Regulatory Approach to Energy Supply Competition in Northern Ireland

A Utility Regulator Decision Paper

11 May 2012

Introduction

1. In July 2011 the Utility Regulator (hereafter referred to as UR) issued for consultation a position paper entitled “Regulatory Approach to Energy Supply Competition in Northern Ireland – A Utility Regulator Position Paper” (hereafter referred to as the “consultation Paper”). That paper set out the UR view of how energy supply competition was developing and the likely implications for the UR’s regulatory approach over the next two to three years. More specifically it set out the UR proposals for key aspects such as: monitoring the progress of competition; the resulting changes in market metrics such as switching rates, prices and market shares; and the retention of maximum tariffs on the regulated/price controlled supply incumbents during the three year horizon.

2. The consultation paper received 5 responses that covered the various aspects discussed in the paper although not in the same format, including a range of other comments made outside the scope of the paper which will be dealt with in other workstreams. For the benefit of feeding future policy discussion, we identified two related questions in our consultation paper: (a) Does our current regulatory policy stance strikes the correct balance between customer protection and allowing electricity supply market competition to exist? (b) If we deem competition to be effective and working in consumers interests, how that might affect regulatory approach?

3. The paper below sets out our final decisions and policy position. It discusses the original context and proposals set out in the consultation paper, the responses to that paper in the various policy areas and the UR decisions on the way forward following consideration of the responses that have been received.

Overview of Original Context and UR Proposals

4. The consultation paper outlined the view that in theory, <u>effective</u> competition can achieve better outcomes for customers than regulation in the areas of innovation, price and service. In reality it is also possible that competition may not be particularly effective; and if that is the case it may not provide the benefits or provide them to a lesser extent. Furthermore the most important benefit to customers is reduced prices and it would be premature of the UR to take as definite that the initial reductions we have seen to the incumbents’ tariffs for domestic customers will endure indefinitely. Our primary duty is to protect customers (and to develop the gas industry) where appropriate through effective competition. We view the words “where appropriate” and “effective” as very important qualifying statements.

5. In that context, the UR set out five guiding principles in the consultation paper which we believe still lay the foundations of UR's optimum approach, and therefore which we reiterate here. The UR is mindful that there is an ever changing environment in the retail (and wholesale) markets and this policy position is for the next three years at which point the policy will be reviewed. However as stated above should events, such as significant movement is supplier market shares, take place then the UR will be flexible and react quickly.

6. As a first guiding principle to future policy development, we believe that robust regulatory frameworks should remain in place until we believe that customers in NI can realistically expect to benefit from competition and most importantly benefit in terms of price. As we go forward we need to try to ensure that all customers groups benefit from competition and switching opportunities (or at least are not demonstrably worse off). Where they do not, we need to ensure the regulatory structure continues to offer customer protection to the same level as it affords customers today.

7. As a second guiding principle we believe that overall energy retail competition can potentially deliver benefits for consumers, so long as it is developed efficiently, delivers truly contestable retail conditions in all market sectors and most importantly lower prices than regulation of the retail market would otherwise have achieved, and consumers are empowered to fully engage with these markets.

8. A third principle is that the relationship between the wholesale and retail markets, which are inextricably linked, should be transparent, of benefit to customers as well as companies, and facilitate retail competition. Although this is a wide statement it is a guiding principle worth retaining and striving towards with our regulatory policy.

9. A fourth principle is that the UR will flex the existing systems concerning the setting of a maximum tariff in order that there is less build up of "K" factor over or under recoveries by the incumbent. This means that there is the possibility of tariff reviews outside the normal yearly cycle where a new incumbent tariff is set from the 1st October in electricity. This should see the incumbent act more akin to an non-price controlled supplier and reduce the chances that the incumbent will be selling energy either significantly above or below prevailing market prices due to passing through significant under or over recoveries respectively.

10. Finally a fifth principle is the UR will continue in the setting of a maximum tariff for domestic and small business customers (for both gas and electricity). We

are however aware of the context of a diminishing incumbent market share. It may be that we may move to a maximum tariff for domestic customers only or a tariff set only for those domestic customers who have never switched from the incumbent and may require protection from being charged high prices. The UR has decided that it is not going to set automatic triggers for any future regulatory policy. Policy needs to be formulated in the context of not just market shares but also market behaviour or potential market behaviour.

11. In light of these principles the consultation went on to set out five key elements that would be part of our future regulatory approach to retail competition. Again, we reiterate these here:

    (i) Our 2011 Consultation noted that, in relation to the regulation of energy retail markets in the short term (next 2-3 years), we proposed a competitive market that has an overlay of regulation to ensure that prices are no higher than they would be if incumbent price controls were removed. The proposal was that regulatory frameworks, and specifically maximum tariffs for incumbents, should remain in place until we believe that customers in NI can realistically expect to benefit from proven effective competition and most importantly benefit in terms of price.

    (ii) The GB context was also discussed in the consultation paper, including the fact that 42% of domestic customers had never switched in GB, that many of those that had switched have done so only once, and that non switchers or "in –area" customers were being charged significantly more by the incumbents in the various electricity areas. The potential for the incumbent to treat non switchers in the same way here in Northern Ireland was also considered. It was also highlighted however that the switching levels in the RoI have been at a much faster rate than in GB, so it is prudent that the UR continually monitors the situation and assesses the market shares of each supplier, as unexpectedly large changes in these market shares may call for a review of UR policy within the three year time horizon.

    (iii) The consultation paper also proposed the UR would flex the existing systems concerning the setting of a maximum tariff in order that there is less build up of "K" factor over or under recoveries by the incumbent. This should see the incumbent act more akin to an un price controlled supplier and reduce the chances that the incumbent will be selling energy either significantly above or below prevailing market prices due to passing through significant under or over recoveries respectively.

(iv) As stated above the proposal was for the retention of maximum tariffs for the incumbents, but the paper also highlighted the context of a diminishing incumbent market share. It was discussed that in the medium term we may move to a maximum tariff for domestic customers only or a tariff set only for those domestic customers who have never switched from the incumbent and may require protection from being charged high prices.

(v) Lastly the UR proposal was not to set specific triggers for any future regulatory policy. The consultation paper argued that policy needs to be formulated in the context of not just market shares, but also market behaviour and potential market behaviour, as well as observations of the customers groups who have engaged with the competitive market and those who have not.

The following parts of this decision paper set out our position on the key areas consulted on during the 2011 consultation exercise.

Policy Areas and UR Decisions on Way Forward

(i) All Island Competition and Market Systems

12. The UR view (outlined in section 2 of the 2011 consultation paper) is that whilst the benefits of competition are potentially obtainable within Northern Ireland and the Republic of Ireland separately, we believe there will be enhanced opportunities (market scale, supplier business opportunities, efficiencies in operation, enhanced dual fuel potential) if energy retail systems in the two jurisdictions are more aligned. Respondents were asked what their views are on how NI retail policy should be influenced by RoI retail policy and vice versa, and also provide justification of those views from the perspective of customers.

13. Two respondents agreed fully with harmonisation objectives and felt they were a significant step forward; whilst another felt caution needed to be exercised to ensure that no decisions would be taken that would be detrimental to NI customers. One respondent felt there needed to be alignment of retail policy in the two areas as well as process/system harmonization, but related this only to future de-regulation and not retail policy (vis a vis protecting customers in terms of price and service).

14. The UR decision in this regard will be to continue with the harmonisation project where appropriate (including the introduction of global settlement in NI) and will not take any decisions to further harmonise if that is to the detriment of NI customers. The RA's will clarify their position on Retail Harmonisation in the revised Harmonisation Steering Group (HSG) Terms of Reference (which are due to be agreed shortly). The "harmonisation" or co-ordination of the schemas in Northern Ireland and Ireland was a project undertaken to make it easier for suppliers to operate in both jurisdictions, as the market messages and supporting business processes would to a large degree be identical except where jurisdictional differences meant that was not possible. Whilst harmonisation does allow suppliers who operate in the north and south to use one single system for both, it does not imply that either jurisdiction has to fall in line behind the decisions of the other. Regulatory decisions regarding the retail market can have profound effects on customers and are also subject to political influence. Full harmonisation of processes has not been possible, and indeed the regulators have always fully maintained the right to make policy decisions and changes which may lead to less, rather than more, harmonisation should that be necessary as a result of jurisdictional specific policy decisions, regulatory or legislative requirements.

(ii) Defining Retail Market Sub Sectors for monitoring purposes

15. The proposal in the 2011 consultation paper was that going forward for the immediate short term, we would monitor 5 electricity market segments: LEUs (>1MW), LSMEs (>70kva<1mw), SSMEs (<70kva) and households (spilt into Prepayment and Non-Prepayment sectors). Following these market category definitions, rather than one based for example on consumption, relates monitoring categories to actual physical connection metrics.

16. On the other hand a definition based on consumption will be used for the gas market again with 5 segments: Domestic, I&C <2,500 Therms, I&C > 2,500 and < 25,000 Therms, I&C >25,000 and < 75,000 Therms and I&C > 75,000 Therms.

17. One respondent agreed with this segmentation and felt this was an appropriate way forward. In contrast, one respondent felt strongly that there was an inconsistency between UR policy for the electricity and gas sectors and that electricity sub sectors should also be defined by consumption and not connection size. The respondent argued that sectors should not be defined/restricted by historic use of system (UoS) tariffs but that a practical customer focused criteria should be applied to enhance rather than restrict the options available to customers.

18. This is a complicated area that requires further analysis of the pros and cons of defining electricity sub sectors by either consumption or connection. The UR has started to compile a data set of non domestic customers by consumption band and the interim results reveal a greater insight than the data split by connection. The data shows market shares by both connection and consumption for each supplier in each consumption band; and also the value of that supply in monetary terms i.e. blended prices being charged by the supplier to the customers in that consumption band. The UR is considering now requesting the data on a more dis-aggregated basis to reveal more about the market shares in the non domestic market to aid any decision vis a vis moving the current 150Mwh threshold for supply price regulation in electricity. However a final decision has yet to be made as to whether we should monitor and segment the market by consumption or connection band as both have pros and cons. This final decision will require further analysis and will be made in the future as to whether to monitor the market by consumption or connection (or indeed both).

19. A final point here – the UR is aware that any proposal to further de-regulate the market by consumption threshold introduces the problem of information asymmetry. Whilst the threshold is relatively high this is not an issue but as

that threshold is lowered (if de-regulation is deemed appropriate) the issue worsens. This is because the incumbent has large amounts of historical consumption data for customers and can identify all those customers who would have been "de-regulated". The data protection act further complicates the issue making sharing of consumption data of individual customers who have not yet signed a contract with a supplier impossible. The UR will consider this issue carefully in the coming months after further analysis of market shares by consumption. In the meantime the UR's retail market transparency reports (published quarterly) will continue to split the market by connection size for electricity.

(iii) <u>Market Monitoring</u>

20. Our proposed approach as identified in the consultation paper, in the short term is to build on the work to uniformly and regularly collect the key data for the individual energy market sectors. This data will relate to the primary short term indicators: market shares, switching rates, number of competing suppliers and price/tariffs information. The data is presented on a quarterly basis. The first report was published in March 2011 and that has continued on a quarterly basis. The UR also publishes an annual report showing market data which was last published in late 2011. We are of the view that structured collection and transparency of these basic key pieces of market information will allow industry, regulators and other stakeholders to have a more robust basis for discussions around regulatory approach to market sub-sectors, the timing and appropriateness of changes to regulatory approach/policy to sub-sectors, and specifically the appropriateness of considering further phases of tariff de-regulation and assessing the impact of recent tariff de-regulation.

21. In addition to our quarterly monitoring reports, we have also started to consider other possible indicators that may be used to more effectively monitor energy retail market activity, competitiveness, and impact on consumers. This work and any proposals will be shared with stakeholders in due course and is in line with the 3rd Energy Package which prescribes a new and increased role for the regulatory authority in the area of market monitoring.

22. One respondent considered that in a rapidly evolving market such as NI, quarterly reporting is insufficient and potentially hampers the UR's responsiveness. This respondent also called for any price monitoring to accurately differentiate between introductory and standard pricing as well as terms and conditions.

23. The UR takes the view that quarterly monitoring is consistent with both GB and RoI and more frequent monitoring is neither resource-feasible nor required. To report every month would be very labour intensive and could possibly cloud the picture with short term variances due to such activity as marketing campaigns, supplier's business issues, holiday periods etc.

(iv) Relationship between Wholesale and Retail markets

24. As stated in the consultation paper the UR holds the view that the wholesale and retail markets in electricity and gas are inextricably linked. In gas, the links between wholesale and retail sectors are relatively clear cut, and all suppliers can buy from a relatively liquid wholesale market. In electricity, the key issue for the UR here is to make sure competitors can access appropriate wholesale product (Contracts for Difference or "hedges") to sustain their business competitiveness and manage wholesale risk issues. The UR accepts that retail competition will only deliver benefits if it is part of a wider competitive framework i.e. there is effective competition in the wholesale market also.

25. The SEM secondary market (the market where generators offer to sell CFDs to any supplier at agreed prices) has an inadequacy of CFDs being offered and therefore a lack of liquidity (in terms of both volume and shape) hence those standalone suppliers, for example the NI incumbent cannot buy sufficient hedges to cover their demand. The CFDs that are on offer often have premiums attached to them (due to their scarcity) and this in turn increases the price the incumbent must pay for energy. There is also a distinct lack of CFDs to cover the "peak" period when electricity is at its most expensive. If the incumbent's competitors can cover their demand and also peak exposure with affiliate generators they can in effect purchase the energy more cheaply as there is much less risk involved. Furthermore they will not need to pay premiums for the hedges or credit cover costs (apart from those amounts that they purchase from the secondary market).

26. Four of the five respondents commented at length on the issue of hedging and the need for standalone suppliers to procure fixed price power, made available through directed contracts, PSO backed CFD and standard non directed contract auctions and use these hedges (in combination with any internal generation capacity they may have) to manage their market positions in a world where most smaller business and domestic customers want fixed price tariffs. The point that the incumbent in Northern Ireland has no internal generation capacity (albeit it is part of a larger group that has a large amount of generation capacity in the SEM) was highlighted and the resulting

dependence on Direct contracts, PSO and contracts from auction rounds. One respondent went on to agree that due to the necessity to purchase hedges from these sources the incumbent may at times need to pay premiums that will ultimately be passed on to the consumer via the regulated tariffs.

27. One respondent urged the UR to mandate greater transparency of the contract auction plans and assist the market in moving away from a reactive hedging approach and proposed that the RA's should actively consider supporting the implementation of an 'Electricity Forwards Agreement' type contract structure as an innovative way to circumvent the scarcity issue.

28. In summary all respondents hoped that the UR would take measures to improve not only the volume of contracts available to suppliers but also the shape and duration of these. One also highlighted the fact that the hedges are sold mostly in a short window before the October tariff setting takes place and this means that energy costs are largely inappropriately fixed at one point in the year (when hedging contracts are made available), at the fuel prices prevailing at that time. They cite the 2008 example when the 08/09 tariff hedging period coincided with rapidly increasing fuel prices which resulted in suppliers having to lock in at prices that in retrospect were well out of the money. To avoid this type of cliff face increases, more liquidity is needed in the hedging market as this would provide suppliers with more opportunities to accumulate and trade contracts during a year, thus ensuring that suppliers are able to buy hedging contracts at timely intervals and at market reflective prices throughout the entire year.

29. The UR has considered the situation regarding liquidity and fully understands the importance of a liquid secondary market for those suppliers who are not internally hedged. We note the current Ofgem proposals in this area, for example to mandate auctions and oblige companies to sell 20-25% of their generation output. This will be done on a transparent market platform with robust reference prices. The UR will continue to explore all options to improve liquidity with the SEM committee with the goal of developing a wholesale market that encourages new retail entry.

(v) Retention of Maximum Tariff Setting and the Incumbent Price control

30. In the consultation paper the UR set out its proposal to retain the supply price controls and the setting of maximum tariffs for both the electricity and gas incumbents. With immature competition, this helps to ensure that those customers who do not switch will not pay more than an efficient competitive

price; and to place a cap on the market under which other competing suppliers can enter and compete on price, a “price to beat”. The paper highlighted our view that the emergence of energy supply competition should lead to reduced prices and that customers should benefit from its introduction or at least be no worse off subsequent to its emergence.

31. Three of the respondents agreed that for the next two to three years that this was the best option and that to remove maximum tariff regulation too early would likely lead to raising of prices and supernormal profits. Two respondents felt that retaining the maximum tariff was counter-productive citing the costs of regulation and the fact that other suppliers are free to price as they wish (even above the regulated tariffs) and therefore tariffs should be removed in a market which has competition. No detail or comment was given to how the UR would go about avoiding the risk that incumbents would begin to increase prices for those sticky customers it had identified as unwilling or unable to switch. The costs of regulation were not discussed either except in the context of the incumbent being left with a higher cost to serve group of customers. The UR does not agree that regulation will inevitably lead to higher costs for the supplier being regulated/price controlled and no justification was given for this view. The UR does not agree that a price control will lead to a supplier purchasing inefficiently but rather that any regulated/price controlled supplier has every opportunity to reduce costs and compete in the same way it would as a non price controlled entity.

32. The issue of the incumbent retaining those customers who are more costly to serve due to higher credit risk and payment method is one the UR has considered. Our view is that there is no guarantee that in a market without regulation any of these customers would get a better deal and in fact they may be much worse off due to the removal of regulation, akin to the situation “in area” customers have found themselves in GB. This group will also comprise almost all of the most vulnerable customers who have not been cherry picked by competing suppliers. To remove regulation could be potentially harmful for this group as they may find themselves being charged inordinately high prices if the competition for their custom was not effective. This is one of the reasons the UR will need to assess the situation at the time it arises, before making any decision on removing or relaxing the current regulatory framework.

33. The UR is still firmly of the view that the setting of a maximum tariff for domestic and small SME customers is the most effective way of ensuring that ALL customers in those sectors do not pay unnecessarily high prices for energy. Whilst not a perfect solution it remains the best option the UR has in carrying out its principle function of protecting customers. If the market in these sectors is shown to have become much more effectively competitive in

due course, then this policy will be reviewed. A maximum tariff set at an efficient level will give a reference price to both the market and customers and ensure that there is a benchmark against which others suppliers prices can be compared. It will also ensure that those customers who do not switch from the incumbent (and that could be a high percentage) will be no worse off than they would have been had competition not emerged, as they will be paying a regulated tariff set in the same way as in the previous era of supply monopoly.

34. The tables below show the market shares of the incumbents by both connection and consumption in the domestic and small SME sectors. (Note that the figures for domestic shares in electricity are for Power NI only as Energia do not supply domestic customers).

	Power NI/Energia Combined Market Share by Connection	Power NI/Energia Combined Market Share by Consumption
Electricity Domestic	90%	86%
Electricity I&C <70kVA	66%	49%

	Phoenix Market Share by Connection	Phoenix Market Share by Consumption
Belfast Area Gas Domestic	92%	91%
Belfast Area Gas I&C <25,000 therms	79%	69%

The figures above show that there is a very high degree of incumbent market power in the domestic electricity and gas markets and the retention of a price controls in those sectors is required.

In the gas non domestic market <25,000 therms annual consumption phoenix still retain a very high share, well over the OFT 50% threshold which is deemed to constitute market power. 25,000 therms is currently the threshold below which the UR sets a regulated tariff in the gas market.

The situation in electricity is not as straightforward. It is usual practice when assessed market power to consider not only the incumbent but also the market shares of its affiliate/s (in this case Energia). In fact condition 14 of the Power NI licence which relates to non-discrimination and dominance states "*This condition applies where the licensee (taken together with its affiliates and related undertakings) is in a dominant position in a market for the supply of electricity to customers*" Taking a combined market share is also consistent with how regulators in other jurisdictions have approached the issue e.g. CER.

Following this approach we can see that Power NI/Energia have 66% of the non domestic <70kVA market by connection and hence market power in that sector. We note however that this sector (non domestic <70kVA) does not in fact align with the current threshold for setting regulated tariffs in the electricity market. That threshold, as in gas, is set on a consumption basis. The threshold is 150MWh annual consumption. The work that the UR is to carry out and mentioned in paragraph 18 will inform us further regarding the actual market shares that Power NI/Energia have in the current non-domestic "regulated market" i.e. non domestic customers with an annual consumption of less than 150MWh. As mentioned we intend to further disaggregate the market sectors by consumption band, couple this with the current data on sectors by connection, and the results of the analysis of this data and the market shares it reveals will inform our future decision regarding changing or retaining the current status quo.

35. We also stated in our consultation paper that regulatory frameworks should remain in place until we believe that customers in NI can realistically expect to benefit from competition and most importantly benefit in terms of price. As we go forward we need to try to ensure that all customers groups benefit from competition and switching opportunities (or at least are not demonstrably worse off). Where they do not, we need to ensure the regulatory structure continues to offer customer protection to the same level as it affords customers today.

36. One respondent said that the prolonged application of a price control will compromise the effectiveness of competition and will be counter-productive creating undue regulatory risk and impacting the efficient securing of capital. They referenced research where arguments were made against the coexistence of price regulation and competition (price regulation imposes direct costs hence higher energy prices to consumers and potentially lower returns for suppliers which in turn creates a barrier to entry).

37. We do not agree that competition and price regulation cannot co-exist. As mentioned above we will however monitor the effectiveness of the competition in the NI market and frame our decisions on the results. In the meantime in order to protect customers and while we have suppliers with dominance we will retain the price control until we can be assured that competition will continue to protect customers.

(vi) Roadmap to De-Regulation

38. Some respondents were disappointed with our policy goal in developing retail competition: which is to develop, change or maintain and only where demonstrably appropriate, reduce the regulatory framework in a way that seeks to crystallize and maximise consumer benefit from competition. Some respondents felt it was necessary for the UR to produce a clear roadmap to further de-regulation with triggers, based on market shares, which would signal the removal of tariff regulation. The UR does not agree that it should fetter its discretion, by identifying automatic triggers to deregulation on future decisions that are of such importance. Whilst we understand that suppliers want some clarity on the future, the fact is that it may not be appropriate to remove tariff regulation altogether, even if the incumbents market share had fallen significantly.

39. After due consideration, we have concluded that the UR will not have stated automatic triggers to deregulation at this time. Instead we will monitor various indicators which will inform us about the effectiveness of competition in the various market subsectors (for example market shares, switching rates and prices). In the medium term we will be setting up a wider and more comprehensive market monitoring framework which should clarify the effectiveness of competition even further. Based on these metrics, the UR will decide when it is appropriate to review our policy and consult further with stakeholders on possible deregulation.

(vii) Delivering Effective competition: the Customer perspective

40. We proposed in our consultation paper that we needed to ensure we adequately addressed the regulation of retail markets from a customer perspective. We have completed much work in this area (for example our Retail market review of July 2011[1]), and in light of the DETI consultation on IME3 we have defined a number of areas of customer-protection focused work which will be co-ordinated across both gas and electricity sectors going forward. Priorities and timelines are currently under discussion in the context of our Forward Work Plan and resource availability.

41. One respondent said that the UR should be mindful of the additional costs arising from placing new onerous requirements on suppliers on information

[1] http://www.uregni.gov.uk/uploads/publications/040711_Domestic_Mkt_Opening_6_month_Review_-_Findings_for_publication_v0_2.pdf

provision. The protection of customers in light of EU Directives and the development of retail competition is being taken forward by the UR through the workstream on the implementation of the Third package. A final 28 day consultation on this project has just been completed. One of the aspects of developing the proposed IM3 modifications is to take account of the cost implications for stakeholders. We set out our arguments in that consultation on the measures required to deliver a high level of customer protection in modern energy supply markets and to enhance customer engagement and transparency in those markets.

Conclusion

42. The UR view is that regulatory frameworks should remain in place until we believe that customers in NI can realistically expect to benefit from competition and most importantly benefit in terms of price. As we go forward we need to try to ensure that all customers groups benefit from competition and switching opportunities (or at least are not demonstrably worse off). Where they do not, we need to ensure the regulatory structure continues to offer customer protection to the same level as is in place today. We will continue to set a maximum tariff in both electricity and gas and ensure non discrimination between customer groups by the incumbent. As the market develops and competition increases we will monitor closely not only market shares and switching rates, but also prices and decide if competition is effective enough to afford customers protection. The GB experience is of value to us as it shows what may happen in a de-regulated market with a small number of players.

43. This policy is for the short to intermediate term and we will review it in several years time or sooner if there are dramatic shifts in market share. In the meantime we will enhance and refine our monitoring regime and continue to drive efficiency and value for money in supply and networks and look for remedies to the issues that face suppliers with respect to purchasing in the wholesale market.

44. We have also concluded that the UR will not have stated automatic triggers to deregulation at this time. Instead we will monitor various indicators which will inform us about the effectiveness of competition in the various market subsectors (for example market shares, switching rates and prices). In the medium term we will be setting up a wider and more comprehensive market monitoring framework which should clarify the effectiveness of competition even further. Based on these metrics, the UR will decide when it is appropriate to review our policy and consult further with stakeholders on possible deregulation.