

RETAIL MARKET MONITORING

Quarterly Transparency Report

February 2015



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 relate mainly to market shares, market activity and domestic prices in the electricity and gas retail markets. Data also include information on business (non-domestic or industrial and commercial (I&C)) electricity prices.

The information shown in this report comes from network companies, suppliers, Department of Energy & Climate Change (DECC) 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).

Audience

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

Consumer impact

The information used to produce these reports allows us to monitor the retail market, and flag potential concerns, for example switching irregularities, suppliers' activity on specific areas, price comparisons, etc 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. The QTRs are the reports we publish to communicate some of the main indicators we monitor in the retail energy markets.

Contents

- 1 Summary of key market indicators 4**
- 2 Introduction..... 5**
 - 2.1 Methodology and data sources 5
 - 2.2 Retail competition in NI energy market 6
- 3 NI customer numbers and total consumption 8**
 - 3.1 Electricity 8
 - 3.2 Gas – Greater Belfast and Ten Towns areas 9
- 4 Market shares and market activity 10**
 - 4.1 Electricity shares..... 10
 - 4.2. Electricity market activity..... 12
 - 4.3. Gas – Greater Belfast area: shares 13
 - 4.4. Gas – Greater Belfast area: market activity..... 15
 - 4.5. Gas – Ten Towns area: shares and market activity 16
- 5 Domestic prices..... 17**
 - 5.1 Electricity domestic prices..... 17
 - 5.2 Gas domestic prices 18
- 6 Electricity I&C prices..... 19**
 - 6.1. Price comparison with EU..... 19
- Glossary..... 20**

1 Summary of key market indicators

2014 Q4	Electricity		GAS: Greater Belfast		GAS: Ten towns	
	Domestic	I&C	Domestic and small I&C	Medium and large I&C	Domestic	I&C
Customer numbers/connections at end of quarter	788,287	61,287	173,704	3,405	23,110	2,319
Consumption in quarter (GWh/thousand therms)	864	1,241	21,618	19,123	2,111	13,462
% of prepayment customers within domestic sector	41%		64%		90%	
Number of active suppliers in this quarter	5	8	5	6	1	2
Market shares (by customer numbers/connections) of largest suppliers	Power NI: 71% SSE Airtricity: 21% Budget Energy: 8%	Power NI: 49% SSE Airtricity: 23% Energia: 12%	SSE Airtricity: 72% firmus: 28%	SSE Airtricity: 51% firmus: 46%	firmus: 100%	I&C < 732,000kWh: - firmus: 100% I&C > 732,000kWh: - firmus: 86% - SSE Airtricity: 14%
Market shares (by consumption) of largest suppliers	Power NI: 68% SSE Airtricity: 24% Budget Energy: 8%	SSE Airtricity: 25% Electric Ireland: 21% Energia: 19%	SSE Airtricity: 68% firmus: 32%	SSE Airtricity: 49% firmus: 50%	firmus: 100%	I&C < 732,000kWh: - firmus: 100% I&C > 732,000kWh: - firmus: 88% - SSE Airtricity: 12%
Quarterly switching rate	1.4%	2.5%	Domestic: 0.5%	All non-domestic: 1.7%		
Prices	Slightly above EU-15 median	<u>Very small customers</u> (0-20 MWh pa): around EU-15 median <u>Rest of I&C</u> (more than 20 MWh pa): on the highest end of EU-15 range	Domestic: among lowest in EU-15		Domestic: among lowest in EU-15	

2 Introduction

2.1 Methodology and data sources

Monitoring the market is key in fulfilling our statutory duty to protect consumers by promoting effective competition wherever appropriate. We are developing a wider market monitoring framework known as Retail Energy Market Monitoring (REMM) which is currently under consultation¹. REMM will enhance and widen our current monitoring of retail indicators and provide increased transparency in the retail energy markets in NI.

Until the REMM framework has been decided on, we will continue to use the Quarterly Transparency Reports (QTRs) as the means to publish quarterly information that we are currently monitoring. We will continue to make ongoing additions to this set of reports to ensure a regular and structured flow of relevant information for our stakeholders.

Until 2014, we have also produced a series of broader ranging Energy Retail Reports² that cover retail energy information annually. Going forward, the annual Energy Retail Report (ERR) will be replaced by the Annual Transparency Report (ATR), and this report will amalgamate the relevant quarterly information with the annual figures for the preceding calendar year (that is report on the summation of Q1 through to Q4). In addition, the ATRs would report on those indicators that are only collected on an annual basis. Please note that final decisions on UR reporting will be made following consideration of responses to the REMM consultation.

The main data sources for this QTR are as follows:

- Market shares are provided by the network companies (NIE, PNLG³ and feDL⁴).
- Electricity switching analysis has been undertaken with inputs from NIE. Gas switching inputs are from PNLG and feDL, while rates of gas quarterly switching are calculated using gas suppliers figures.
- EU domestic energy prices are from DECC. NI domestic prices, for electricity and gas, are collated internally.
- EU I&C electricity prices are from Eurostat. NI I&C electricity data is derived directly from suppliers and collated internally.

I&C electricity prices

NI non-domestic electricity prices are based on the average electricity unit prices of I&C consumers, categorised in terms of their annual consumption.

We follow DECC's format and methodology when gathering and analysing I&C⁵ prices. As a result, we obtain NI prices that are comparable with prices in other EU countries (those published in DECC's Quarterly Energy Prices reports⁶ and Eurostat data base⁷).

To avoid confidentiality issues, data has been aggregated in the form of 'averages' for the total of NI (per customer size bands), with no individual supplier detail published.

The base figures are obtained quarterly from suppliers, in the following form:

- **volume** of electricity sold to I&C consumers

¹ http://www.uregni.gov.uk/news/ur_consults_on_its_proposals_for_retail_energy_market_monitoring_remm

² http://www.uregni.gov.uk/publications/view/utility_regulators_annual_energy_retail_reports/

³ Phoenix Natural Gas Limited

⁴ firmus energy (Distribution) Limited

⁵ Industrial and Commercial

⁶ <https://www.gov.uk/government/publications/quarterly-energy-prices-december-2012>

⁷ <http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/data/database>

- the **value**, or revenue gained from the sale, split in three categories: excluding all taxes, excluding VAT, and including all taxes
- the **number** of I&C customers supplied in that particular size category

The volume and value are used to calculate a NI quarterly average value gained 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 value or revenue collected per unit in that particular size category.

We also average the two relevant quarters to obtain six-month period figures, so we can readily compare NI data with those published by Eurostat for EU members twice per year.

In the graphs shown in this report, we use unit prices which include Climate Change Levy (CCL) but exclude VAT, as VAT is a refundable expense for many businesses.

Finally, we amalgamate the two largest categories of annual consumption (large and very large customers) to avoid confidentiality issues in sectors where there are a very small number of customers and suppliers involved.

2.2 Retail competition in NI energy market

The electricity and gas (in the Greater Belfast and Larne 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. The domestic and small I&C segments still remain supplied exclusively by one incumbent company, and they are due to open to competition in April 2015.

The table below details when competition effectively started in each of the energy market segments.

Electricity	
Domestic	June 10: SSE Airtricity ⁸ entered the domestic credit segment Oct 10: firmus ⁹ started supplying Ulster Farmers' Union members May 11: SSE Airtricity entered the domestic prepayment segment June 11: Budget Energy entry Oct 11: Electric Ireland entered the domestic sector
I&C	Industrial electricity customers become eligible to change supplier from 1999. From 2005, small and medium businesses became eligible too. Feb 12: VAYU enters the I&C market Apr 12: LCC enters the I&C market

⁸ Called Airtricity until 31 January 2014.

⁹ firmus energy (Supply) Limited.

Gas: Greater Belfast Licensed Area¹⁰	
Domestic	Incumbent supplier since Sept 1996: SSE Airtricity ¹¹ July 10: firmus entered this market segment
I&C	Incumbent supplier since Sept 1996: SSE Airtricity Nov 06: energia entered the daily metered I&C market ¹² Sep 08: firmus energy entered the I&C market Mar 09: VAYU entered the small I&C market May 13: Electric Ireland entered the daily metered I&C market Aug 14: LCC Power entered the I&C gas market Dec 14: Flogas entered the I&C gas market
Gas: Ten Towns Licensed Area¹³	
Domestic and I&C small users	Due to open to competition from Apr 2015
Large I&C Users	Open to competition from Oct 2012. Jan 13: SSE Airtricity entered this market

For further details on the retail energy market in NI, please visit:

http://www.uregni.gov.uk/publications/utility_regulators_annual_energy_retail_reports/

¹⁰ The Greater Belfast area, including Holywood, Bangor, Newtownards, Belfast, Newtownabbey, Carrickfergus, Lisburn and Larne (as defined in Schedule 1 of the Phoenix Natural Gas Limited conveyance licence).

¹¹ Formerly Phoenix Supply Ltd (PSL). Change of Company Name to Airtricity Gas Supply (Northern Ireland) Limited effective from 28 June 2012 then subsequent change of company name to SSE Airtricity Gas Supply (Northern Ireland) Limited from 31 January 2014.

¹² To note that energia did not have gas customers from October 2013.

¹³ In 2005 firmus energy was awarded a licence to develop the natural gas network in Ten Towns across NI, from L'Derry to Ballymena, and from Antrim to Newry (as defined in Schedule 1 of the firmus energy (Distribution) Limited conveyance licence).

3 NI customer numbers and total consumption

3.1 Electricity

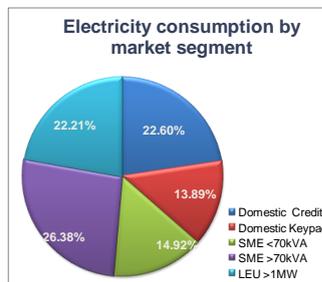
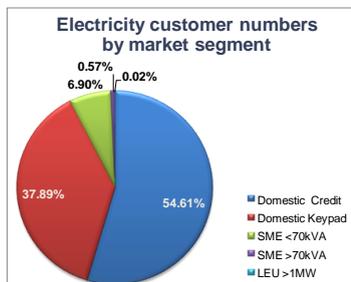
Year	2014	
Month	Q4	
Market segments	Customer Numbers	Consumption (GWh)
Domestic credit	463,810	537.9
Domestic prepayment	324,477	325.8
SME <70kVA	56,231	341.9
SME >70kVA	4,871	509.2
LEU >1MW	185	389.8
Total	849,574	2,104.5

From the total customers in NI, 93% belong to the domestic sector, while the remaining 7% are I&C customers. In this quarter, this translates into 41% and 59% respectively in terms of consumption.

Within the I&C sector, more than 99% of the customers are small and medium enterprises, with 69% of the I&C consumption. The remaining are LEU customers, that consumed more than 18% of the total NI volume in this quarter, and more than 31% of the I&C consumption.

Note that long term vacant sites are not included in customer numbers.

Source: NIE



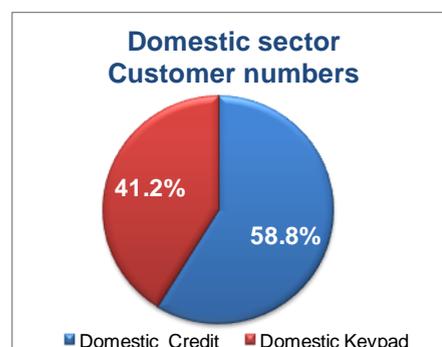
Payment split in the domestic sector

The number of domestic credit customers continues to decrease in comparison to the number of prepayment customers continues to grow. Prepayment meters are a popular choice for customers in NI as customers can pay for energy as they consume it. The data available via the display unit also helps customers to manage usage and control their energy costs.

At the end of this quarter, 41.2% of the total electricity domestic customers were in the prepayment segment. At the end of the last quarter, this percentage was 40.8%.

Source: NIE

Year	2014
Month	Q4
Market segments	Customers numbers
Domestic credit	463,810
Domestic prepayment	324,477
Total domestic sector	788,287



3.2 Gas – Greater Belfast and Ten Towns areas

Year	2014	
End of quarter	Q4	
	Connections	Consumption (therms)
Greater Belfast	177,109	40,740,704
Domestic & Small I&C ¹⁴	173,704	21,618,014
I&C 73,200 - 732,000 kWh	2,970	5,957,932
I&C 732,000 – 2,196,000 kWh	322	3,422,822
I&C > 2,196,000 kWh	113	9,741,937
Ten towns	25,429	15,573,654
Domestic credit	2,375	160,086
Domestic prepayment	20,735	1,951,183
I&C < 73,200 kWh	1,148	185,047
I&C 73,200 - 732,000 kWh	932	1,836,241
I&C 732,001 – 2,196,000 kWh	152	1,729,390
I&C > 2,196,000 kWh	87	9,711,706
Total	202,538	56,314,359

In the Greater Belfast area, the market segments are split following the Distribution Code:

- Domestic and Small I&C (<73,200 kWh/annum), which in this quarter represents 98% of the connections and 53% of the quarterly consumption.
- The rest of the categories, medium and large I&C (>73,200 kWh/annum) in this quarter represent 2% of the connections in this area, and 47% of the quarterly consumption.

In the Ten Towns area, competition in the large I&C segment (consumption greater than 732,000 kWh per annum) opened in October 2012.

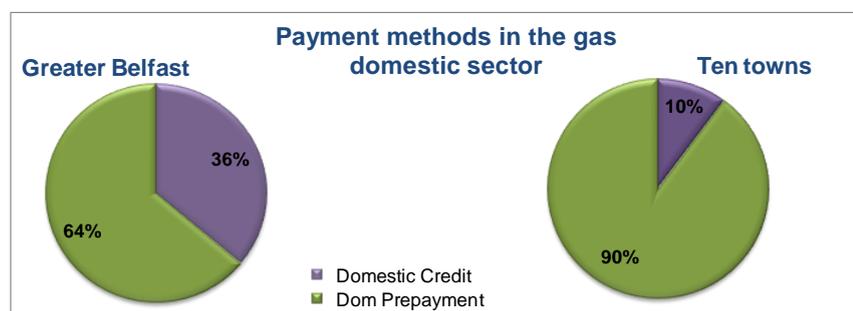
Total connections in Ten Towns are currently more than 25,400. In this distribution licensed area, domestic premises represent 91% of the connections (14% of the quarterly consumption), while the I&C sector represents the remaining 9% of connections (86% of quarterly consumption).

Source: PNLG and feDL.

Payment split in the domestic sector

Year	2014		
End of quarter	Q4		
Connections	Greater Belfast	Ten towns	Total NI
Domestic credit	59,744	2,375	62,119
Domestic prepayment	107,102	20,735	127,837
Total NI	166,846	23,110	189,956

Within the domestic sector, prepayment customers represent 64% of the Greater Belfast distribution Licensed area, and 90% in the Ten Towns distribution Licensed area.



Prepayment meters are a popular choice for customers in NI as customers can pay for energy as they consume it. The data available via the display unit also helps customers to manage usage, and to control their energy costs.

Source: gas suppliers.

¹⁴ The domestic and small I&C gas market relates to those customers consuming <73,200 kWh/annum.

4 Market shares and market activity

4.1 Electricity shares

Electricity shares by customer numbers¹⁵

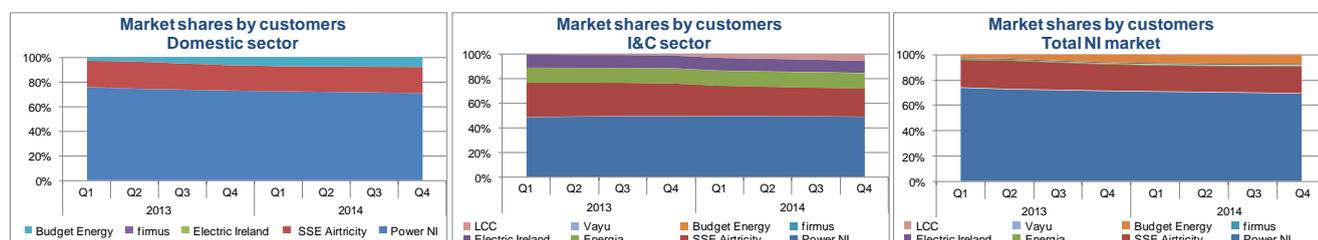
Year	2014					
Month	Q4					
Suppliers	Domestic credit	Domestic prepayment	SME <70kVA	SME >70kVA	LEU >1MW	Total
Power NI	360,915	198,510	28,844	1,181	20	589,470
SSE Airtricity	98,491	68,139	12,989	1,073	44	180,736
Energia	0	0	6,527	957	39	7,523
Electric Ireland	1,183	256	4,919	1,128	49	7,535
firmus	237	0	23	32	4	296
Budget Energy	2,852	57,572	150	2	0	60,576
Vayu	0	0	7	9	2	18
LCC	132 ¹⁶	0	2,772	489	27	3,420
Total Market	463,810	324,477	56,231	4,871	185	849,574

Year	2014					
Month	Q4					
% cust. numbers per supplier	Domestic credit	Domestic prepayment	SME <70kVA	SME >70kVA	LEU >1MW	Total
Power NI	77.8%	61.2%	51.3%	24.2%	10.8%	69.4%
SSE Airtricity	21.2%	21.0%	23.1%	22.0%	23.8%	21.3%
Energia	0.0%	0.0%	11.6%	19.6%	21.1%	0.9%
Electric Ireland	0.3%	0.1%	8.7%	23.2%	26.5%	0.9%
firmus	0.1%	0.0%	0.0%	0.7%	2.2%	0.0%
Budget Energy	0.6%	17.7%	0.3%	0.0%	0.0%	7.1%
Vayu	0.0%	0.0%	0.0%	0.2%	1.1%	0.0%
LCC	0.0%	0.0%	4.9%	10.0%	14.6%	0.4%

The total number of domestic customers at the end of Q4 was 788,287. There is still a large share of domestic customers remaining with the previously incumbent supplier. Although this position has been progressively changing over the last years, the percentage of domestic credit (including direct debit) customers supplied by Power NI has remained stable at around 78% since Q2 2013. Power NI currently supplies 61% of prepayment customers, which is a decrease from 62% from the previous quarter. The current non-incumbent share by customer numbers is 22% for credit domestic customers and 39% for prepayment customers.

Competition in the I&C market is more developed, and shares are more dispersed than in the domestic sector. There were eight active suppliers in Q4 2014. Based on customer numbers, four of these suppliers have shares in excess of c10% in each of the business segments. Within this sector, LCC share continue to grow in each of the I&C market segments.

The charts below show the trends in market shares (by customer numbers) for each active supplier in NI by market segment from Q1 2013.



Source: NIE

¹⁵ Market shares figures do not include de-energised nor Long Term Vacant sites.

¹⁶ LCC's domestic customers are small business premises that for various reasons have a meter under a domestic tariff.

Electricity shares by consumption (GWh)

Year		2014				
Month		Q4				
Suppliers	Domestic credit	Domestic prepayment	SME <70kVA	SME >70kVA	LEU >1MW	Total
Power NI	398.7	189.9	110.3	81.3	31.7	812.1
SSE Airtricity	130.1	73.7	87.0	115.1	112.0	517.9
Energia	0.0	0.0	50.0	119.9	71.7	241.6
Electric Ireland	1.6	0.3	37.0	134.8	85.9	259.5
firmus	2.8	0.0	0.5	7.1	5.2	15.5
Budget Energy	3.7	61.9	0.6	0.0	0.0	66.2
Vayu	0.0	0.0	0.0	2.3	1.5	3.9
LCC	0.9	0.0	56.5	48.6	81.8	187.9
Consumption (GWh)	537.9	325.8	341.9	509.2	389.8	2,104.5

Year		2014				
Month		Q4				
% consumption per supplier	Domestic credit	Domestic prepayment	SME <70kVA	SME >70kVA	LEU >1MW	Total
Power NI	74.1%	58.3%	32.3%	16.0%	8.1%	38.6%
SSE Airtricity	24.2%	22.6%	25.5%	22.6%	28.7%	24.6%
Energia	0.0%	0.0%	14.6%	23.6%	18.4%	11.5%
Electric Ireland	0.3%	0.1%	10.8%	26.5%	22.0%	12.3%
firmus	0.5%	0.0%	0.1%	1.4%	1.3%	0.7%
Budget Energy	0.7%	19.0%	0.2%	0.0%	0.0%	3.1%
Vayu	0.0%	0.0%	0.0%	0.5%	0.4%	0.2%
LCC	0.2%	0.0%	16.5%	9.5%	21.0%	8.9%

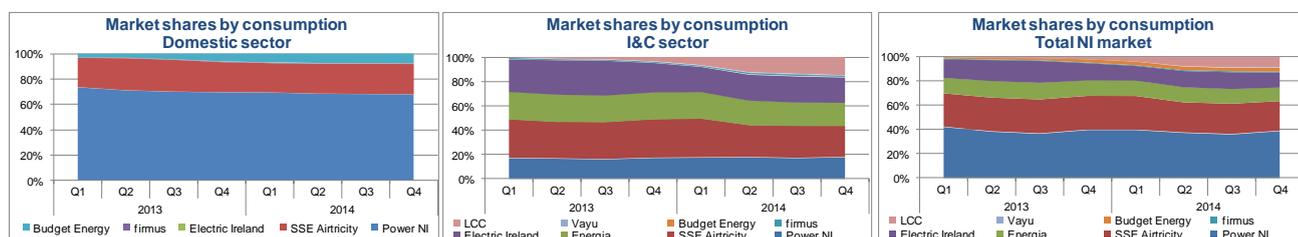
During October, November and December 2014 the electricity consumption in NI was over 2,100 GWh.

In Q4, Power NI's share of the total market by consumption was 39%, an increase from 36% in the previous quarter. This supplier retains a large market share by consumption in the domestic market (credit and prepayment) of around 68%.

In the I&C market, the main suppliers are SSE Airtricity (25%), energia (19%) and Electric Ireland (21%). In this sector, Power NI had a share of 18% over Q4. LCC share by consumption in the I&C sector has increased from 14% to 15%, in the current quarter.

The non-incumbent suppliers had 61% of the total NI electricity share by consumption this quarter. This percentage is mainly split between SSE Airtricity with 25%, energia with 11%, and Electric Ireland with 12%.

The charts below reflect the trends in market share of active suppliers by consumption (sales units in GWh) in the domestic and I&C electricity sectors, and in the total NI market, from Q1 2013.

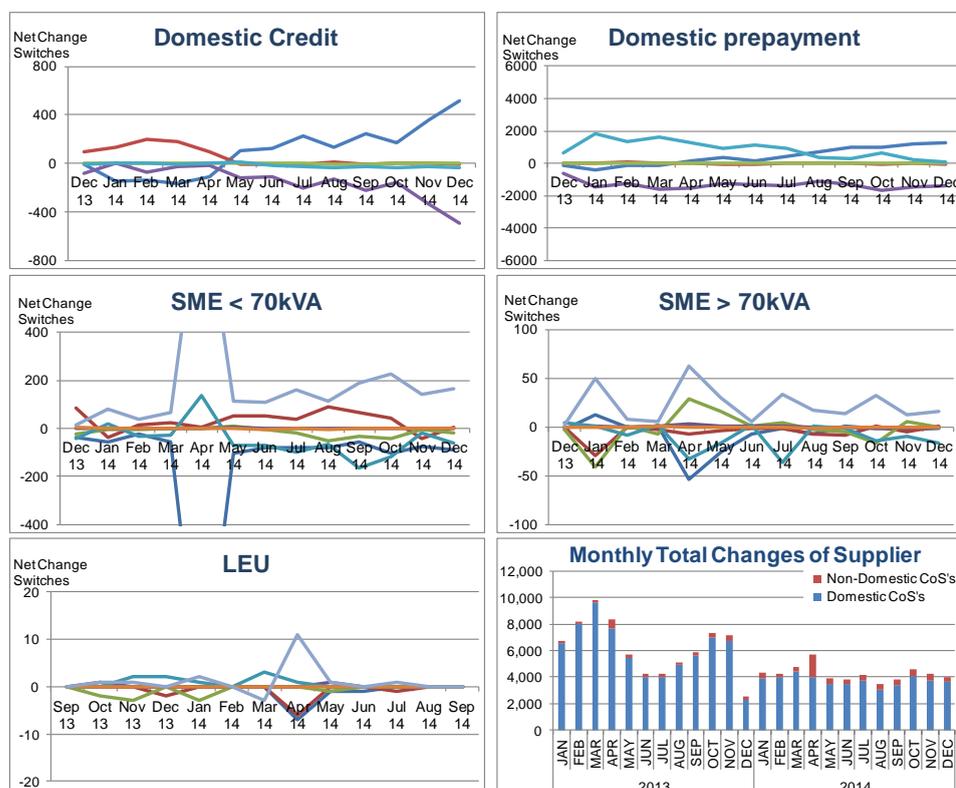


Source: NIE

4.2. Electricity market activity

The line charts below reflect the net change of customer numbers (customer gains less losses), per market segment and anonymised supplier. The bar graph shows market activity through changes of supplier (CoSs) on a monthly basis in the whole NI market, split by domestic and I&C markets.

The market activity (measured as net change of customer numbers) increased slightly over Q4 in both domestic and I&C sectors.



	% Domestic switching	% I&C switching	% Total switching
2013			
Q1	3.1%	0.8%	2.9%
Q2	2.2%	2.0%	2.2%
Q3	1.9%	1.1%	1.8%
Q4	2.0%	1.6%	2.0%
2014			
Q1	1.6%	1.5%	1.6%
Q2	1.4%	4.2%	1.6%
Q3	1.3%	2.3%	1.4%
Q4	1.4%	2.5%	1.5%

The number of domestic switches over this quarter has increased, with an average of around 3,800 switches per month (there were around 3,400 domestic switches per month in the last quarter).

There has been an increase in market activity in the I&C sector, reaching an average of c500 switches per month.

The table above shows % rates of quarterly switching. These percentages are calculated using the number of quarterly switches over the number of customers at the end of the quarter in the relevant market. Following the CoS movements in the graphs above, the table shows a slight increase in the number of domestic and I&C switches.

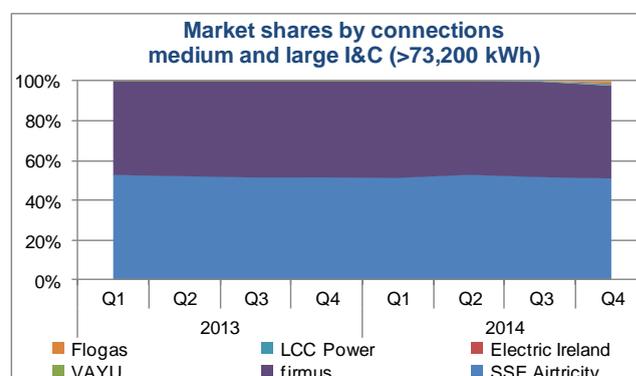
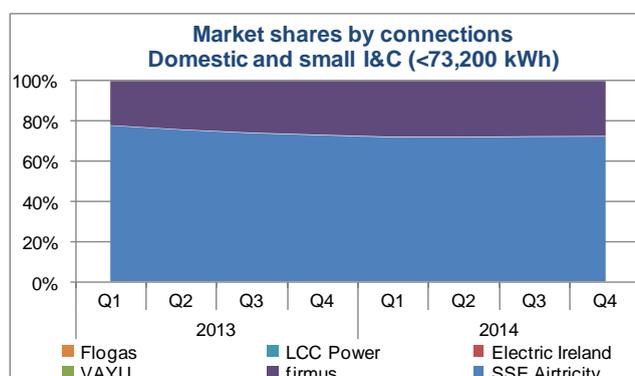
Source: NIE.

4.3. Gas – Greater Belfast area: shares

Shares by connections

Year	2014		
End of quarter	Q4		
Suppliers	Domestic & Small I&C ¹⁷	I&C > 73,200 kWh	Total
SSE Airtricity	125,404	1,738	127,142
firmus	48,231	1,580	49,811
VAYU	13	10	23
Electric Ireland	0	1	1
LCC Power	13	29	42
Flogas	43	47	90
Connections	173,704	3,405	177,109

Year	2014		
End of quarter	Q4		
% Connections per supplier	Domestic & Small I&C	I&C > 73,200 kWh	Total
SSE Airtricity	72.19%	51.04%	71.79%
firmus	27.77%	46.40%	28.12%
VAYU	0.007%	0.294%	0.013%
Elec. Ireland	0.000%	0.029%	0.001%
LCC Power	0.007%	0.852%	0.024%
Flogas	0.025%	1.380%	0.051%



The information on connections above relates to the Phoenix Natural Gas Ltd distribution Licensed Area.

Market shares in terms of connections are as at end December 2014.

LCC Power entered the gas market in August 2014, and Flogas in December 2014. Since then, there have been five active suppliers in the domestic and small I&C market (only two of them active in the domestic market), and six active suppliers in the medium and large¹ I&C.

At the end of Q4, SSE Airtricity had circa 72% share of connections in the total gas market, which is around the same as last quarter. Their share in the domestic and small I&C market was also 72%, while the share in the larger I&C market (over 73,200 kWh/annum) was 51%.

firmus has a total share by connections of 28%, while the share by connections for the remaining suppliers is less than 1% of the market.

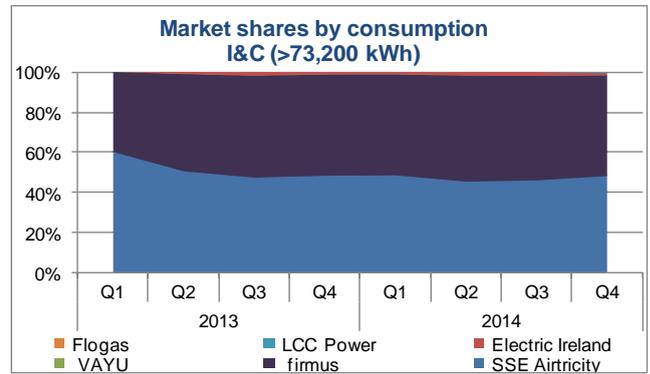
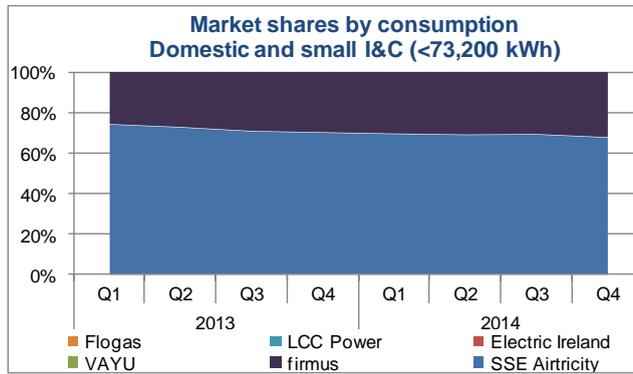
Source: PNGL.

¹⁷ The domestic and small I&C gas market relates to those customers consuming <73,200 kWh/annum.

Shares by consumption (therms)

Suppliers	Domestic & Small I&C ¹⁸	I&C > 73,200 kWh	Total
SSE Airtricity	14,628,569	9,280,963	23,909,532
firmus	6,981,846	9,521,234	16,503,080
VAYU	3,044	14,868	17,912
Electric Ireland	0	236,936	236,936
LCC Power	2,375	52,843	55,218
Flogas	2,179	15,846	18,026
Consumption (therms)	21,618,014	19,122,690	40,740,704

% Consumption per supplier	Domestic & Small I&C	I&C > 73,200 kWh	Total
SSE Airtricity	67.67%	48.53%	58.69%
firmus	32.30%	49.79%	40.51%
VAYU	0.01%	0.08%	0.04%
Electric Ireland	0.00%	1.24%	0.58%
LCC Power	0.01%	0.28%	0.14%
Flogas	0.01%	0.08%	0.04%



The information on consumption above relates to the Phoenix Natural Gas Ltd distribution Licensed Area.

Market shares in terms of consumption relate to consumption during Q4 2014.

SSE Airtricity market share by consumption during Q4 was 59%, showing an increase from the last quarter (55%). firmus retains c41% of the share by consumption in the total market, while the remaining active suppliers have a share below 1% of the market.

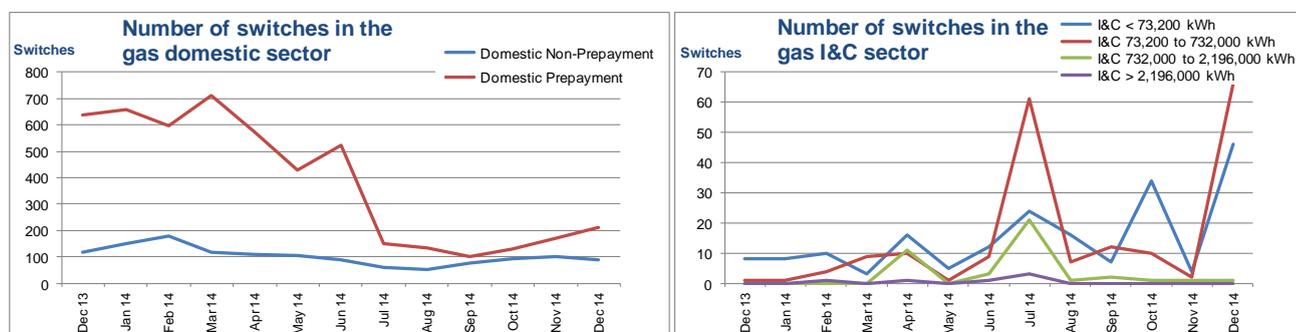
Source: PNL.

¹⁸ The domestic and small I&C gas market relates to those customers consuming <73,200 kWh/annum.

4.4. Gas – Greater Belfast area: market activity

The information below relates to the Phoenix Natural Gas Ltd distribution Licensed Area.

The graphs below show switching activity as the number of completed switches. Note that prepayment switches, within domestic switches, include switches back to the previous supplier in cases where the customer has not taken the required action to complete their switch.



The table shows the switching rate for the domestic and I&C markets in the Greater Belfast area. These percentages are calculated using the number of Supply Meter Point switches during the quarter as a percentage of the total number of Supply Meter Points in the market segment at the end of the same quarter.

The switching activity in the I&C sector has slightly increased compared to the previous quarter, from 1.5% 1.7%.

Source: PNLG and gas suppliers.

	% Domestic switching	% I&C switching	% Total switching
2013			
Q1	2.6%	3.4%	2.7%
Q2	2.6%	0.7%	2.5%
Q3	2.3%	0.6%	2.2%
Q4	1.7%	0.4%	1.6%
2014			
Q1	1.5%	0.4%	1.4%
Q2	1.1% ¹⁹	0.7%	1.1%
Q3	0.3%	1.5%	0.4%
Q4	0.5%	1.7%	0.5%

¹⁹ Note that suppliers have provided updated figures and as a result, there is a minor change in this data from that previously published.

4.5. Gas – Ten Towns area: shares and market activity

Competition opened in the Ten Towns large I&C market (>732,000 kWh) in October 2012.

SSE Airtricity entered the large I&C market in January 2013, and as at end December 2014, 33 supply meter points had switched from firmus to SSE Airtricity. This equates to 14% market share of the large I&C market (consumption over 732,000 kWh) in terms of connections at the end of this quarter, and 12% market share in terms of consumption during Q4 2014 in the same market segment.

The table below shows absolute and relative numbers in this area.

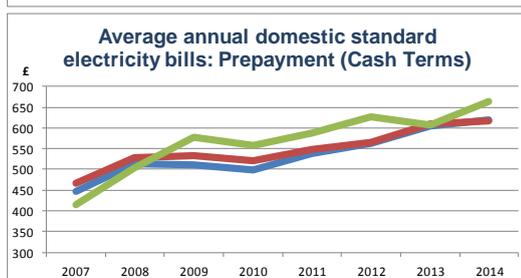
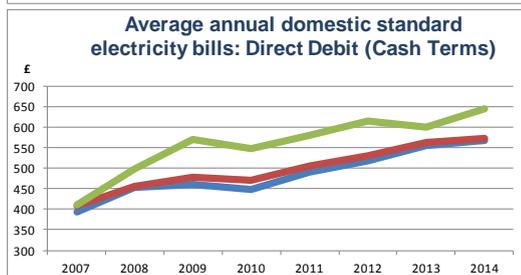
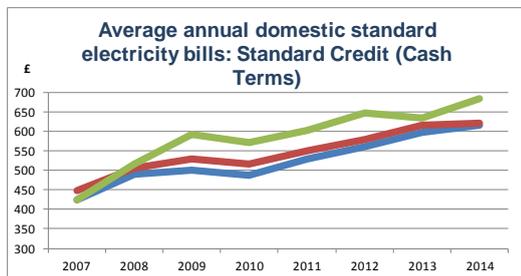
Year	2014			Year	2014		
End of quarter	Q4			End of quarter	Q4		
Suppliers	Domestic	I&C	Total	Suppliers	Domestic	I&C	Total
SSE Airtricity	0	33	33	% connections			
firmus	23,110	2,286	25,396	SSE Airtricity	0.0%	1.4%	0.1%
Total connections	23,110	2,319	25,429	firmus	100.0%	98.6%	99.9%
SSE Airtricity	0	1,341,816	1,341,816	% consumption			
firmus	2,111,269	12,120,569	14,231,839	SSE Airtricity	0.0%	10.0%	8.6%
Total consumption (therms)	2,111,269	13,462,385	15,573,654	firmus	100.0%	90.0%	91.4%

Source: feDL.

The remainder of the market (i.e. small I&C and domestic market) will open to competition from April 2015.

5 Domestic prices

5.1 Electricity domestic prices



Average domestic bills are calculated assuming an annual consumption of 3,800 kWh (note that average annual consumption has increased from 3,300 kWh from previous publications due to changes made by DECC²⁰). Data is inclusive of VAT.

These bills relate to the total amount charged during the year, rather than a bill based on the latest prices.

Historically in NI, electricity prices have been higher than in GB. This is mainly because there are higher energy transport costs, small size of the market that reduces chances of economies of scale, difference in fuel mix, etc.

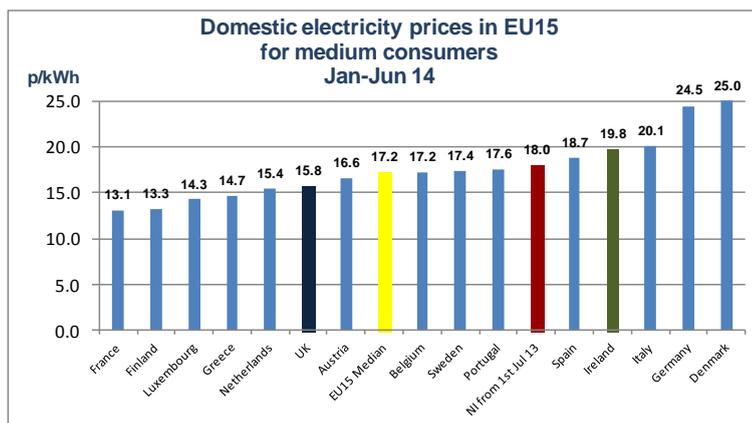
The prepayment option in NI is cheaper than the standard credit tariff, and vice versa for the other two regions.

Source: Table 2.2.2 on DECC last Quarterly Energy Prices

(<https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/quarterly-energy-prices>).



The graph below compares NI regulated price with the most recent available prices for other countries in Europe (including taxes).



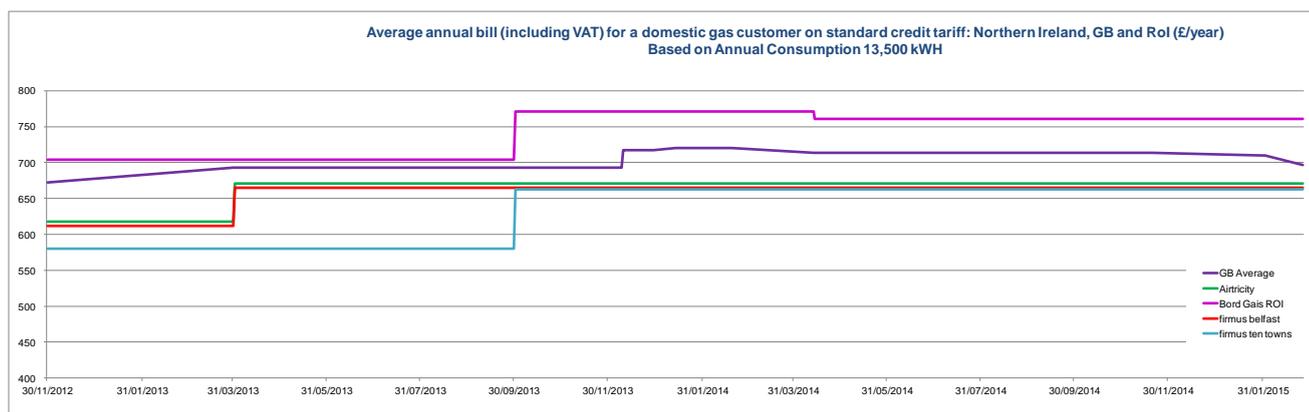
For a domestic customer, the NI regulated tariff since 1 July 2013 was 18.04 p/kWh (including taxes). This tariff will remain in place until 31 March 2015. In February 2015 Power NI reviewed their maximum average prices²¹, which resulted in a fall in this tariff to 16.38 p/kWh (including taxes) applicable from 1 April 2015.

Source: DECC Quarterly Energy Prices. Table 5.6.2. Medium consumers (2,500-4,999 kWh) including taxes.

²⁰ DECC previously published household bill estimates in Quarterly Energy Prices based on standard household consumption levels of 3,300 kWh for electricity and 18,000 kWh for gas. Following changes in typical household consumption in more recent years, DECC has reviewed the available evidence, and decided to revise the levels used to 3,800 kWh for electricity and 15,000 kWh for gas. A special feature article within the March 2014 publication of Energy Trends provides more details and is available on the Internet at <https://www.gov.uk/government/collections/energytrends-articles> (Quarterly energy Prices March 2014, page 5).

²¹ http://www.uregni.gov.uk/uploads/publications/April_2015_Electricity_Tariff_Briefing_Paper.pdf

5.2 Gas domestic prices



The graph above compares gas domestic prices for standard credit gas tariffs. It shows a GB average which includes the 'Big Six' suppliers²². The annual usage estimate is 13,500 kWh.

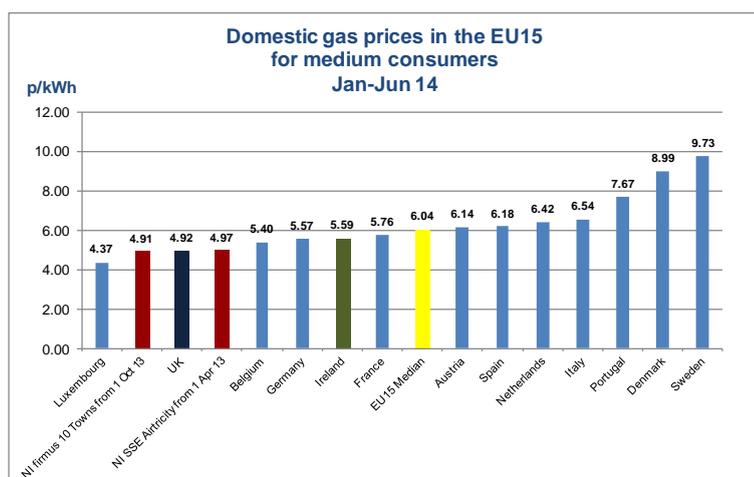
The tariffs used for comparison purposes are the standard tariff rates for domestic credit customers excluding any discounts available for payment by direct debit, viewing bills online, etc.

Each of the Big 6 Suppliers in GB have announced tariff decreases which are due to take effect between 13 January 2015 and 30 April 2015. These decreases range from 1.3% to 5%. The graph shows a comparison up to 26 February 2015 and therefore only the tariff decreases which have taken effect before this date are reflected in this graph.

In RoI, Bord Gais has announced a 3.5% decrease to their gas tariffs from 16 March 2015. The graph shows comparisons up to 26 February 2015 and therefore this decrease is not reflected in this graph.

Source: UR internal data.

The graph below compares NI regulated gas tariff with the prices for other countries in Europe, including taxes, for the period January to June 2014.



The NI price used is based on the SSE Airtricity credit tariff applying from April 2013, for a customer on a standard tariff consuming 13,500 kWh per annum (6.957p/kWh for first 2000 kWh, then 4.629p/kWh).

The graph also shows the credit tariff for Ten Towns customers, From 1 Oct 2013: 6.804 p/kWh for first 2000 kWh, and then 4.586 p/kWh

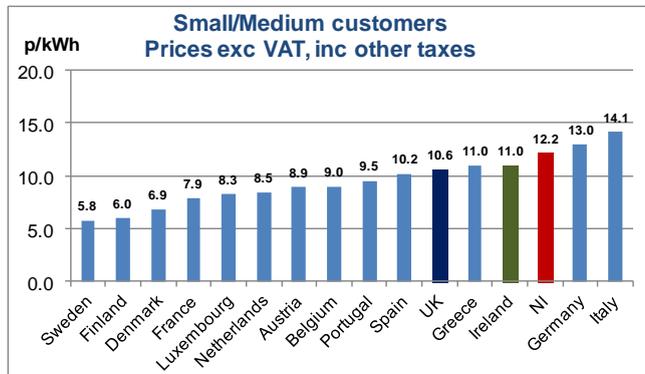
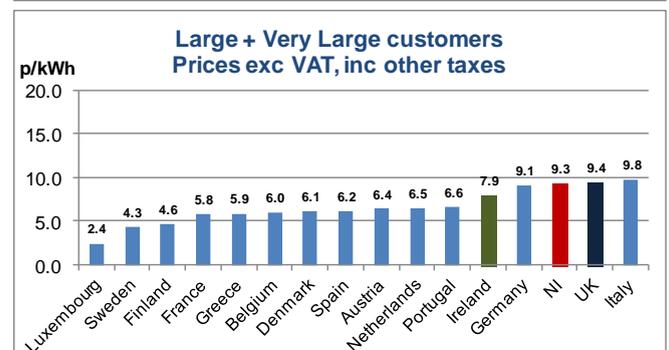
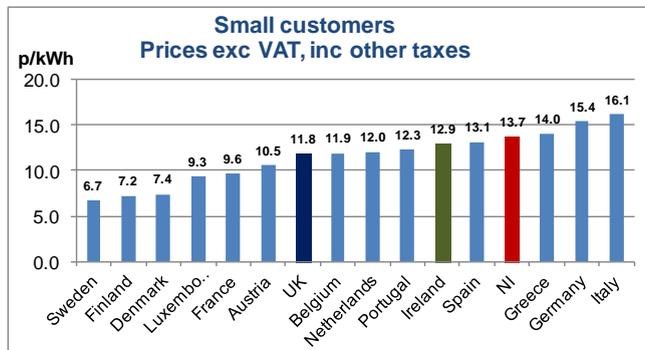
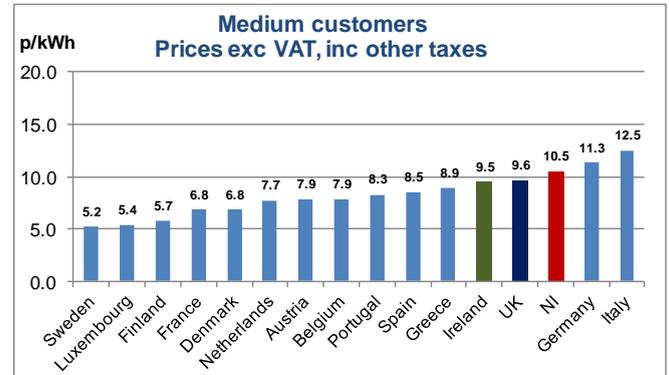
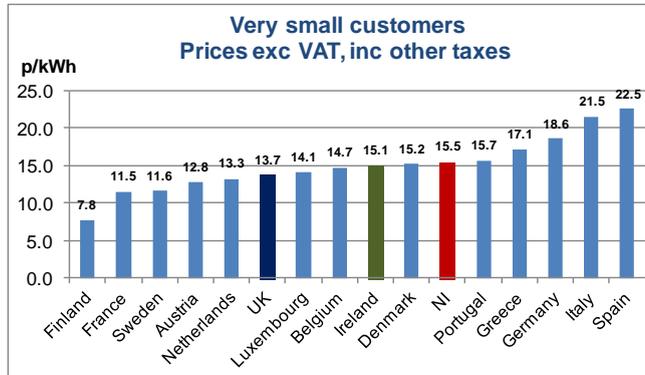
Source: DECC Quarterly Energy Prices: Table 5.10.2. Medium consumers (5,557-55,556 kWh/annum) including taxes, and UR data.

²² The larger energy suppliers in GB (often called the 'Big Six') are the companies that hold supply licences and supply most of the energy to domestic households in the GB market. They are: Centrica plc, E.ON UK, Scottish and Southern Energy (SSE), RWE npower, EDF Energy and ScottishPower.

6 Electricity I&C prices

6.1. Price comparison with EU

Jan-Jun 2014



Size of consumer	Annual consumption bands (MWh)	% of I&C customers	% of I&C consumpt.
Very small	0 - 20	67.82%	8%
Small	20 - 499	30.65%	38%
Small/Medium	500 - 1,999	1.10%	16%
Medium	2,000 - 19,999	0.41%	29%
Large + Very Large	20,000 - 150,000	0.02%	10%

The graphs above show I&C electricity prices in the 15 EU countries and in NI, per consumption size bands (following EU categorisation). While NI prices for the very small customers are around the middle of the EU range, those for larger I&C customers sit towards the top end of the EU comparisons.

The table above shows percentages of NI I&C customers at the end of Q2 2014, and percentages of consumption from January to June 2014, in each of the consumption categories. NI I&C customers are very heavily grouped in the smallest size band (those customers consuming less than 20 MWh per annum). These customers account for 68% of the total customers in the I&C sector, while they represent approximately 8% of the I&C consumption. Comparative data for the period July-December 2014 is not yet available and will be included in the next QTR.

Source: NI electricity suppliers, Eurostat and UR internal calculations

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
DECC	Department of Energy and Climate Change
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	firmus energy (Supply) Limited
GB	Great Britain
I&C	Industrial and Commercial
kVA	Kilo volt-ampere
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
NIE	Northern Ireland Electricity
NRAs	National Regulatory Authorities
LCC	Lissan Coal Company
LEU	Large Energy Users
Ofgem	Office of the Gas and Electricity Markets
PNGL	Phoenix Natural Gas Limited
PSL	Phoenix Supply 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
SME	Small and Medium Enterprises
UR	Utility Regulator
VAT	Value Added Tax