0	27.7%	384.0	28.7%	192.0	25.9%	1,151.6	23.0%
Click Energy	0.8	0.2%	0.6	0.2%	2.1	0.2%	0.0	0.0%	5.0	0.4%	0.0	0.0%	8.5	0.2%
Budget Energy	4.1	1.2%	6.7	1.6%	12.7	1.0%	0.8	0.1%	9.5	0.7%	0.0	0.0%	33.8	0.7%
Naturgy	0.1	0.02%	0.2	0.04%	1.8	0.1%	7.6	0.9%	8.7	0.6%	0.0	0.0%	18.3	0.4%
3T Power	0.6	0.2%	0.4	0.1%	15.1	1.1%	8.4	1.0%	9.6	0.7%	0.0	0.0%	34.1	0.7%
I&C Market	**354.2**	**100%**	**430.9**	**100%**	**1,338.4**	**100%**	**808.4**	**100%**	**1,339.6**	**100%**	**740.0**	**100%**	**5,011.4**	100.0%

Source: NIEN

The main suppliers by consumption in the I&C sector in 2018 were Go Power (24.8%), Energia (23.0%), Power NI (17.5%), SSE Airtricity (16.4%) and Electric Ireland (16.3%).

The graph to the right shows the trends in market shares (by consumption) for each active I&C supplier in NI during 2018.

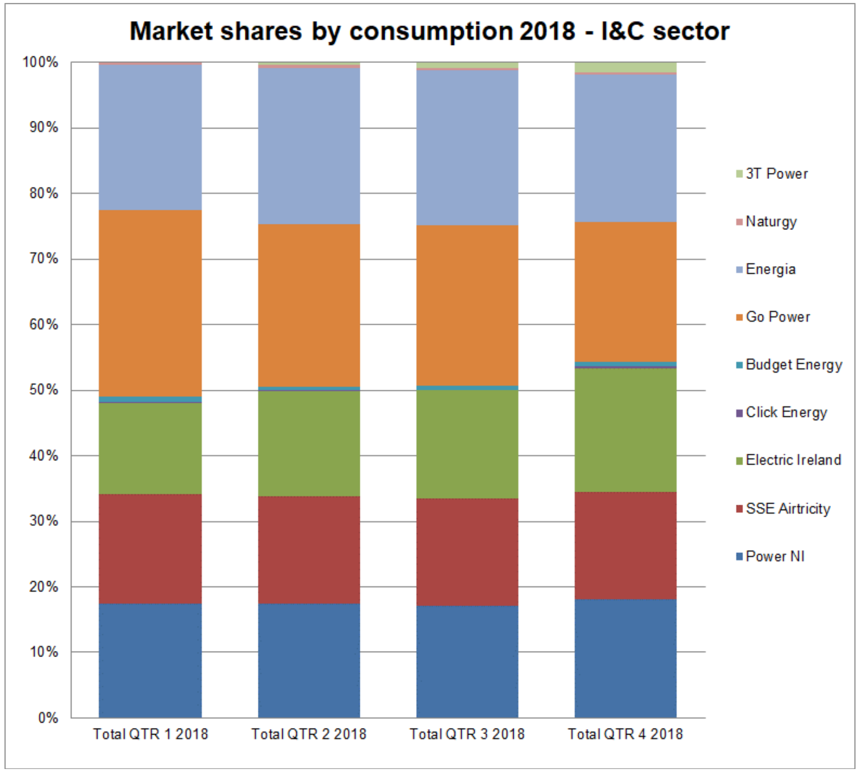
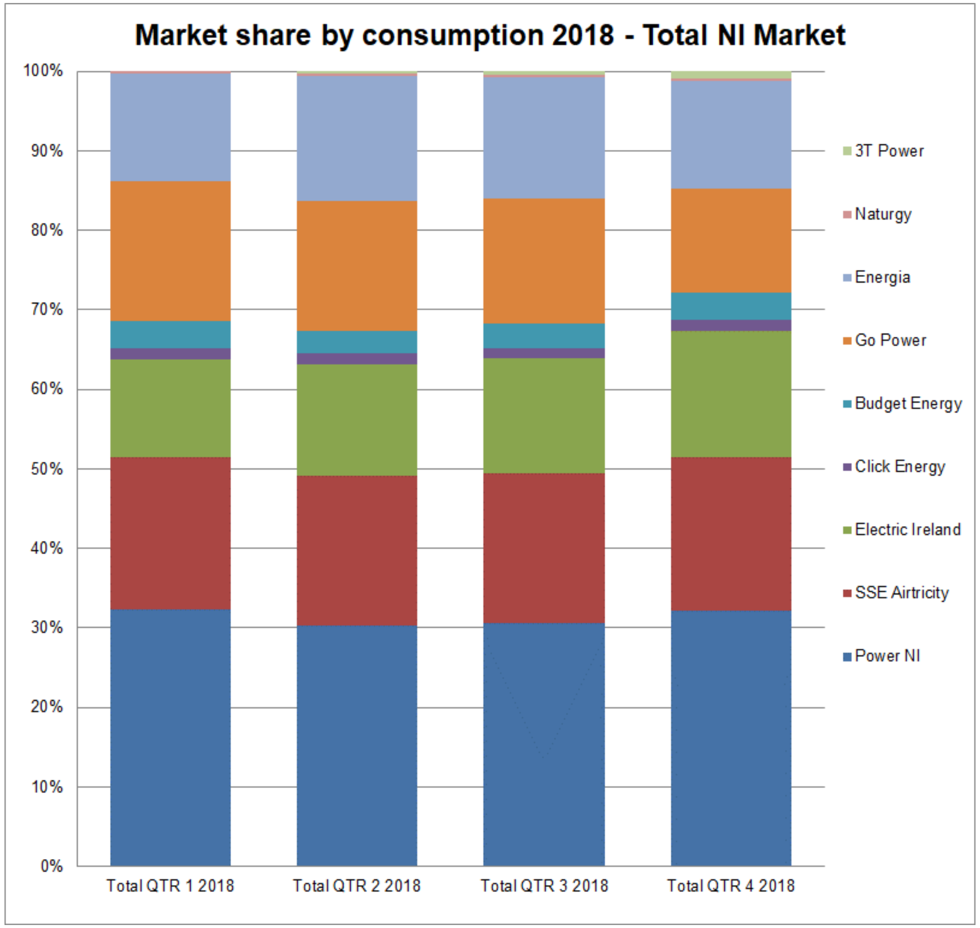


Table 8 Total NI market shares by consumption

Total Consumption 2018

Total Market	Total	
	GWh	%
Power NI	2,496.2	31.4%
SSE Airtricity	1,516.8	19.1%
Go Power	1,244.8	15.7%
Electric Ireland	1,124.9	14.5%
Energia	1,151.6	14.5%
Click Energy	107.2	1.3%
Budget Energy	255.9	3.2%
Naturgy	18.3	0.2%
3T Power	34.1	0.4%
Total Market	**7,949.8**	**100%**

Source: NIEN

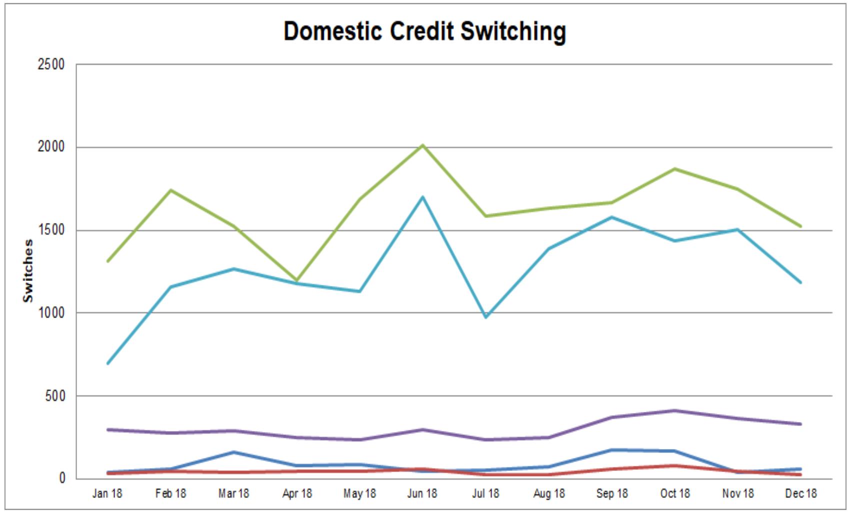


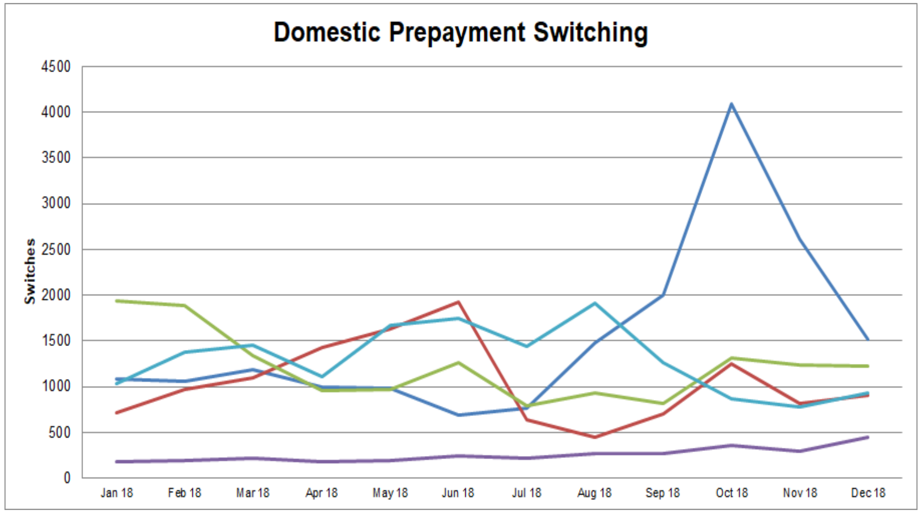
Electricity consumption in NI retail market for 2018 was over 7,949 GWh, which indicates a year on year increase when compared to 7,808 GWh consumed in 2017.

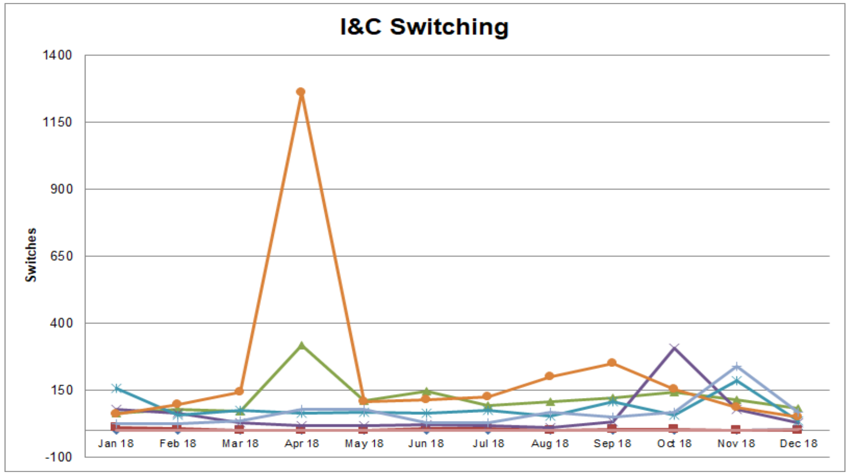
The graph to the right reflects the trends in market shares (by total consumption) for each active domestic and I&C supplier in NI during 2018.

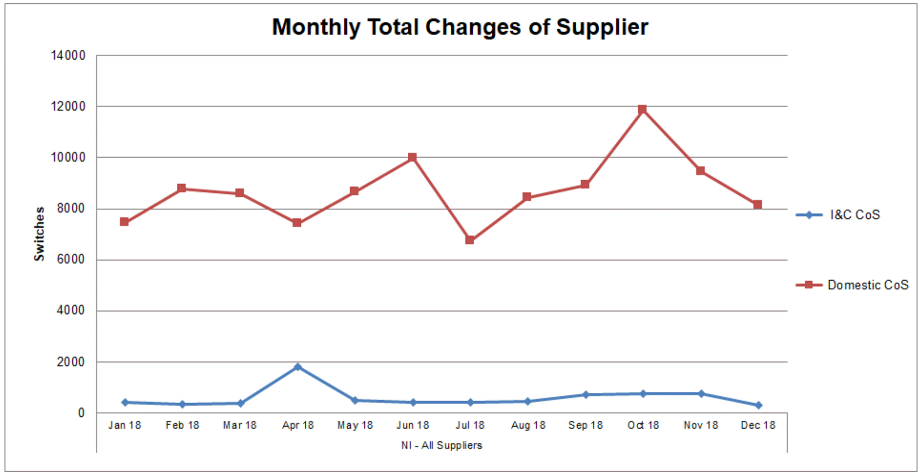
3.3 Electricity market activity

The line charts below reflect the change of customer numbers (gains per supplier), per market segment and anonymised supplier for 2018.









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 for 2018. 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 9 Electricity market activity

Total 2018

Period	Domestic Switching		I&C Switching		Total Switching	
2018 Q1	24,810	3.1%	1,136	1.6%	25,946	2.9%
2018 Q2	26,072	3.2%	2,679	3.7%	28,751	3.3%
2018 Q3	24,071	3.0%	1,607	2.2%	25,678	2.9%
2018 Q4	29,468	3.6%	1,783	2.4%	31,251	3.5%
2018 Total	**104,421**		**7,205**		**111,626**	

Source: NIEN

The number of domestic switches which took place in 2018 has decreased slightly year on year, with an average of below 10,000 switches per month. The number of domestic switches in 2017 was 118,726 which has decreased to 104,421 for 2018.

The I&C market switching activity has increased from 5,622 in 2017 to 7,205 in 2018.

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[5] and Eurostat data base[6]) 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.

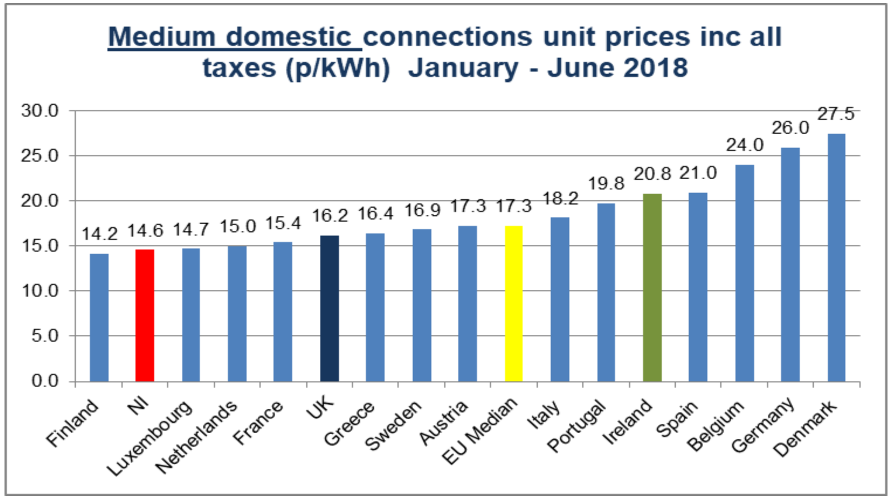
As the Eurostat figures are published on a semester basis (semester 1 (S1) January to June and semester 2 (S2) July to December) we therefore average the two relevant quarters to obtain the comparable six-month period for NI.

[5] https://www.gov.uk/government/collections/quarterly-energy-prices

[6] 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.

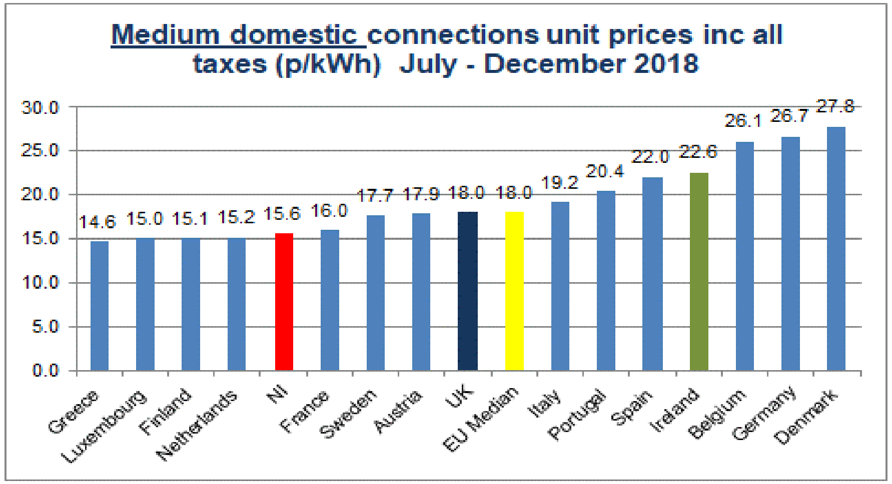
The pricing data detailed in this ATR provides a comparison for the period January to June 2018 (semester 1) and July to December 2018 (semester 2).



Domestic price comparison with EU

In the domestic graphs shown to the right, 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 2018 the NI price was significantly below the EU median, and ranked among the cheapest in Europe. The NI domestic price for this semester is less than that of GB and considerably less than RoI.



In S2 2018 the NI price remained 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.

The tables below show the percentage of connections and consumption for the relevant period end for each semester.

During both S1 and S2 2018 the Very Small I&C Category ranked NI prices 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). For the medium I&C customers, prices during the year are above those in RoI but are lower than in the UK overall. In the NI Large and Very Large I&C pricing category, for both semesters, the ranking for RoI, UK and NI remain the same where the NI prices in this category are above the RoI but less than the UK.

Table 10 Electricity market % by I&C consumption band

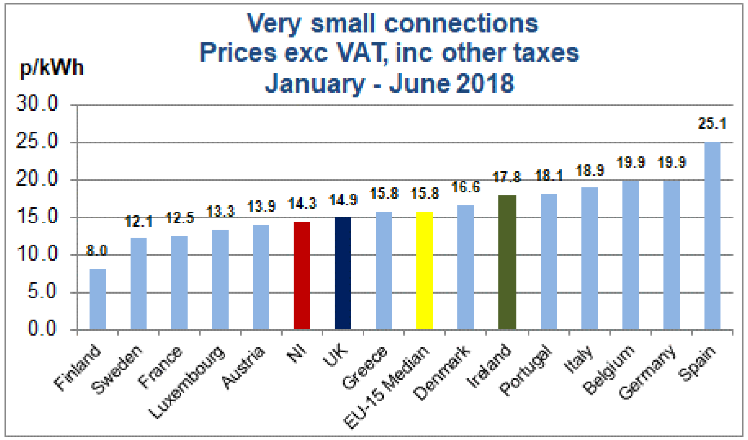
End of Q2 2018 (June 2018)

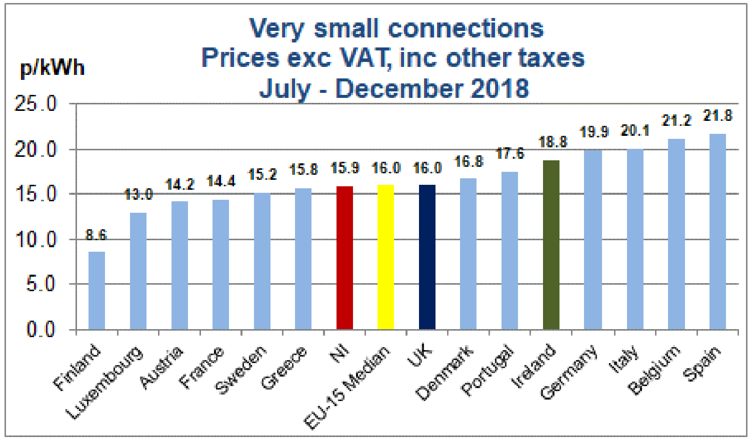
Size of customer	Annual consumption bands (MWh)	% of I&C connections[7]	% of I&C consumption	I&C connection numbers
Very small	< 20	66.7%	6.9%	48,696
Small	20 – 499	31.7%	34.4%	23,195
Small / Medium	500 – 1,999	1.1%	16.3%	828
Medium	2,000 – 19,999	0.4%	27.1%	260
Large & Very Large	>20,000	0.03%	15.3%	18

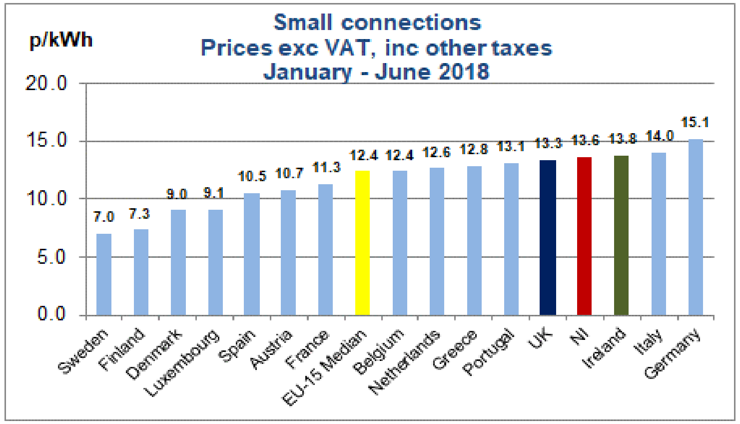
End of Q4 2018 (December 2018)

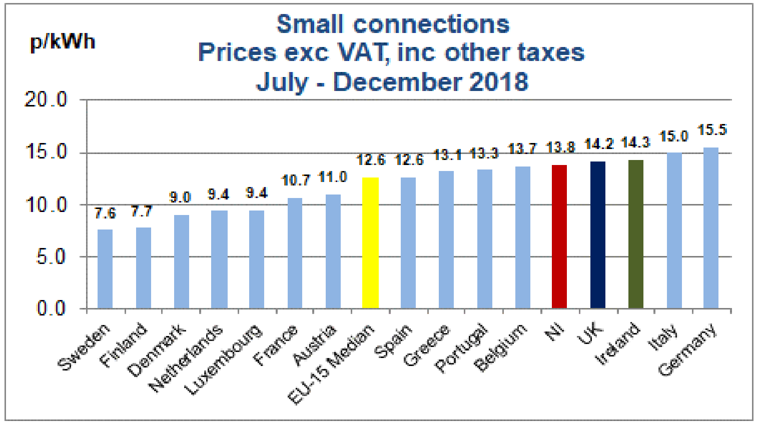
Size of customer	Annual consumption bands (MWh)	% of I&C connections[8]	% of I&C consumption	I&C connection numbers
Very small	< 20	66.9%	7.2%	49,079
Small	20 – 499	31.6%	36.2%	23,170
Small / Medium	500 – 1,999	1.1%	16.3%	841
Medium	2,000 – 19,999	0.3%	26.2%	253
Large & Very Large	>20,000	0.03%	14.1%	19

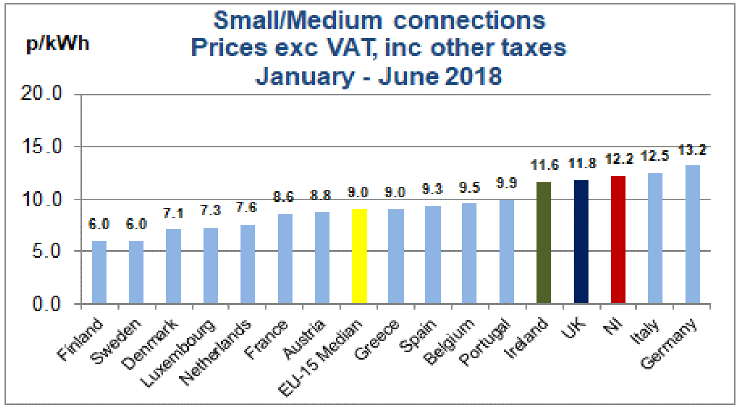
Source: NIEN

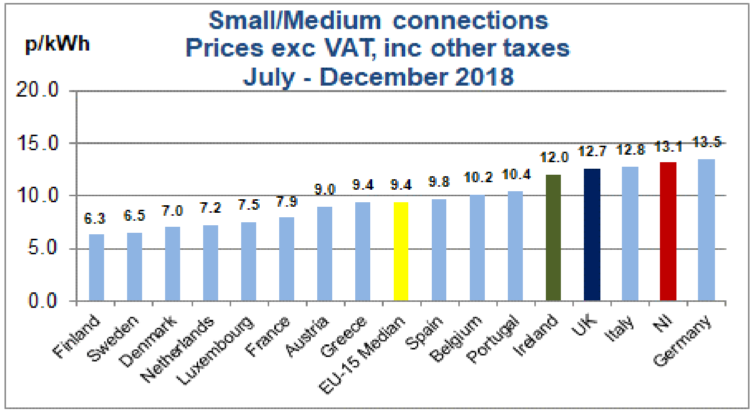

Very small connections
Prices exc VAT, inc other taxes
January - June 2018
p/kWh
30.0 25.0 20.0 15.0 10.0 5.0 0.0
8.0 12.1 12.5 13.3 13.9 14.3 14.9 15.8 15.8 16.6 17.8 18.1 18.9 19.9 19.9 25.1
Finland Sweden France Luxembourg Austria NI UK Greece EU-15 Median Denmark Ireland Portugal Italy Belgium Germany Spain

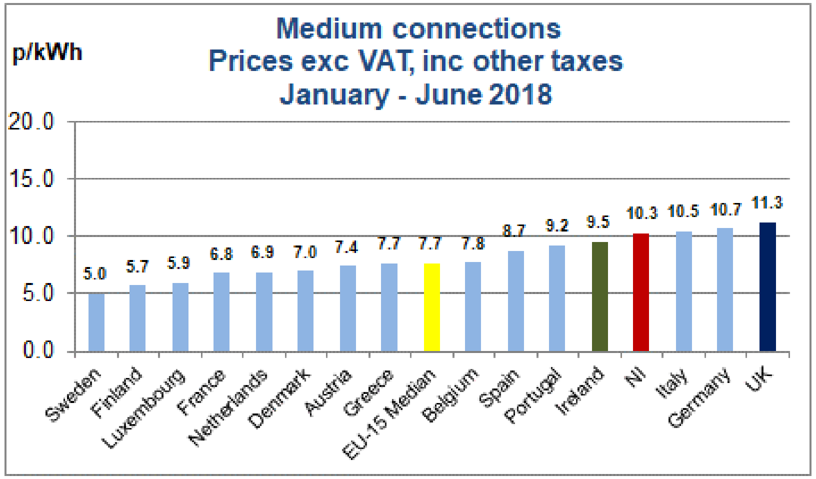

Very small connections
Prices exc VAT, inc other taxes
July - December 2018
p/kWh
25.0 20.0 15.0 10.0 5.0 0.0
8.6 13.0 14.2 14.4 15.2 15.8 15.9 16.0 16.0 16.8 17.6 18.8 19.9 20.1 21.2 21.8
Finland Luxembourg Austria France Sweden Greece NI EU-15 Median UK Denmark Portugal Ireland Germany Italy Belgium Spain

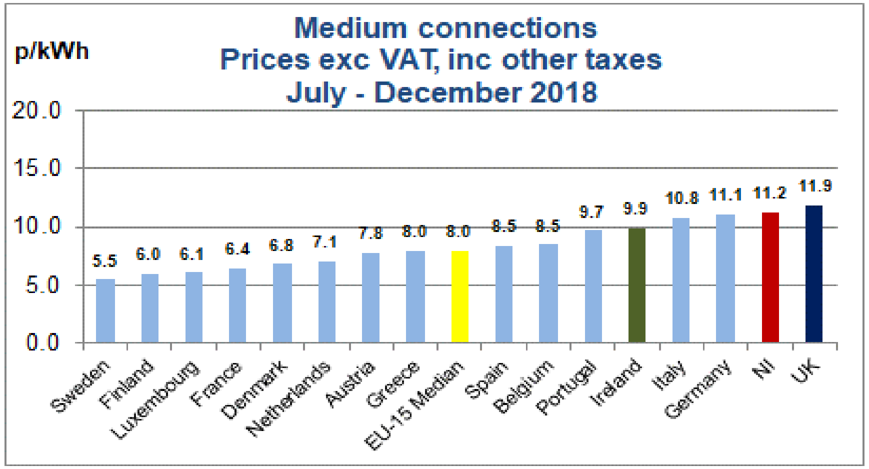

Small connections
Prices exc VAT, inc other taxes
January - June 2018
p/kWh
20.0 15.0 10.0 5.0 0.0
7.0 7.3 9.0 9.1 10.5 10.7 11.3 12.4 12.4 12.6 12.8 13.1 13.3 13.6 13.8 14.0 15.1
Sweden Finland Denmark Luxembourg Spain Austria France EU-15 Median Belgium Netherlands Greece Portugal UK NI Ireland Italy Germany

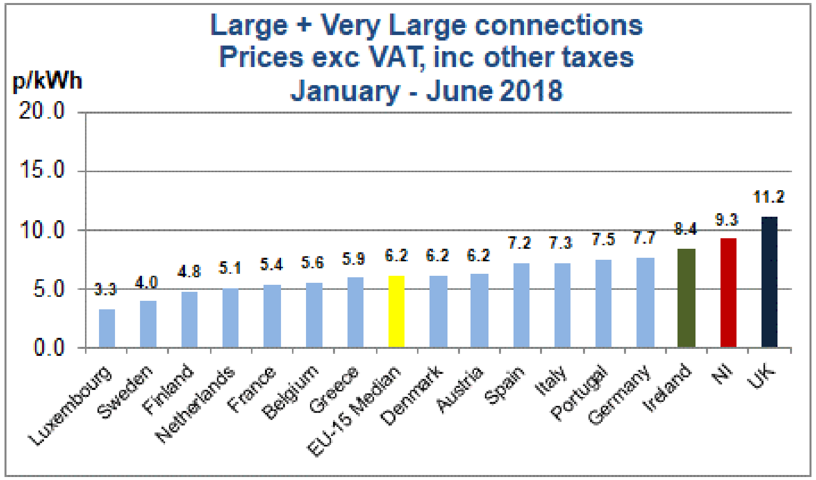

Small connections
Prices exc VAT, inc other taxes
July - December 2018
p/kWh
20.0 15.0 10.0 5.0 0.0
7.6 7.7 9.0 9.4 9.4 10.7 11.0 12.6 12.6 13.1 13.3 13.7 13.8 14.2 14.3 15.0 15.5
Sweden Finland Denmark Netherlands Luxembourg France Austria EU-15 Median Spain Greece Portugal Belgium NI UK Ireland Italy Germany

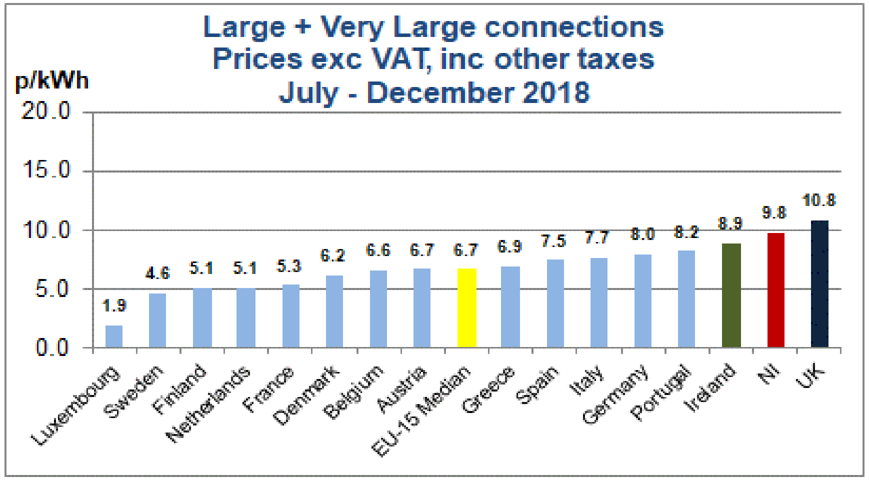

Small/Medium connections
Prices exc VAT, inc other taxes
January - June 2018
p/kWh
20.0 15.0 10.0 5.0 0.0
6.0 6.0 7.1 7.3 7.6 8.6 8.8 9.0 9.0 9.3 9.5 9.9 11.6 11.8 12.2 12.5 13.2
Finland Sweden Denmark Luxembourg Netherlands France Austria EU-15 Median Greece Spain Belgium Portugal Ireland UK NI Italy Germany


Small/Medium connections
Prices exc VAT, inc other taxes
July - December 2018
p/kWh
20.0 15.0 10.0 5.0 0.0
6.3 6.5 7.0 7.2 7.5 7.9 9.0 9.4 9.4 9.8 10.2 10.4 12.0 12.7 12.8 13.1 13.5
Finland Sweden Denmark Netherlands Luxembourg France Austria Greece EU-15 Median Spain Belgium Portugal Ireland UK Italy NI Germany



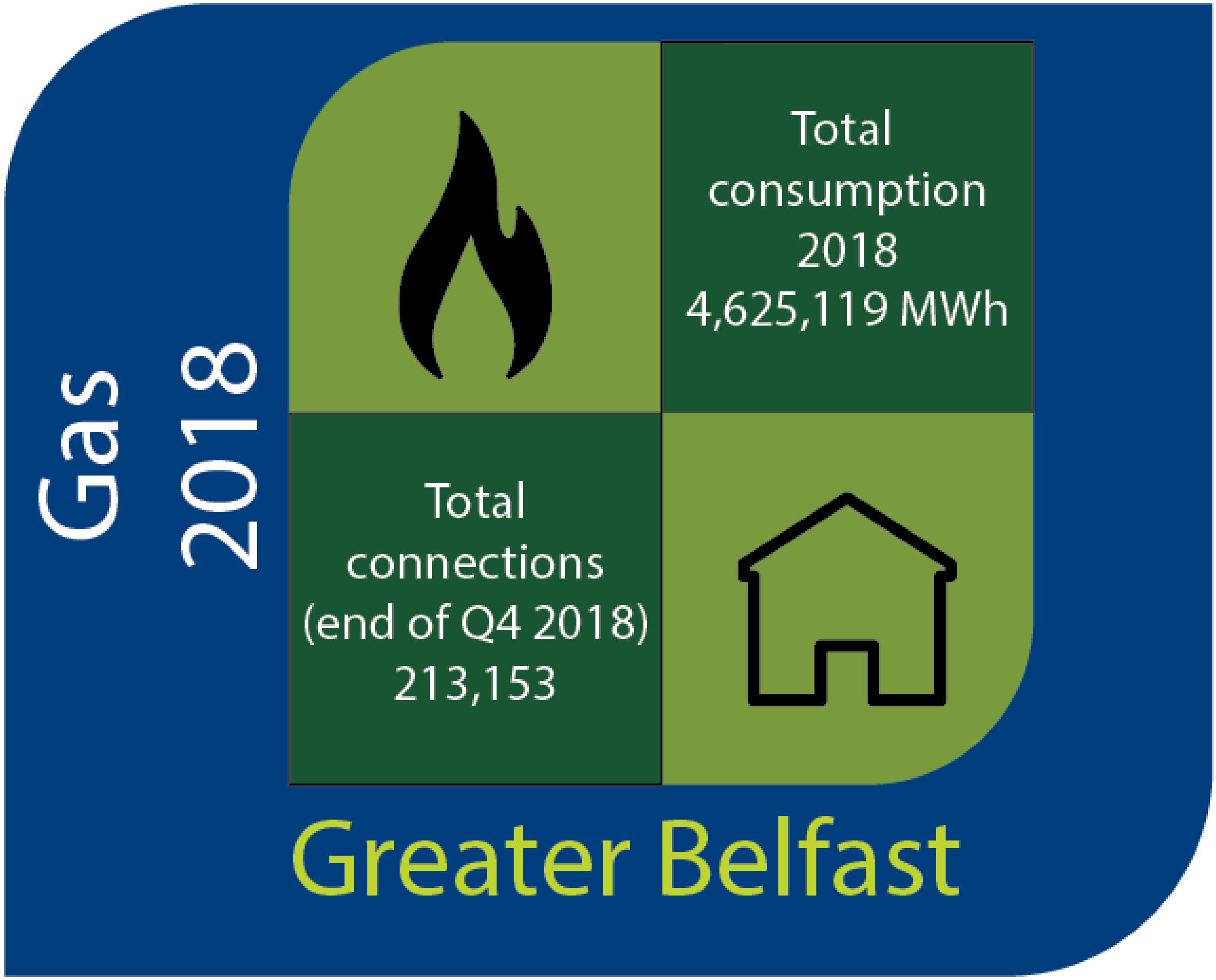






Source: NI electricity suppliers, Eurostat and UR internal calculations

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 2018 and the consumption in this area during January to December 2018.

Table 11 Gas connections and consumption per market segment in the Greater Belfast area

Connections as of end of Q4 2018
Total Consumption 2018

<table>
<tr><th>Market sector</th><th>Number of connections</th><th>% share of connections in sector</th><th>Consumption (MWh)</th><th>% share of consumption in sector</th></tr>
<tr><td>Domestic prepayment</td><td>130,890</td><td>62.4%</td><td>1,282,447</td><td>50.0%</td></tr>
<tr><td>Domestic credit</td><td>71,167</td><td>33.9%</td><td rowspan="2">1,283,209</td><td rowspan="2">50.0%</td></tr>
<tr><td>I&C < 73,200 kWh</td><td>7,865</td><td>3.7%</td></tr>
<tr><td>Total Domestic and Small I&C[9]</td><td>209,922</td><td>100%</td><td>2,565,656</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>2,820</td><td>87.3%</td><td>630,030</td><td>30.6%</td></tr>
<tr><td>I&C 732,001 to 2,196,000 kWh</td><td>297</td><td>9.2%</td><td>363,030</td><td>17.6%</td></tr>
<tr><td>I&C > 2,196,000 kWh</td><td>114</td><td>3.5%</td><td>1,066,404</td><td>51.8%</td></tr>
<tr><td>Medium & Large I&C[10]</td><td>3,231</td><td>100%</td><td>2,059,463</td><td>100%</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>213,153</td><td></td><td>4,625,119</td><td></td></tr>
</table>

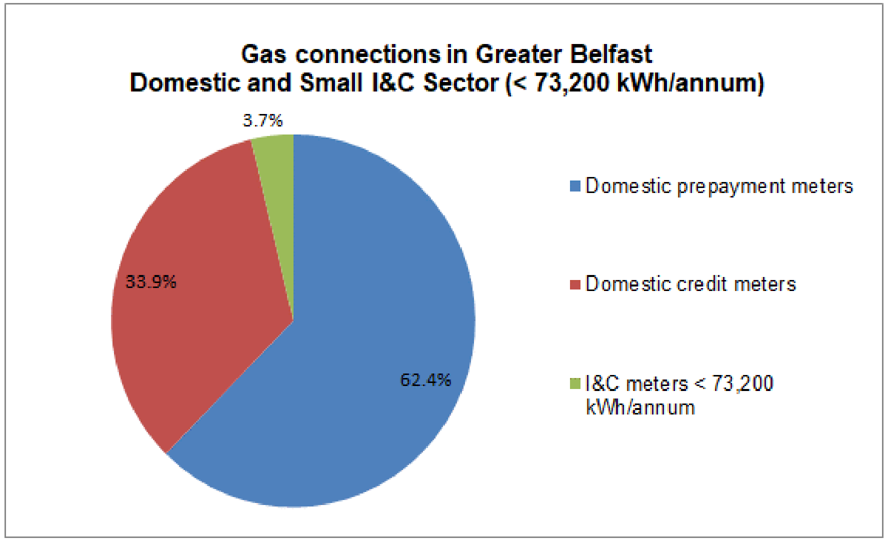
Source: PNGL

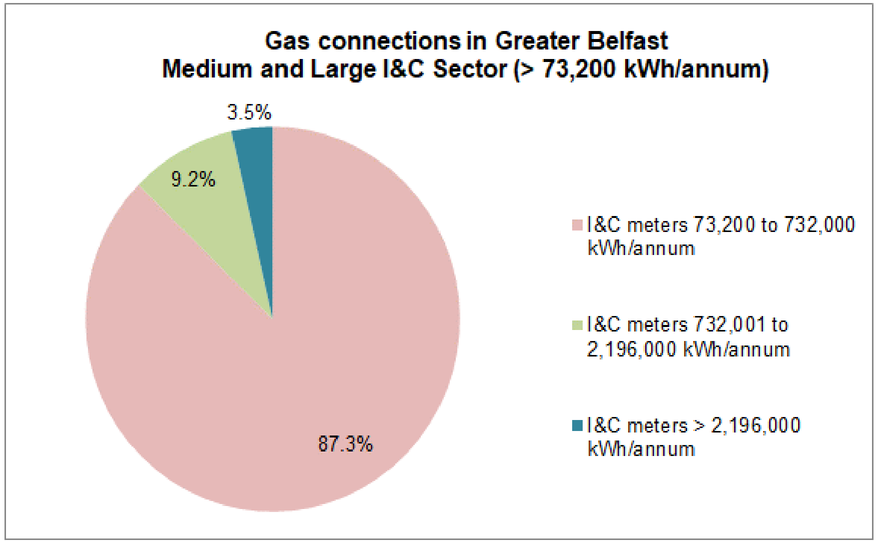
At the end of 2018 the domestic and small I&C connections represent 98.4% of the total connections and 55.5% consumption for the year. The remaining 1.6% of connections are medium and large I&C which represent 44.5% of 2018 consumption.

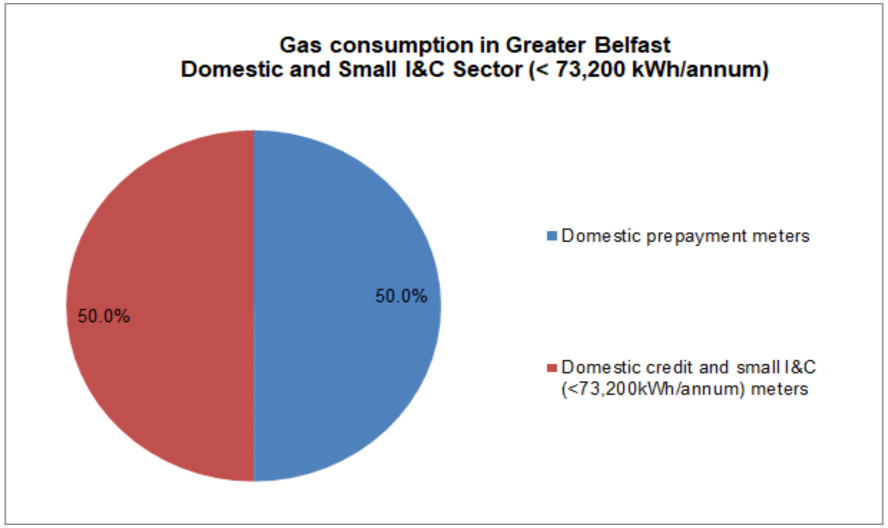
Within the domestic sector, 64.8% of the connections use prepayment meters and 35.2% use credit meters to pay for their gas.

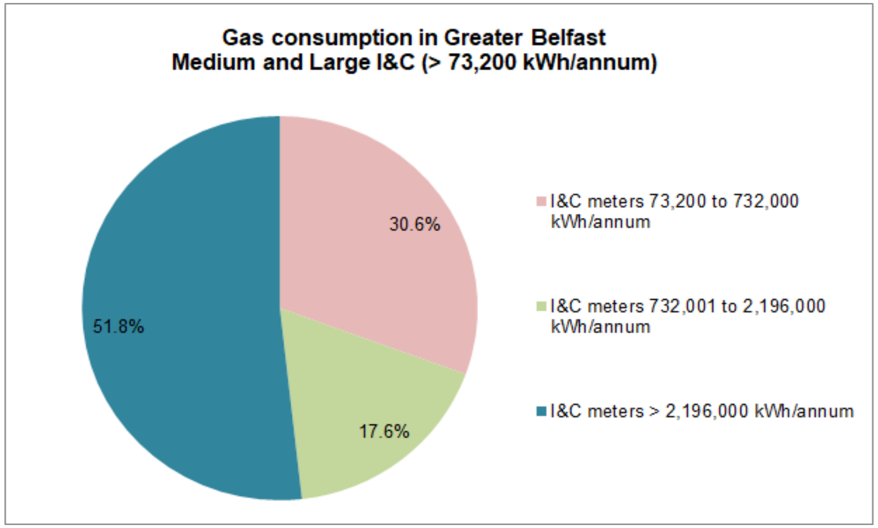
The charts below show the numbers of gas connections in the Greater Belfast area at the end of December 2018 and the consumption in this area during January to December 2018.

[9] 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.
[10] 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 connections in Greater Belfast
Domestic and Small I&C Sector (< 73,200 kWh/annum)
3.7%
33.9%
62.4%
Domestic prepayment meters
Domestic credit meters
I&C meters < 73,200 kWh/annum


Gas connections in Greater Belfast
Medium and Large I&C Sector (> 73,200 kWh/annum)
3.5%
9.2%
87.3%
I&C meters 73,200 to 732,000 kWh/annum
I&C meters 732,001 to 2,196,000 kWh/annum
I&C meters > 2,196,000 kWh/annum


Gas consumption in Greater Belfast
Domestic and Small I&C Sector (< 73,200 kWh/annum)
50.0%
50.0%
Domestic prepayment meters
Domestic credit and small I&C (<73,200kWh/annum) meters


Gas consumption in Greater Belfast
Medium and Large I&C (> 73,200 kWh/annum)
30.6%
51.8%
17.6%
I&C meters 73,200 to 732,000 kWh/annum
I&C meters 732,001 to 2,196,000 kWh/annum
I&C meters > 2,196,000 kWh/annum

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 2018 and the market shares in terms of consumption are for the period January to December 2018. 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 2018).

Table 12 Domestic and small I&C[11] market shares by connections

End of Q4 2018

Supplier	Domestic prepayment		Domestic Credit		I&C < 73,200 kWh		Total for Domestic and Small I&C	
SSE Airtricity	95,636	73.1%	58,147	81.7%	5,048	64.2%	**158,831**	**75.7%**
firmus energy	35,254	26.9%	13,020	18.3%	864	11.0%	**49,138**	**23.4%**
Vayu	0	0%	0	0%	6	0.1%	**6**	**0.01%**
Go Power	0	0%	0	0%	635	8.1%	**635**	**0.3%**
Flogas	0	0%	0	0%	1,312	16.7%	**1,312**	**0.6%**
Total	**130,890**	**100%**	**71,167**	**100%**	**7,865**	**100%**	**209,922**	**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 75.7%.

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

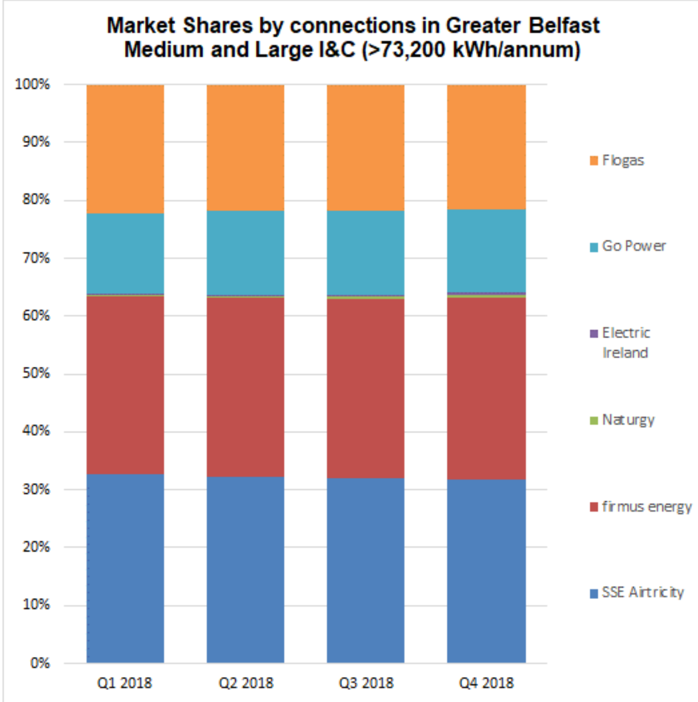
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. I&Cs with consumption over 73,200 kWh per annum) in the Greater Belfast area at the end of December 2018. The corresponding graph shows the change in market shares by supplier within the same sector during 2018.

Table 13 Medium and large I&C[12] market shares by connections

End of Q4 2018

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	896	31.8%	94	31.6%	33	28.9%	**1,023**	**31.7%**
firmus energy	884	31.3%	98	33.0%	40	35.1%	**1,022**	**31.6%**
Naturgy	11	0.4%	1	0.3%	3	2.6%	**15**	**0.5%**
Electric Ireland	0	0%	0	0%	9	7.9%	**9**	**0.3%**
Go Power	371	13.2%	71	23.9%	26	22.8%	**468**	**14.5%**
Flogas	658	23.3%	33	11.1%	3	2.6%	**694**	**21.5%**
Total	**2,820**	**100%**	**297**	**100%**	**114**	**100%**	**3,231**	**100%**

Source: PNGL



Competition in the medium and large I&C market is more active in the Greater Belfast area. At the end of 2018, four out of the six active suppliers had market shares in excess of 10% of the total I&C market. The medium and large I&C market is primarily dominated by SSE Airtricity and firmus energy, who have a 31.7% and 31.6% share of the market respectively at the end of 2018.

[12] 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[13]

This section provides information on the consumption, by supplier, in the Greater Belfast area during 2018. The table below shows the market shares for each supplier within the domestic and small I&C sector in the Greater Belfast area.

Table 14 Domestic and small I&C[14] market shares by consumption

Total Consumption 2018

Supplier	Total for Domestic and Small I&C Sector (MWh)	% share
SSE Airtricity	1,859,262	72.5%
firmus energy	652,388	25.4%
Vayu	247	0.01%
Go Power	15,126	0.6%
Flogas	38,632	1.5%
Total	**2,565,656**	**100%**

Source: PNGL

SSE Airtricity has retained the majority of the domestic and small I&C market share in the Greater Belfast area during 2018. Based on consumption their percentage market share in 2018 was 72.5%.

firmus energy's market share for 2018 was 25.4%. The market share of the remaining suppliers based on consumption levels continues to be minimal as they are not active in the domestic market and supply only to a limited number of small I&C customers.

[13] Gas consumption is presented in this ATR in MWh.
[14] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum.

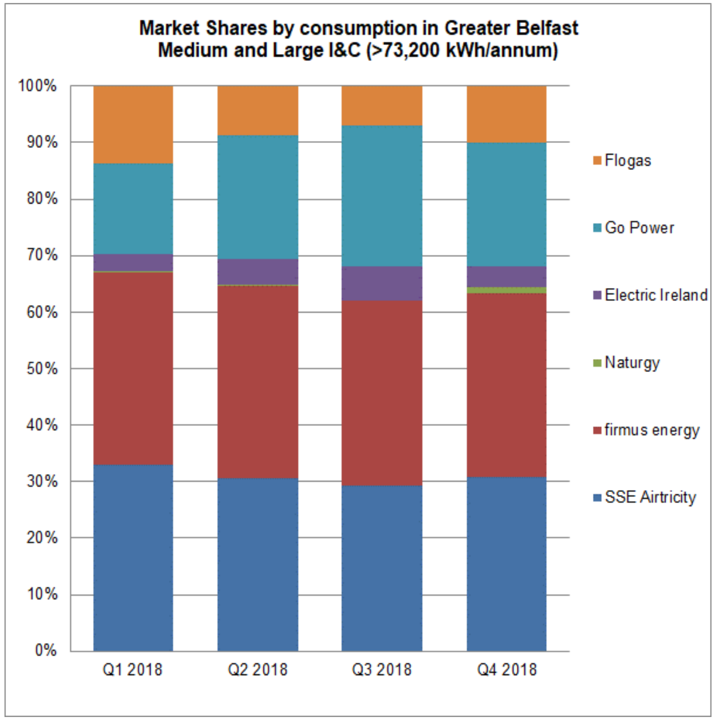
The table below shows the market shares for each supplier within the medium and large I&C sector (i.e. those using at least 73,200 kWh per annum) in the Greater Belfast area during 2018. The corresponding graph shows the change in market shares by supplier within the same sector during 2018.

Table 15 Medium and large I&C[15] market shares by consumption

Total Consumption 2018

Supplier	I&C 73,200 to 732,000 kWh (MWh)	I&C 73,200 to 732,000 kWh % share	I&C 732,001 to 2,196,000 kWh (MWh)	I&C 732,001 to 2,196,000 kWh % share	I&C > 2,196,000 kWh (MWh)	I&C > 2,196,000 kWh % share	Total for Medium and Large I&C (MWh)	Total for Medium and Large I&C % share
SSE Airtricity	197,119	31.3%	120,564	33.2%	325,790	30.6%	**643,473**	**31.2%**
firmus	208,737	33.1%	120,237	33.1%	360,397	33.8%	**689,371**	**33.5%**
Vayu	1,995	0.3%	1,356	0.4%	4,988	0.5%	**8,339**	**0.4%**
Electric Ireland	0	0%	0	0%	82,779	7.8%	**82,779**	**4.0%**
Go Power	79,357	12.6%	81,423	22.4%	257,358	24.1%	**418,138**	**20.3%**
Flogas	142,822	22.7%	39,450	10.9%	35,092	3.3%	**217,363**	**10.6%**
Total	**630,030**	**100%**	**363,030**	**100%**	**1,066,404**	**100%**	**2,059,463**	**100%**

Source: PNGL



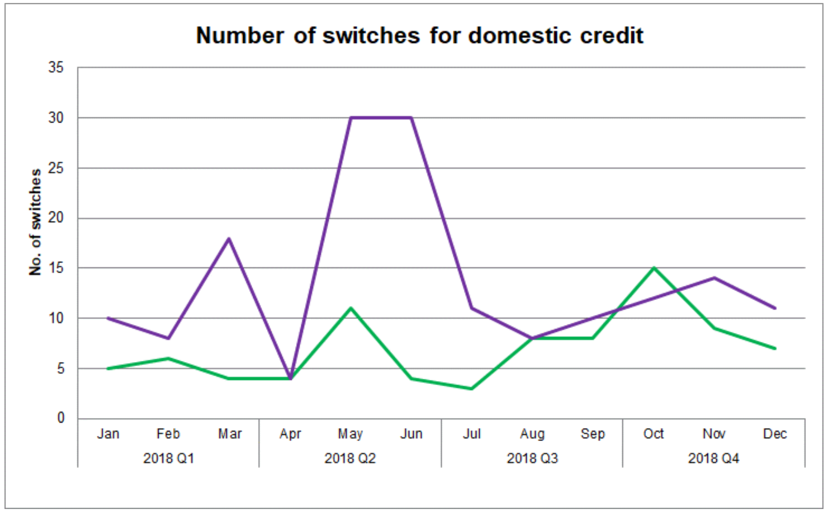
Market share by consumption fluctuates throughout the year due to the movement of customers between suppliers, and also due to the amount of gas consumed by each customer during different seasons (as gas usage can be weather dependent for many, but not all, customers).

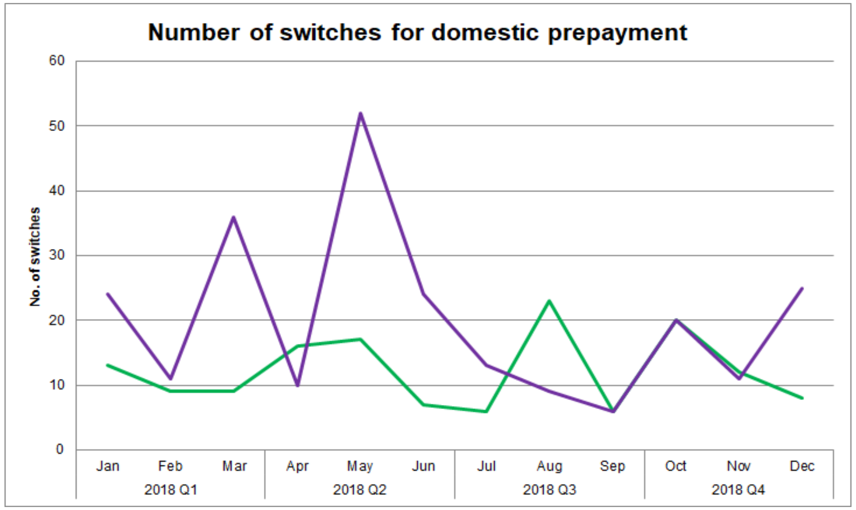
firmus energy are the largest supplier in the Medium and Large I&C market with 33.5%, closely followed by SSE Airtricity at 31.2%. New market entrants continue to display growth in this market segment with Go Power and Flogas market shares for 2018, by consumption, 20.3% and 10.6% respectively.

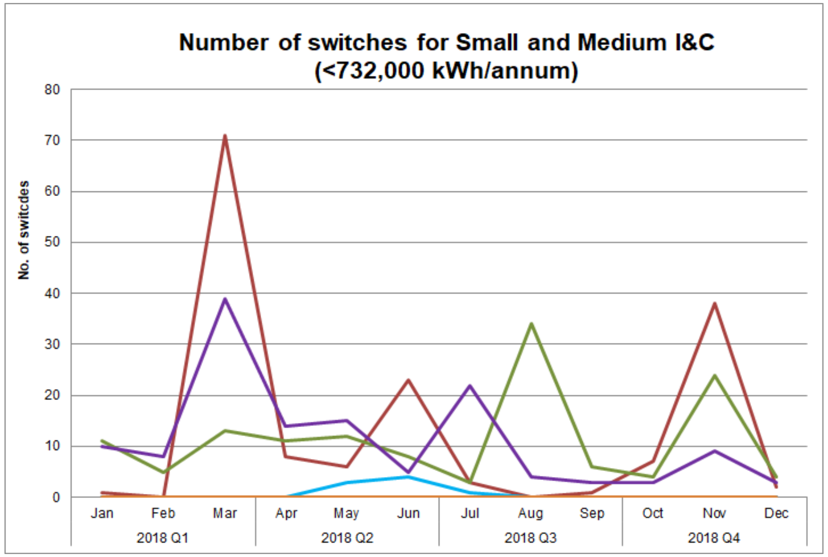
[15] The medium and large I&C sector relates to any customers with annual consumption that is greater than or equal to 73,200 kWh per annum.

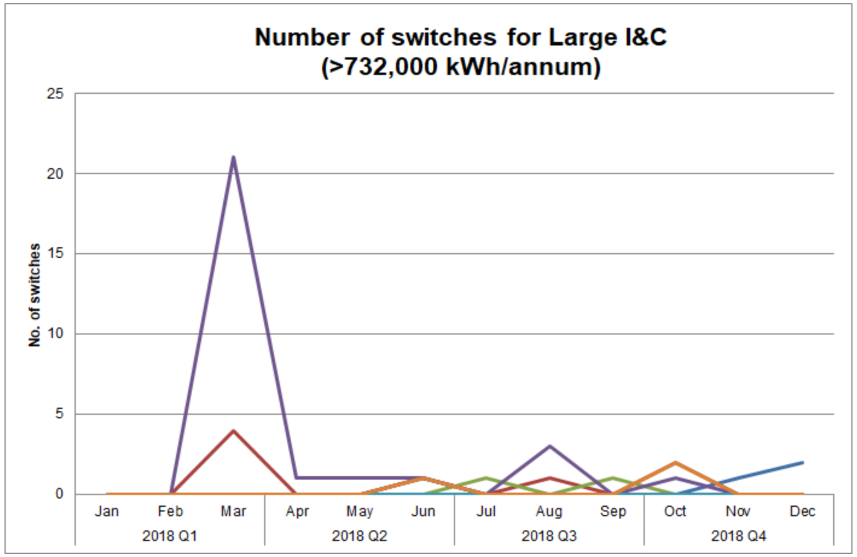
4.3 Market activity in the Greater Belfast area

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.









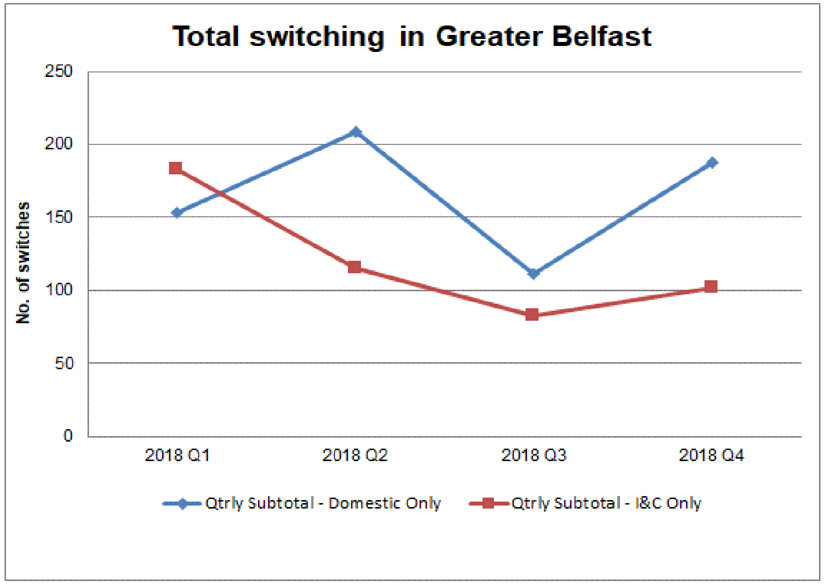
There are only two active suppliers in the domestic market and market switching has continued at a low level. The I&C graphs above represent the split between the small and medium I&C customers (i.e. customers consuming less than 732,000 kWh per annum) and large I&C consumers (i.e. consuming more than 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 2018 the switching levels returned to lower levels for Q3 and Q4 2018.

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 16 Market activity in the Greater Belfast area

Period	Domestic Switching		I&C Switching		Total Switching	
2018 Q1	153	0.1%	183	1.7%	336	0.1%
2018 Q2	209	0.1%	115	1.0%	324	0.8%
2018 Q3	111	0.1%	83	0.8%	194	0.1%
2018 Q4	164	0.1%	102	0.9%	266	0.1%
2018 Total	**661**		**483**		**1,120**	

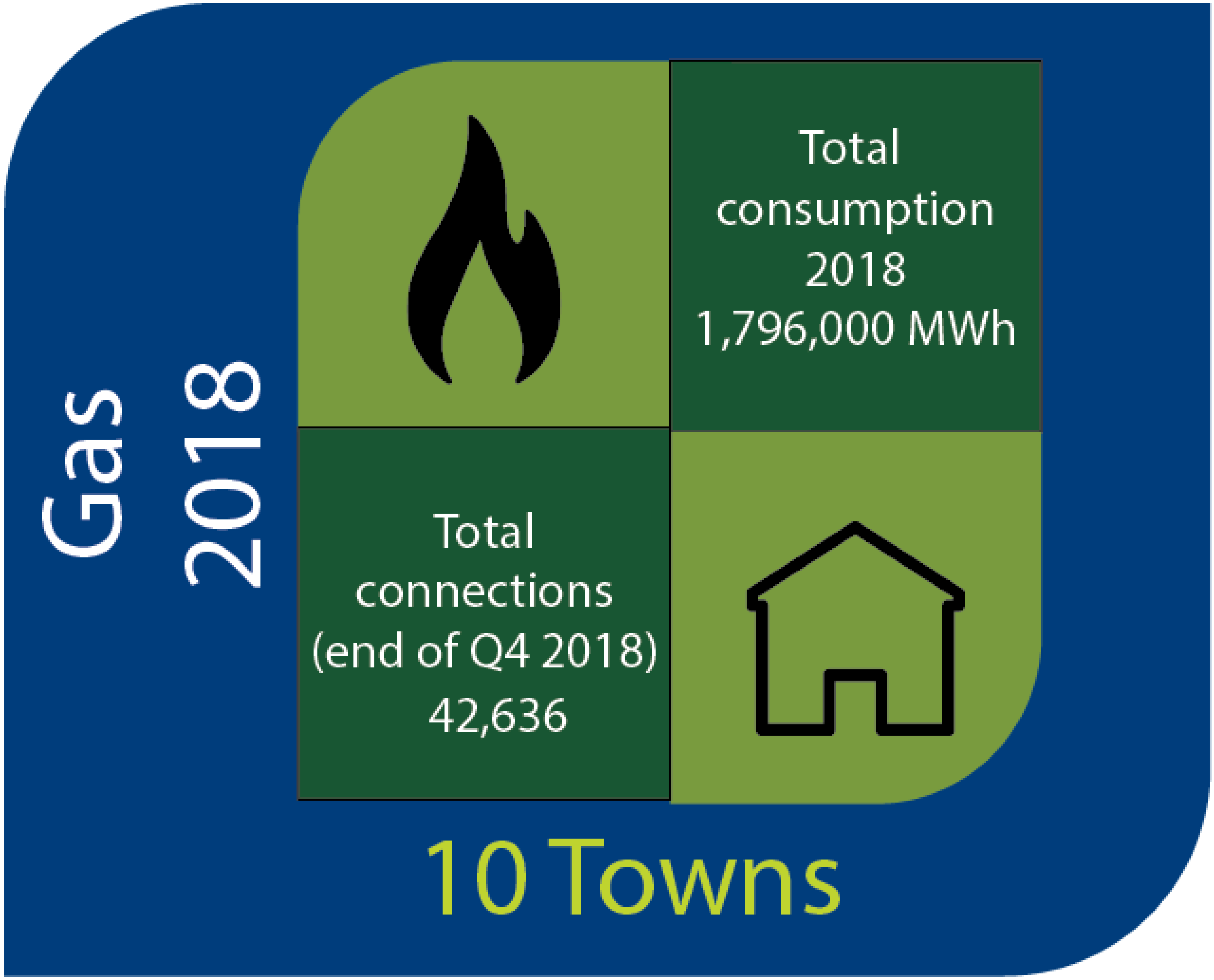
Source: PNGL



The number of domestic switches in the Greater Belfast area in 2018 has increased from 630 in 2017 to 637 in 2018. The I&C switching rate has decreased from 1,452 in 2017 to 1,120 in 2018.

The graph to the right 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 peaked in both sectors in Q2 2018, with a downward trajectory for the remaining year.

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 2018 and the consumption in this area during January to December 2018.

Table 17 Gas connections and consumption per market segment in the Ten Towns area

Connections as of end of Q4 2018
Total Consumption 2018

Market segment	Number of connections	% share of connections in sector	Consumption (MWh)[16]	% share of consumption in sector
Domestic prepayment	34,420	83.1%	295,384	73.3%
Domestic credit	5,579	13.5%	107,435	26.7%
I&C < 73,200 kWh	1,417	3.4%		
Total Domestic and Small I&C[17]	**41,416**	**100.0%**	**402,819**	**100%**
I&C 73,200 to 732,000 kWh	961	78.8%	260,085	18.7%
I&C 732,001 to 2,196,000 kWh	169	13.9%	191,954	13.8%
I&C > 2,196,000 kWh	90	7.4%	941,142	67.6%
Medium & Large I&C[18]	**1,220**	**100%**	**1,393,181**	**100.0%**
Total	**42,636**		**1,796,000**	

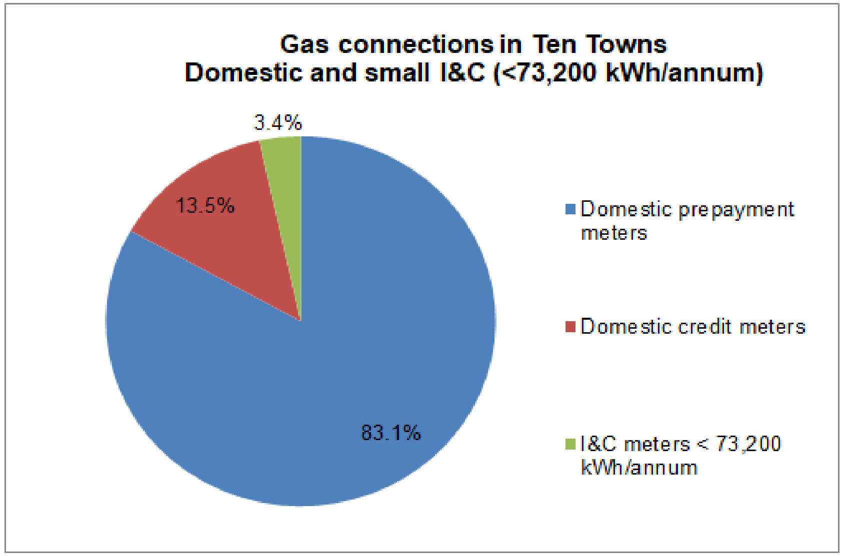
Source: feDL

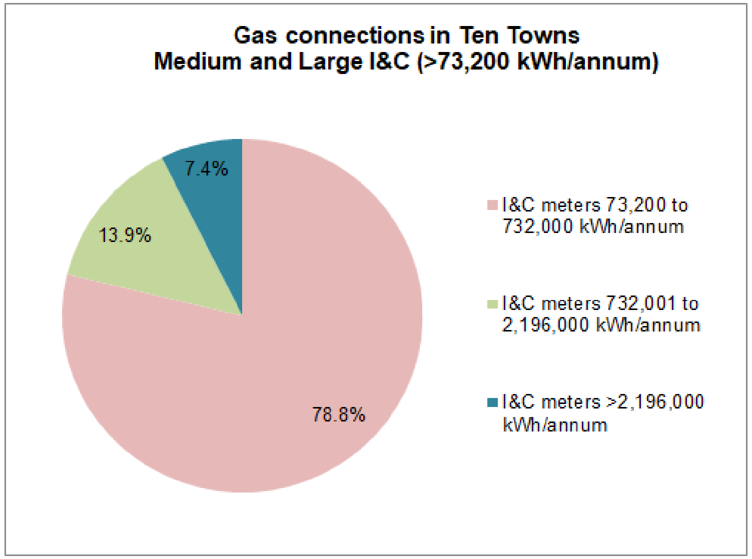
At the end of 2018, the domestic and small I&C connections represent 97.1% of the total connections and 22.4% consumption for the year. The remaining 2.9% are medium and large I&C connections and represent 77.6% of total consumption in this area.

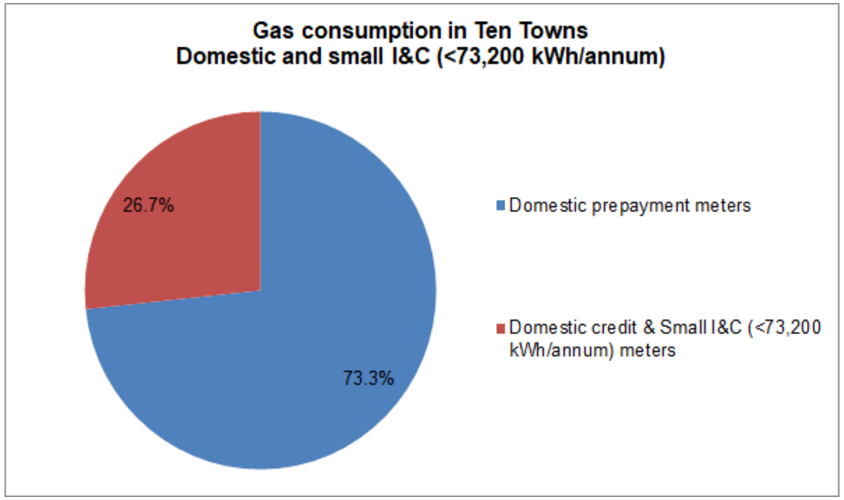
Within the domestic sector, 86.0% of the domestic connections use prepayment meters and 14.0% use credit meters to pay for their gas.

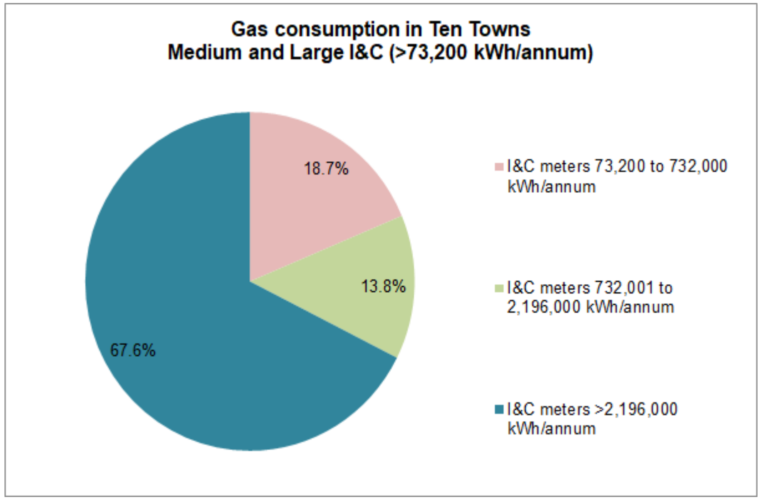
[16] Gas consumption is presented in this ATR in MWh. It is important to note that gas consumption was presented in Therms in the ATRs for 2015 and previous years.
[17] The domestic and small I&C sector relates to any customers using less than 73,200 kWh per annum. The consumption information for domestic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

The charts below show the numbers of gas connections in the Ten Towns area at the end of 2018 and the consumption in this area during January to December 2018.









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 2018 and the market shares in terms of consumption are for the period January to December 2018.

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 at the end of 2018, although only one supplier was active in the domestic market (the incumbent supplier). In the medium and large I&C market there were 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 Ten Towns area.

Table 18 Domestic and small I&C[19] market shares by connections

End of Q4 2018

Supplier	Domestic prepayment		Domestic credit		I&C < 73,200 kWh		Total for Domestic and Small I&C	
SSE Airtricity	0	0%	0	0%	61	4.3%	**61**	**0.1%**
firmus energy	34,420	100%	5,579	100%	856	60.4%	**40,855**	**98.6%**
Go Power	0	0%	0	0%	174	12.3%	**174**	**0.4%**
Flogas	0	0%	0	0%	326	23.0%	**326**	**0.8%**
Total	**34,420**	**100%**	**5,579**	**100%**	**1,417**	**100%**	**41,416**	**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 60.4% share at the end of 2018, which has dropped from 66.3% in 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 2018, the collective market share of these three suppliers was 39.6%.

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

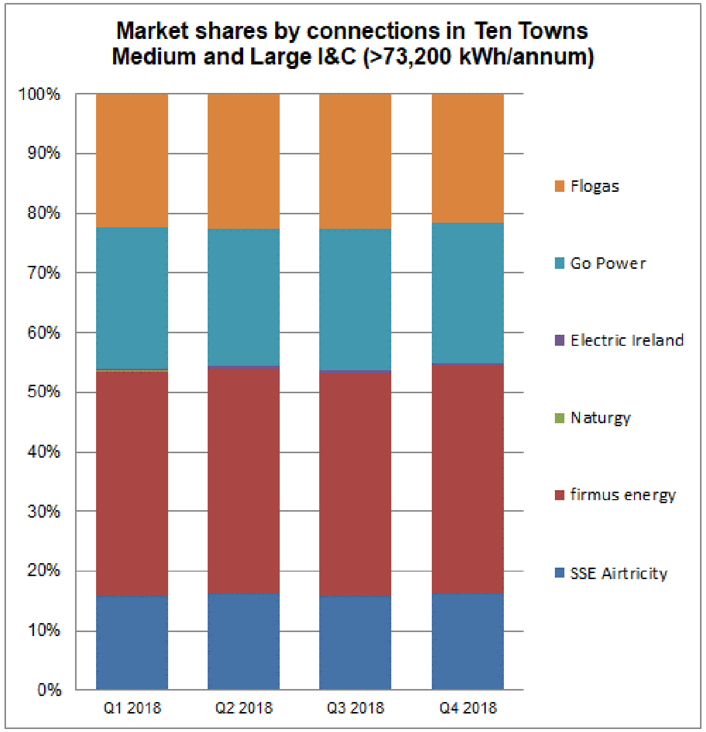
The following table shows the market shares for each supplier within the medium and large I&C sector (i.e. I&Cs with consumption over 73,200 kWh per annum) in the Ten Towns area at the end of 2018. The corresponding graph shows the change in market shares by supplier within the same sector during the year.

Table 19 Medium and large I&C[20] market shares by connections

End of Q4 2018

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	128	13.3%	44	26.0%	26	28.9%	**199**	**16.2%**
firmus energy	328	34.1%	93	55.0%	44	48.9%	**465**	**38.1%**
Vayu	0	0%	0	0%	1	1.1%	**1**	**0.1%**
Go Power	259	27.0%	17	10.1%	11	12.2%	**287**	**23.5%**
Flogas	246	25.6%	15	8.9%	2	2.2%	**263**	**21.6%**
Electric Ireland	0	0%	0	0%	6	6.7%	**6**	**0.5%**
Total	**961**	**100%**	**169**	**100%**	**90**	**100%**	**1,220**	**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 Go Power, Flogas and SSE Airtricity were 23.5%, 21.6% and 16.2% respectively at the end of 2018. The market shares of firmus energy, the incumbent supplier, stands at 38.1%, which is a decrease from 41.9% at the end of 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.

Gas shares by consumption (MWh[21])

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 December 2018.

Table 20 Domestic and small I&C[22] market shares by consumption

Total Consumption 2018

Supplier	Total for Domestic and Small I&C Sector	
	(MWh)	% share
SSE Airtricity	1,902	0.5%
firmus energy	387,393	96.2%
Go Power	5,110	1.3%
Flogas	8,413	2.1%
Total	**402,819**	**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 2018 their combined market share in terms of consumption in the domestic and small I&C market was 3.9%.

[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.

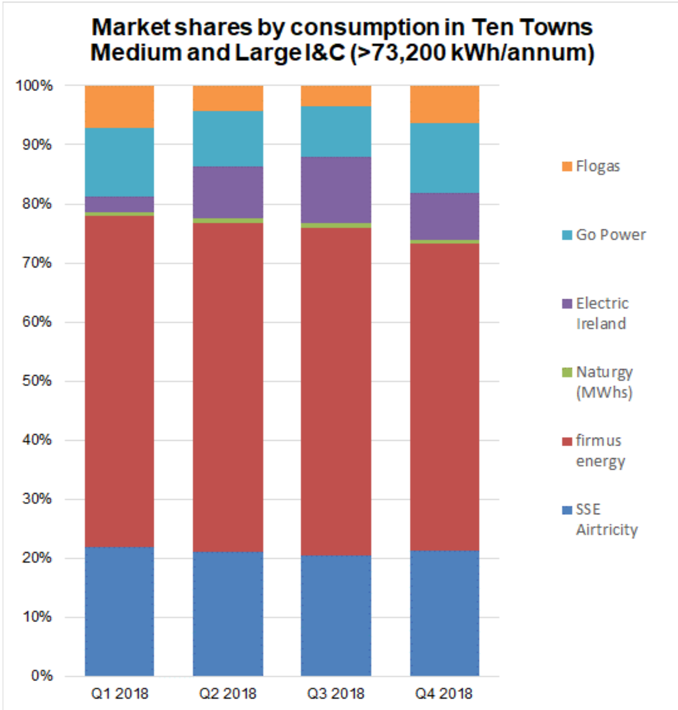
The table below shows the market shares for each supplier within the medium and large I&C sector (I&Cs using more than 73,200 kWh per annum) in the Ten Towns area during 2018.

Table 21 Medium and large I&C[23] market shares by consumption

Total Consumption 2018

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	43,225	16.6%	52,217	27.2%	200,984	21.4%	**296,427**	**21.3%**
firmus energy	84,711	32.6%	106,720	55.6%	571,868	60.8%	**763,299**	**54.8%**
Naturgy	0	0%	0	0%	9,397	1.0%	**9,397**	**0.7%**
Go Power	74,620	28.7%	17,452	9.1%	56,219	6.0%	**148,291**	**10.6%**
Flogas	57,528	22.1%	15,565	8.1%	6,122	0.7%	**79,215**	**5.7%**
Electric Ireland	0	0%	0	0%	96,551	10.3%	**96,551**	**6.9%**
Total	**260,085**	**100%**	**191,954**	**100%**	**941,142**	**100%**	**1,393,181**	**100%**

Source: feDL

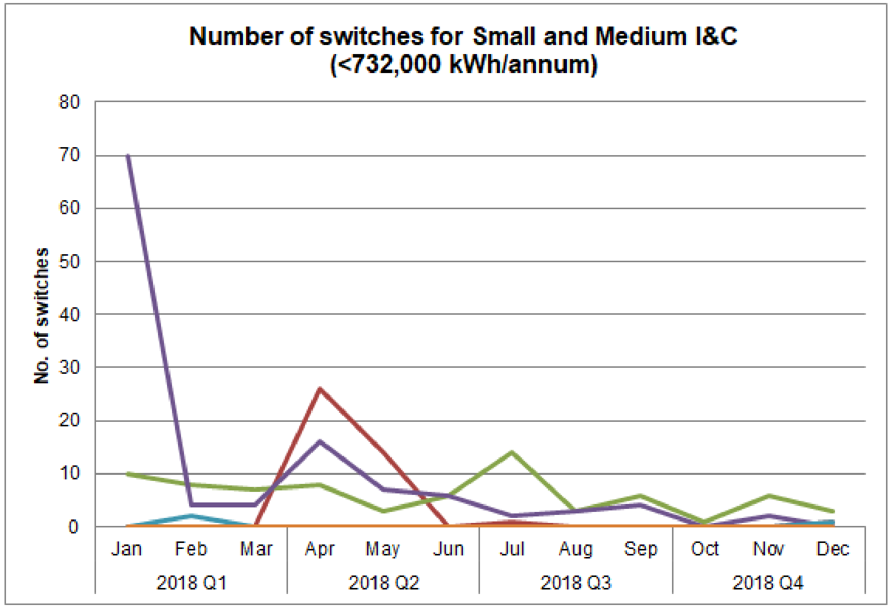


In terms of market share by consumption, firmus energy retains the largest share of the medium and large I&C sector. At the end of 2018, firmus energy has 54.8% share of this market sector. However market dynamics are changing and there have been notable increases in market shares by Go Power and Electric Ireland, increasing from 6.8% and 1.9% in 2017 to 10.6% and 6.9% respectively in 2018.

[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.

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 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 2018 and then the switching numbers returned to lower levels.

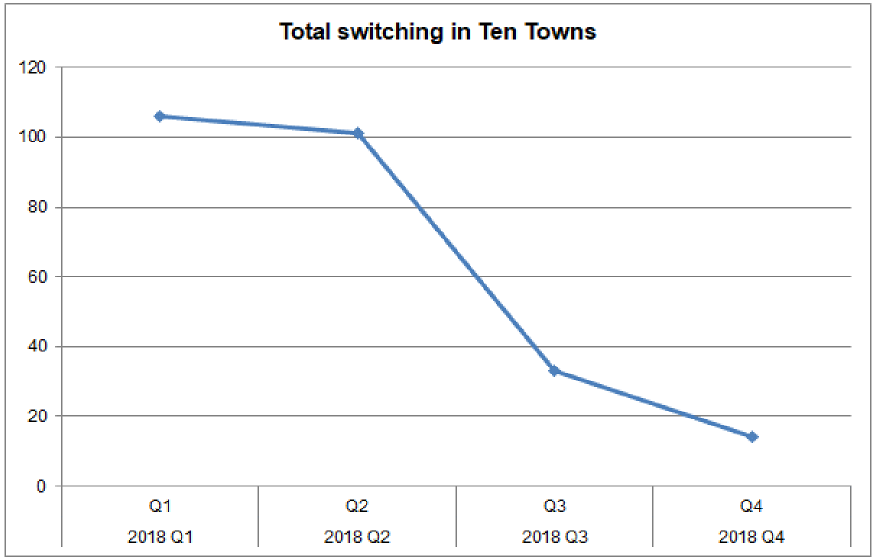
The table to the right shows market activity through the number of switches on a quarterly basis in the Ten Towns gas market and the associated percentage switching rate. The switching rate percentages are calculated using the number of quarterly switches divided by the number of customers at the end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

Table 22 Market activity in the Ten Towns area

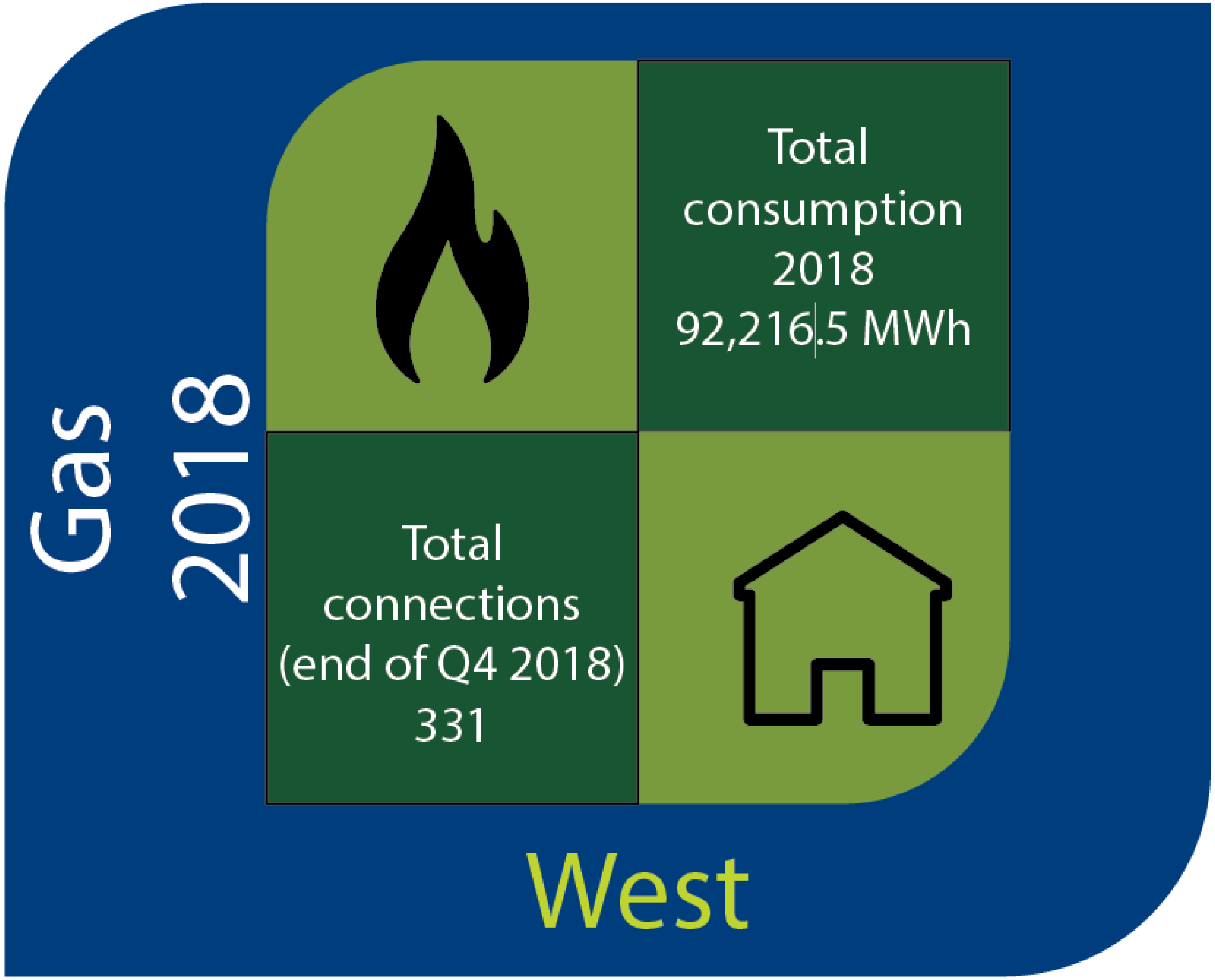
Period	I&C Switching	
2018 Q1	106	4.2%
2018 Q2	101	3.9%
2018 Q3	33	1.3%
2018 Q4	14	0.5%
2018 Total	**254**	

Source: feDL

The overall level of switching has been consistently low in the Ten Towns however there was an increase in switching during the early months of 2018 but then returned to lower levels, which is shown in the graph below. The total number of I&C switches in 2017 was 402 in comparison to 254 in 2018.



6 Gas in the West Area (SGN NG)



6.1 Connections and consumption in the West area

The table below shows gas connection numbers in the West area at the end of 2018 and the consumption in this area during January to December 2018.

Table 24 Gas connections and consumption per market segment in the West area

Connections as of end of Q4 2018
Total Consumption 2018

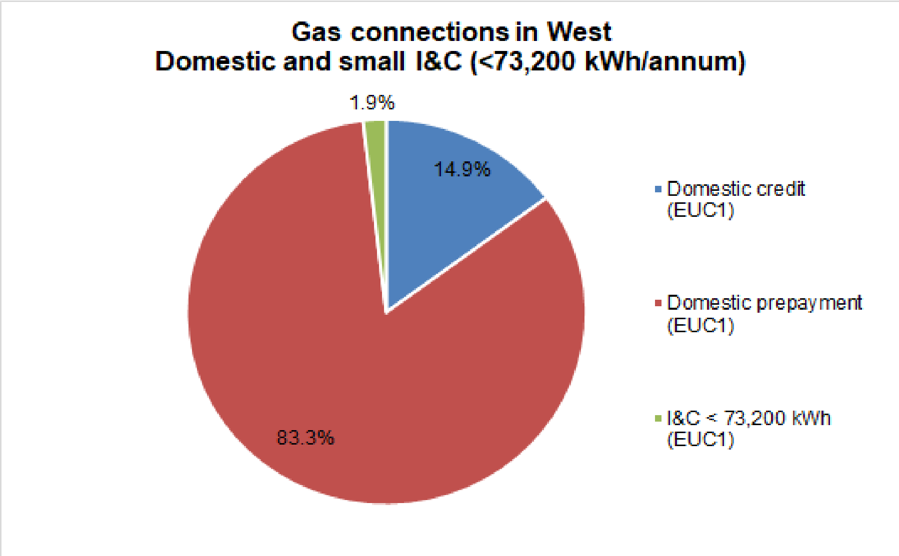
Market segment	Number of connections	% share of connections in sector	Consumption (MWh)[24]	% share of consumption in sector
Domestic prepayment	269	83.3%	743.7	76.3%
Domestic credit	48	14.9%	231.2	23.7%
I&C < 73,200 kWh	6	1.9%		
Total Domestic and Small I&C[25]	**323**	**100.0%**	**974.9**	**100%**
I&C 73,200 to 732,000 kWh	4	50.0%	237.2	0.3%
I&C 732,001 to 2,196,000 kWh	0	0.0%	0	0.0%
I&C > 2,196,000 kWh	4	50.0%	92,004.4	99.7%
Medium & Large I&C[26]	**8**	**100%**	**92,241.6**	**100.0%**
Total	**331**		**93,216.5**	

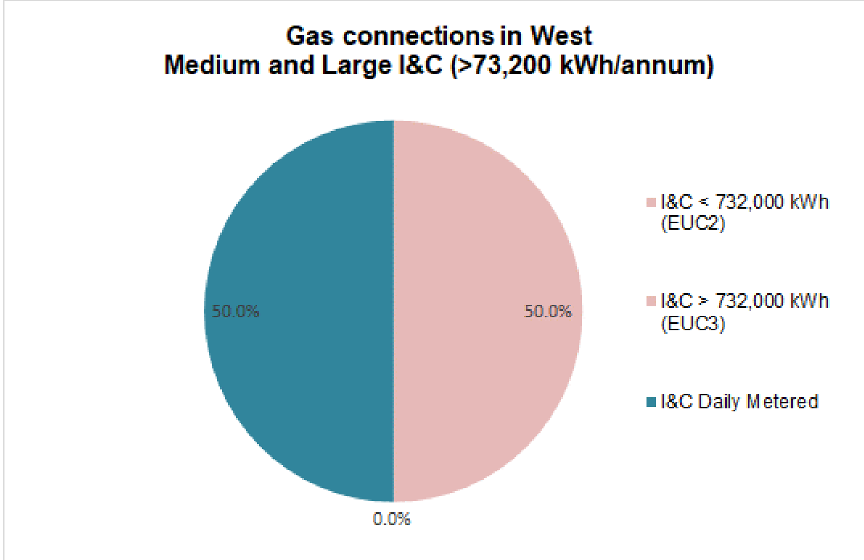
Source: SGN NG

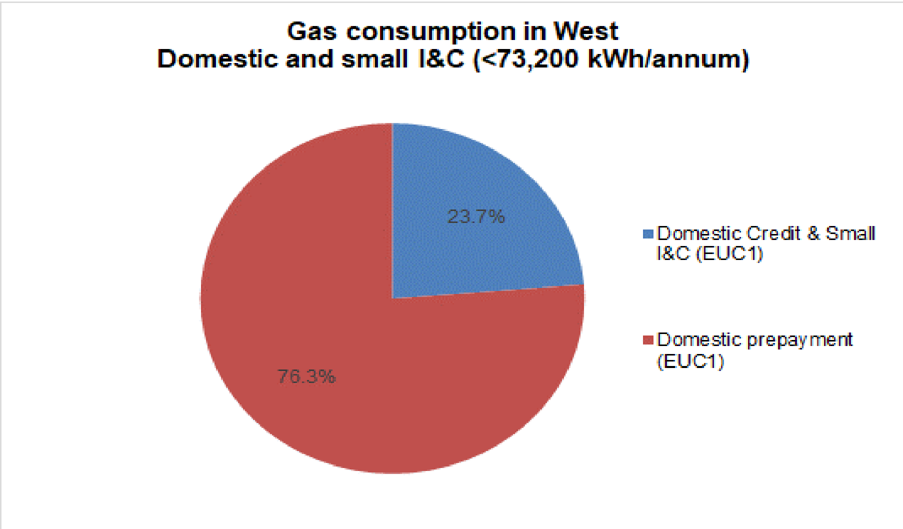
At the end of December 2018, the domestic and small I&C connections represent 97.6% of the total connections and 1.0% of consumption for the year. The remaining 2.4% are medium and large I&C connections and represent 99.0% of total consumption in this area. Within the domestic sector, 84.9% use prepayment meters and 15.1% use credit meters to pay for their gas.

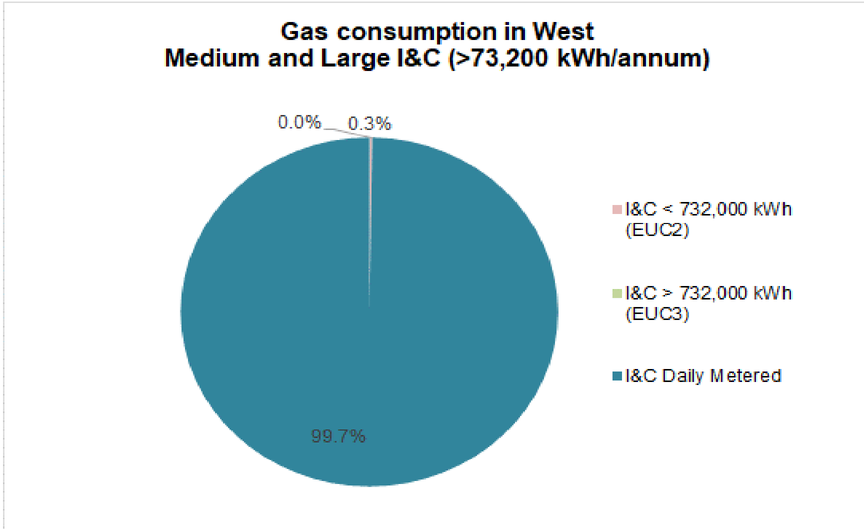
There are 3 active suppliers in the West area, namely SSE Airtricity Gas NI as the commissioning domestic supplier, with Electric Ireland and Flogas active in the I&C market.

[24] Gas consumption is presented in this QTR in MWh.
[25] 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.
[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 connections in West
Domestic and small I&C (<73,200 kWh/annum)
1.9%
14.9%
83.3%
Domestic credit (EUC1)
Domestic prepayment (EUC1)
I&C < 73,200 kWh (EUC1)


Gas connections in West
Medium and Large I&C (>73,200 kWh/annum)
50.0%
50.0%
0.0%
I&C < 732,000 kWh (EUC2)
I&C > 732,000 kWh (EUC3)
I&C Daily Metered


Gas consumption in West
Domestic and small I&C (<73,200 kWh/annum)
23.7%
76.3%
Domestic Credit & Small I&C (EUC1)
Domestic prepayment (EUC1)

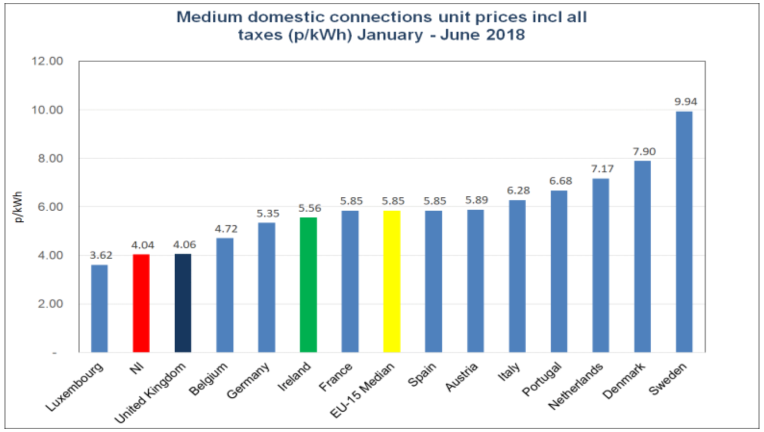

Gas consumption in West
Medium and Large I&C (>73,200 kWh/annum)
0.0%
0.3%
99.7%
I&C < 732,000 kWh (EUC2)
I&C > 732,000 kWh (EUC3)
I&C Daily Metered

7 Gas prices

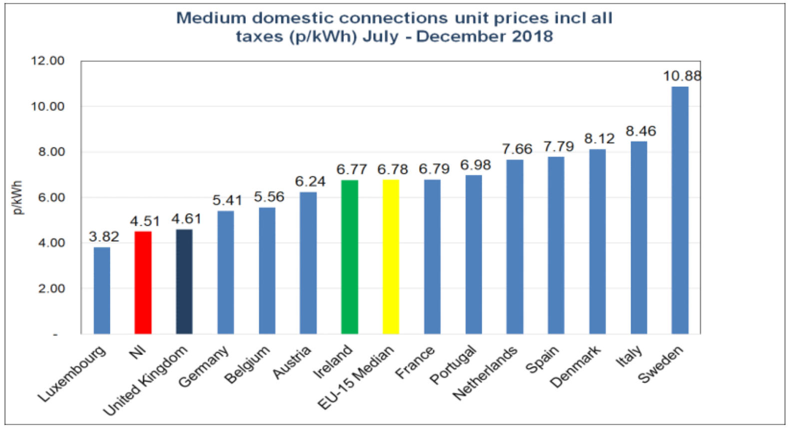
7.1 Comparison against EU prices

The gas prices section, also follows the Eurostat format and methodology (as outlined in section 3.4 electricity prices). 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[27] and Eurostat data base[28]) once these figures have been converted to GBP.

The pricing data detailed in this ATR is for the two semesters of 2018, January to June 2018 (s1) and July to December (s2). In the domestic graphs 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 between 5,557 - 55,557 kWh) have been selected for the purpose of analysis, as this consumption category reflects the majority of domestic customers in NI.



[27] https://www.gov.uk/government/collections/quarterly-energy-prices



Source: Eurostat and NI gas suppliers collated by UR

The NI unit price is the average pence per kWh for medium customers for the Greater Belfast and Ten Towns network areas. The NI domestic gas prices rank among the lowest in the EU. Throughout 2018 the NI gas prices is less than GB, RoI and considerably less than the EU median. It should be noted that the vast majority of NI domestic gas connections are customers of the relevant network incumbent suppliers and are therefore subject to their regulated tariffs. During the period illustrated in the graphs (Semester 1: January to June 2018), price increases were announced by SSE Airtricity in the Greater Belfast area and firmus energy in the Ten Towns. The table below illustrates the changes in the regulated tariffs during the period.

[28] http://ec.europa.eu/eurostat/web/energy/data/database

1 January to 30 March 2018	Greater Belfast SSE Airtricity	Ten Towns firmus energy
Domestic Regulated Tariff Usage for first 2,000 kWh	5.445 p/kWh	6.690 p/kWh
Domestic Regulated Tariff Usage >2,000 kWh	3.732 p/kWh	4.511 p/kWh
Following Regulated Tariff Reviews:		
31 March to 30 June 2018	**Greater Belfast SSE Airtricity**	**Ten Towns firmus energy**
Domestic Regulated Tariff Usage for first 2,000 kWh	5.871 p/kWh	7.307 p/kWh
Domestic Regulated Tariff Usage >2,000 kWh	4.023 p/kWh	4.852 p/kWh
Following Regulated Tariff Reviews:		
01 October to Present	**Greater Belfast SSE Airtricity**	**Ten Towns firmus energy**
Domestic Regulated Tariff Usage for first 2,000 kWh	6.508 p/kWh	8.001 p/kWh
Domestic Regulated Tariff Usage >2,000 kWh	4.023 p/kWh	5.395 p/kWh

Glossary

ATR	Annual Transparency Report
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[29] July 2011: Budget Energy February 2012: VAYU April 2012: Go Power October 2015: Click Energy

Gas: Greater Belfast Area[30]	
Domestic	Incumbent supplier since September 1996: SSE Airtricity[31] 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[32]	
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 April 2017: Electric Ireland

Gas: West Area[33]	
Domestic	July 2017 Designated Commissioning Supplier: SSE Airtricity
I&C	January 2017: Electric Ireland July 2017: SSE Airtricity

[29] Note that firmus supply left the electricity market at the end of 2015.
[30] The Greater Belfast area is defined in Schedule 1 of the Phoenix Natural Gas Limited conveyance licence.
[31] Formerly Phoenix Supply Ltd (PSL).
[32] The Ten Towns area is defined in Schedule 1 of the firmus energy (Distribution) Limited conveyance licence.
[33] The West area is defined in Schedule 1 of the Scotia Gas Networks Northern Ireland Ltd (Distribution) Limited conveyance licence.