

This information note sets out the most recent NIAUR evaluation of the timeline required by NIE to prepare for the arrival of a new market participant and the capacity of NIE's current systems, both in terms of 'churn' and 'ceiling', to deal with market activity.

Notice period to start of suppliers marketing campaign

NIAUR understands NIE needs time to prepare for a new entrant. During the notice period NIE will assess the impact, agree a mobilisation plan with NIAUR, perform accreditation testing and complete recruitment and training of additional staff. Depending on the scale of customer acquisition envisaged NIAUR believes NIE will need between three and four months to prepare. NIAUR supports the position where a new entrant is asked to provide 4 months notice prior to starting their marketing campaign in the first instance. Once experience has been gained this notice period can be further reviewed.

'Churn' Capacity

A resource model built to assess resource requirements to support various levels of market activity for domestic market opening in November 2007 has been updated by the ES project team. NIAUR and NIE have agreed that the system and support arrangements are capable of dealing with 6000 changes of supplier per month. This assumes that no more than 10% of the customers switching are keypad customers.

Ceiling Capacity

Recent analysis of the system capacity to deal with month end bill processing, a limiting factor in system capacity, has concluded that a total of 125,000 customers can move away from NIE Energy Supply – this assumes that ‘churn’ in the business and commercial sectors remains approximately at current levels.

Monitoring churn and ceiling

NIE will monitor closely the levels of churn and report back to NIAUR on a regular basis. The remaining ceiling capacity will also be monitored. If this appears to be approaching the capacity limit NIE will discuss with NIAUR, in good time, any further options to increase capacity in advance of the Enduring Solution Go Live. The current position, as articulated above, provides for approximately 2 years of relatively high market activity (6000 switches p.m.) before capacity within the existing systems is exhausted – this aligns with the current time line to implement the Enduring Solution.