

**04/08/2009**

Kenny Dane  
Utility Regulator  
Queen's House  
14 Queen Street  
Belfast  
BT1 6ED

Dear Kenny

**Re: Consultation on Supplier of Last Resort in Electricity Northern Ireland 2009**

firmus energy would like to thank you for the opportunity to respond to this consultation.

We recognise the need for Supplier of Last Resort (SoLR) provisions according to EU Directive 2003/54/EC and that the Utility Regulator is responsible for monitoring SoLR arrangements.

We note that a number of options have been presented. Firstly, should the SoLR direction cover all customer classes or just the domestic and small enterprise customers as stated in the EU Directive? We feel the SoLR should apply to domestic and small enterprise customers only.

We understand that for those customers who choose to commit to the arrangement then it is felt that 6 months is a more appropriate lock-in period considering there may be significant unknown costs for the SoLR.

We therefore agree with the 'opt-out' period in these situations whereby customers would be allowed to 'opt-out' of the arrangement up to 14 days after they have been informed of the arrangements by the SoLR.

Three options have been presented for selecting SoLR;

- **Obligation** – a firm obligation placed on one party, for a defined period of time, to carry out the role
- **Auction** – parties compete, through an auction process and provide a service at the lowest cost
- **Case-by-case basis** – A SoLR is selected depending on the specific circumstances at the time of the SoLR event

We believe the best option for selecting SoLR would be for the Utility Regulator to evaluate each on a case-by-case basis. Where suppliers leave the marketplace with only a small number of customers, these customers should be given the opportunity to find their own supplier. We appreciate that, depending on various circumstances, taking on customers as a SoLR would have a financial impact on a Supplier. Any allowance for these costs needs to be agreed between the Utility Regulator and Suppliers.

We feel that tariffs should be set at the same rate as standard tariffs with a recovery of costs allowed for additional energy costs. The recovery of costs through tariff setting would need to be assessed on an individual basis.

We understand the duties of the SoLR includes;

- Notifying all affected customers within 5 days of the SoLR direction
- Co-operation with NIE in managing the process
- Maintaining normal conditions for supply to affected customers
- (After a maximum of 6 months) transferring all remaining customers onto a standard tariff appropriate to their customer category and cancel SoLR tariff arrangements
- Securing a meter reading for the failed supplier's customers within 14 days of the SoLR direction

We agree that 5 working days is sufficient time to inform any customers of the supplier's intentions and the conditions outlined above as duties. If there is no alternative tariff for these customers then this would eliminate the need for a change of tariff after 6 months.

We feel the period allowed to secure a meter read could be reduced to 7 days as this information could be requested directly from the customer should issues arise with obtaining the meter reading for the SoLR.

The information to be supplied by the defaulting supplier/NIE includes a list of customers both domestic and non-domestic including the following customer details;

- Customer Name
- Billing Address
- Site Address
- EAC
- Meter Type
- Name of company acting as an agent to the licensee

This seems appropriate level of information, but as with the SoLR direction we believe this should be considered on a case-by-case basis.

We also agree with the level of information required from the SoLR including;

- Data Protection Information
- General Information (customer category)
- Change of Supplier Process
- Customer Service
- Prepayment meters and customers
- Sourcing Electricity
- Credit Cover
- Deemed Contracts

We would therefore welcome the opportunity to work with the Utility Regulator in developing these provisions further.

Yours sincerely

*Michael*

Michael Scott  
**Business Development Manager**