

Northern Ireland Electricity Limited

**Consultation on the
Implementation of the
EU Third Internal Energy Package
(July 2011)**

NIE's Response

6 October 2011



Introduction

NIE is pleased to respond to the Utility Regulator's consultation on the implementation of the EU Third Internal Energy Package (IME3). Our comments focus principally on Chapter 2 of the consultation paper which is relevant to NIE's role in supporting the retail electricity market through implementation of the Enduring Solution Project (May 2012).

We note that the scope of this consultation does not include the requirements in respect of transmission unbundling (Articles 9-14 of Directive 2009/72/EC) and that the UR intends to consult on this issue at a later date. NIE will be submitting its application for certification under Article 9(9) of the Directive in due course.

Chapter 2 Retail and Consumer Issues

• Change of Supplier and Three Week Switching (Section 2.3)

The proposals outlined in Section 2.3 of the consultation document include a requirement on electricity distributors to ensure that their systems are able to effect supplier transfers within three weeks of receiving registration requests from suppliers. The specification of the Enduring Solution's systems and processes meets this requirement.

The consultation paper points out that, going forward, it may be necessary "to make some changes to the industry wide market rules, processes and procedures". We can confirm that NIE is currently undertaking a review of the Market Registration Code and will be consulting the Utility Regulator on the changes that will be required.

In paragraph 2.3.16 it is proposed that the licence condition providing for distributors to effect a change of supplier will exclude from the three week timescale any period in which an objection may be lodged or withdrawn. This appears to be unnecessary since a valid objection for reason of debt or contract default, which must be submitted by the old supplier within 2 days of registration receipt by NIE, will result in automatic registration cancellation. The objection cannot be withdrawn. Also, where the objection is for erroneous transfer, the objection can be submitted up to 100 business days following completion of the change of supplier and if valid and accepted by the new supplier, will result in reversal of the change of supplier, effective from the date of the erroneous change of supplier.

• Customer Information: Consumption Data (Section 2.4)

Paragraph 2.4.8 (iv) refers to the proposed new licence requirement on network operators to facilitate the transfer and sharing of consumption data between relevant suppliers. Following discussion with the Utility Regulator, NIE has included functionality in the Enduring Solution to enable the incumbent supplier only, i.e. the supplier registered to a meter point, to access the consumption data for the customer from the new Market Website. The Utility Regulator has advised that a supplier will obtain permission from the customer to obtain annual

consumption data when requested from the current supplier. This has been reflected in the new supplier licence condition 44.

Chapter 4 Electricity System

NIE notes that, pursuant to Article 31 of the Electricity (Northern Ireland) Order 1992 (as amended by the implementing Regulations), the UR intends to consult separately on the required new distribution system operator licence. We note that it is intended to have the new distribution licence in place on or before 30 September 2012. NIE will be pleased to engage with the UR as appropriate in order to facilitate this objective. Similarly we will be pleased to discuss with the UR the modifications to NIE's transmission licence which it will be proposing in order to give effect to the implementing Regulations.

