

Our ref: SE/ds17021001

17th February 2010

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NIE Energy Supply Price Control 2010/2011

Dear Nicola

Thank you for the opportunity to comment on the NIE Energy Supply Price Control to cover the period from 1st April 2010 to 31st March 2011. There are two principal issues on which we wish to comment.

Firstly, the timescales associated with the Price Control will mean that NIE Energy Supply will receive the Final Determination in respect of the Price Control some time during March 2010. We believe companies should be provided with the Final Determination well in advance of the commencement of the Price Control period which will facilitate better planning on behalf of the company.

Secondly, we note the proposal to allow a net margin of 1.7% of actual turnover. We do not regard this as a sustainable level of supply margin and would draw your attention to supply margins in Great Britain which are at least 5% (after tax). In this regard, we would refer the Utility Regulator to the attached document published by British Gas. More appropriate levels of margin will ensure suppliers earn an adequate return on investment and encourage the development of competition.

Should you wish to discuss any aspect of our consultation response in further detail please do not hesitate to contact me.

Yours sincerely



Stephen English
Gas Trading Manager

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