

CONSULTATION ON PROPOSED MODIFICATIONS TO GAS AND
ELECTRICITY LICENCES

SSE AIRTRICITY RESPONSE TO
THE UTILITY REGULATOR OF NORTHERN IRELAND

2016

INTRODUCTION

SSE Airtricity welcomes the opportunity to comment on the utility regulator's paper "Consultation on Proposed Modifications to Gas and Electricity Licences".

SSE Airtricity is the largest independent supplier operating in Ireland with over 800,000 customers served across both electricity and natural gas markets. SSE Airtricity is fully committed to the development of competition in energy markets in Northern Ireland and to presenting its customers with choice and quality customer services. As such we believe that any licence changes need to primarily consider the needs of customers and be principles based with an emphasis on effectiveness, necessity, consistency and proportionality.

GENERAL COMMENTS

SSE Airtricity welcomes the Utility Regulator's consultation paper and the acknowledgment that certain conditions need to be updated with respect to changes in legislation and retail market processes. Broadly speaking we would be agreeable with the majority of the changes presented in the paper and believe that they should have minimal impact. For instance the removal of redundant special conditions which are no longer in effect is prudent as this will eliminate confusion for new entrants. Similarly the reflection of the updated legislative references in supply licences will provide the appropriate governing framework and law for all stakeholders affected by the licence conditions.

Furthermore the inclusion of a reference to the minimum standards in the Codes in supply licences and the proposal to remove duplications in Marketing Condition will provide suppliers with appropriate direction on how to approach all the current industry Codes of Practice. Since these codes have already been agreed across the industry and have been implemented accordingly, there should be no fundamental impact to these changes. In addition we would be agreeable to the amendment of the notification period of customers fixed term contract as it is logical for suppliers to combine this with price changes notifications

Notwithstanding the above, SSE Airtricity would like to highlight specific concerns in relation to the implementation of some of the licence conditions outlined below and would argue that further consideration needs to be given to the proposed amendments.

SPECIFIC COMMENTS

Licence modification 1: to ensure suppliers must not block or prevent prepayment meter customers from vending/topping up

SSE Airtricity would be broadly agreeable to this change and can understand the merit of its inclusion in the licence. However recognition needs to be given to scenarios which could cause suppliers to be unable to fulfil their licence requirements in this respect such as an industry wide issue or breakdown related to Prepayment meter vending which could prevent this customer base from topping up.

Licence modification 3: to ensure after closing an account with a supplier, any refunds are passed back to consumers within 6 weeks of account closure and treatment of dormant accounts

SSE Airtricity is supportive of the introduction of an indicative predefined timeframe for the refund of customer's credit balances but would suggest that the proposal of six weeks is too restrictive. Whilst we wish to provide all our customers with their credit in a timely manner, under current industry conditions a variety of unforeseen issues may occur when processing payment refunds and the process changes required to implement the suggested timeframe would be costly.

Moreover since the requirement is to send a final bill to a domestic consumer within six weeks of the cessation of supply, if it takes this amount of time to finalize then it may take some time to issue the payment thereafter. In this respect we believe that refunds should not be required to be issued before the final bill is processed on the suppliers systems.

Therefore we propose that suppliers should endeavour to refund balances within eight weeks.

Licence modification 6: to amend the definition of domestic consumer in gas supply and gas conveyance licences

SSE Airtricity believes that further discussion is required in relation to the proposal to amend the definition of domestic consumers in gas supply and gas conveyance licences. For instance it's apparent that this change will require the Utility Regulator to amend its REMM reporting breakdown which would entail a large cost to all stakeholders. Furthermore it is unclear whether we will be required to notify all our customers of the change in the definitions which needs to be appropriately considered as any notification of this nature would also be costly to all suppliers.

Licence modification 13: to ensure consistent use of terms in gas supply licences

SSE Airtricity agrees with the approach to use consistent terms and language throughout the licences. Nevertheless it needs to be acknowledged that suppliers should be able to use their own terms with respect to each type of customer in their own documents.

CONCLUSION

In summary, SSE Airtricity is broadly supportive with the majority of the changes presented in the paper and believes that they should have minimal impact. However we would like to highlight some concerns in relation to the implementation of the licence conditions outlined above and would argue that further consideration needs to be given to these proposed amendments.