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10 November 2010

Ref: PD20010665

Simon Scott Utility Regulator Queen's House 14 Queens Street Belfast BT1 6ED

Dear Simon,

Re: Consultation on Electricity Licence Fee Methodology

The Consumer Council is a Non-Departmental Public Body set up in legislation to safeguard the interests of all consumers, and particularly the vulnerable and disadvantaged. The Consumer Council is an independent organisation which operates to promote and protect the consumer interest.

We welcome the opportunity to respond to this consultation paper on the Electricity Licence Fee Methodology.

It is the position of the Consumer Council that any decision to change the electricity licence fee methodology in Northern Ireland should only be undertaken in the interest of the consumer. With fuel poverty levels at 44 per cent in Northern Ireland many households are struggling to adequately heat their home, it is important that the regulatory structures look to minimise the cost of energy to consumers.

The Consumer Council would like assurances that a full cost benefit analysis will be carried out on the options suggested and the option which will have the greatest benefit for consumers is chosen. Harmonisation with the CER system is mentioned as an option. Additional administration costs could have a significant impact on consumers and therefore this option should only be considered if the benefits outweigh the costs to consumers, ultimately by bringing lower prices to consumers.

It would seem appropriate to revisit the timing of fee collection with this review. This could align electricity with the other directorates within the Utility

Regulator, which should result in a more efficient process with potential savings, which could ultimately benefit the consumer.

I hope that these comments are helpful and are given due consideration. Please contact me if you require any clarification.

Yours Sincerely,

Andrew Murray Senior Consumer Affairs Officer