

Consumer Council response to the Utility Regulator's Draft Forward Work Plan for 2016/17

February 2016

Our reference: PD20010 2458

- 1. The Consumer Council is pleased to respond to the Utility Regulator's (UR) consultation on its draft 2016/17 Forward Work Programme.
- 2. Many of the projects outlined in UR draft programme complement with the Consumer Council's proposed areas of work for 2016/17. We will shortly be consulting on both our draft Corporate Plan 2016-2021 and draft Forward Work Plan for 2016/17.
- 3. The draft 2016/17 programme notes the close working between UR and the Consumer Council. We are keen to strengthen this partnership further by undertaking collaborative research and consumer education/empowerment programmes to provide the best possible deal for energy and water consumers in Northern Ireland.
- 4. The Council of European Energy Regulators provides good advice and recommendations on the involvement of consumer organisations in the regulatory process.¹ We would be keen to review these recommendations with UR to see how it can further enhance our partnership working.
- 5. We strongly welcome and support the Consumer Protection Strategy (CPS) initiative. This is an area of work where our two organisations are particularly aligned. We look forward to more detailed discussions on uniting our approaches to protecting consumers through the CPS.
- 6. We have a statutory duty to have particular regard for consumers who are disabled or chronically sick, of pensionable age, have low incomes, or who reside in rural areas. The CPS and its review of Critical Care Registers is a fundamental part of this work for utilities.
- 7. Consumer vulnerability can be caused by many, various and often transient circumstances. We are keen to jointly work with UR on this

¹ Council of European Energy Regulators "CEER advice on how to involve and engage consumer organisations in the regulatory process". Ref C14-CEM-74-07. March 2015

issue to see how we can bring a consistent and comprehensive approach to safeguard the interests of consumers whose circumstances may make them vulnerable.

Water

- 8. Objective 1; Reference 6 "Contribute to DRD's strategic development of water services in NI". Strategic planning for the water sector has long been supported by our organisations, both of which have contributed to its development. As action plans develop for the implementation of the Long Term Water Strategy we will continue to promote the need for long term plans to provide benefits for consumers.
- 9. Objective 1; Reference 7 "Developing consumer protection measures for, and monitoring the effective implementation of, the PC15 price control". We have worked productively through the Consumer Measures and Satisfaction group, chaired by UR, to develop proposals for new consumer measures. We will continue to work with UR on AIR guidance and the PC15 monitoring plan for such new measures.
- 10.We welcome the ambition shown by water stakeholders to develop new and progressive consumer focused measures. This offers the potential to develop comparative cross utility consumer measures and satisfaction surveys. Once in place at NI Water we would like to progress this potential with UR.

Energy

11.Objective 1; Reference 1 - 3 - "Price Controls". We will work with UR to ensure electricity and gas network and supply price controls address the needs of consumers. We will continue to work in partnership with UR through the NIE Networks Consumer Engagement Advisory Panel to ensure the RP6 price control addresses the areas for investment identified by consumers and stakeholders.

- 12.Objective 2; Reference 1 "Progress the I-SEM project to ensure delivery and compliance with the EU target model". In completing this objective, we would encourage the UR to provide clear and easy to understand information for customers (both domestic and business) explaining why the I-SEM will replace the SEM and outlining the forecasted impact for customers.
- 13.Objective 2; Reference 3 "Review the effectiveness of competition (phase2)". The Consumer Council will respond to the UR's consultation concerning phase 2 of the effectiveness of competition review. We would respectfully ask UR to provide a clear indication of its intentions regarding the future of regulation of the electricity and gas retail markets.
- 14.Objective 2; Reference 5 "Implement a comprehensive retail energy market framework (REMM)". We welcome UR's intention to promote further consumer transparency via the Retail Energy Market Monitoring framework. We will work in partnership with the UR to identify the areas in which consumers would most benefit from clarity of information to support the development of a switching culture in Northern Ireland (NI).
- 15.Objective 2; Reference 7 "Delivering contestability of connections to electricity networks". The Consumer Council supports the development of contestability of connections to the electricity network. We would respectfully ask UR to produce easy to understand information resources for consumers explaining the connection process. The resources should clearly identify which aspects of the connections process are contestable and which are not.
- 16.The Consumer Council encourages UR to take forward its consumer education project on switching and prices. Encouraging a switching culture is central to facilitating the development of competition in the NI energy markets. The Consumer Council looks forward to working with UR in advancing this work.

17.If you would like to discuss any of the above please contact Kathy Graham, Interim Director of Policy on 028 9025 1636



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