

**27<sup>th</sup> February 2013**

Greg Irwin  
The Utility Regulator  
Queens House  
14 Queen Street  
Belfast  
BT1 6ED

Dear Greg,

**Re: Reviewing our Consultation Guidance – A discussion paper**

Thank-you for providing firmus energy with this opportunity to respond to the above discussion paper.

Since 2005, firmus energy has brought the benefits of natural gas to over 17,000 homes and businesses in its network area, and in doing so we are;

- Developing a safe and robust gas distribution network;
- Maintaining the highest level of customer service of any regulated energy company in Northern Ireland<sup>1</sup>;
- Currently providing consumers with the lowest gas price in the United Kingdom; and
- Maximising the development of our network, whilst seeking additional regulatory permission to extend our network to areas and customers that were not included within our original business plan assumptions.

Since our licence was awarded, we have:

- Invested over £70 million building our network in Northern Ireland, and we continue to invest around £10m per annum locally on network development and circa £5m per annum into the local Northern Ireland economy through our business operations ;
- Looked to increase the number of consumers who can benefit from natural

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<sup>1</sup> Enquires and Complaints Report 2011-12, July 2012, Consumer Council.

gas. Our business model projected that we would be undertaking 2,000 connections per year, however, currently we are at a run rate of circa 4,000 connections per year;

- Grown our business in an economically viable and responsible manner by initially targeting large industrial and commercial loads, new housing estates and public housing where refurbishment was planned;
- Maintained competitive pricing to encourage conversion to natural gas – rather than increasing our costs to ensure we receive early payback on our investment;
- Looked to extend the benefits of natural gas to as many consumers as possible. In addition to our original licence area we have negotiated with the Utility Regulator seven additional extensions (Portstewart, Ballyclare, Warrenpoint, Craigadoo, Coleraine Quarries, Bushmills, and Bessbrook ) over and above our original “Ten Towns” business plan; and
- Undertaken our network development against a backdrop of falling house prices and reduced economic confidence.

firmus energy is committed to working with the Utility Regulator, DETI, the Consumer Council and other stakeholders to maximise the benefits of natural gas to consumers and the local economy in Northern Ireland, in a socially responsible and consumer focused manner. To that end, we welcome the opportunity to comment on this discussion paper.

The Utility Regulator’s consultation process is important in developing public confidence in Northern Ireland’s energy industry; therefore it is important that the process is transparent and accountable, and actively encourages stakeholder participation.

firmus energy agrees with the 2012 Cabinet Office guidelines that consultations should place an emphasis on engagement and targeting stakeholders, and ensure that consultation should begin as early as possible in the consultation process. We believe that stakeholder participation in the consultation process could be further improved if there was a standard consultation template and that if *Plain English* was used throughout in-line with the Crystal Mark standard.

We agree with the discussion paper that the provision of feedback is central to accountability and transparency and that this should remain as an integral and important aspect of the consultation process. As the paper sets out this could be further improved by defining the process from start to conclusion by setting a timeframe for publishing documentation following consultation.

In order to encourage stakeholder engagement we believe that the Utility Regulator's consultations should reflect current DETI practice and include a regulatory impact assessment. This would help all possible respondents, who may have varying levels of background, to understand how the proposals within the consultation would impact on various stakeholders (customers; utility companies; Government; the Utility Regulator; and society in general).

As the discussion paper recognises the current consultation process could be further enhanced by providing clear guidelines and standardisation to the time limits for consultation responses. In this regard, greater transparency and accountability could be brought to the process if all consultation document stated why the Utility Regulator had decided to opt for either a long (up to twelve weeks), medium (up to eight weeks) or a short (up to four week) consultation period.

Please feel free to contact me direct on 028 9442 7835, should you wish to discuss further.

Yours sincerely

*John*

John French  
**Head of Regulation and Pricing**