Quarterly Transparency Report NOV 2011

Data Sources and Assumptions

The data sources for this report are mainly the electricity and gas companies.

Electricity switching analysis has been undertaken with inputs from NIE, and gas switching inputs are from PNG and gas suppliers.

Electricity domestic prices are from the Department of Energy and Climate Change[1] (DECC). At present DECC do not produce statistics for NI domestic gas prices, so prices comparison have been collated internally.

Retail competition in NI energy market

The electricity and gas (in the Greater Belfast and Larne area) markets have been open to competition to domestic customers since 2007. However, there were no competing suppliers in the domestic market until 2010. The table below shows when competition effectively started in each one of the energy market segments. It also shows when the gas areas that still remain supplied by an incumbent company will open to competition.

Electricity	
Domestic	**June 10**: Airtricity entered the domestic credit segment. **Oct 10**: firmus started supplying Ulster Farmers' Union members. **May 11:** Airtricity entered the domestic keypad segment. **June 11:** Budget Energy entry. **Oct 11**: ESB/Electric Ireland enters the domestic sector.
SME < 70 kVA	Industrial electricity customers become eligible to change supplier from **1999**. From **2005**, small and medium businesses become eligible too.
SME > 70 kVA	
LEU > 1 MW	

Gas (Greater Belfast and Larne area)	
Domestic	**Nov 10**: firmus entered this market segment.
I&C < 2,500	**Four active gas suppliers since 2007:** Phoenix Supply Limited (PSL), firmus energy, Energia, VAYU.
I&C between 2,500 and 25,000	
I&C between 25,000 and 75,000	
I&C > 75,000	
Gas (10 Towns) *	
Domestic and small users	**Apr 2015**
Large Users	**Oct 2012**

1 http://www.decc.gov.uk/en/content/cms/statistics/publications/prices/prices.aspx

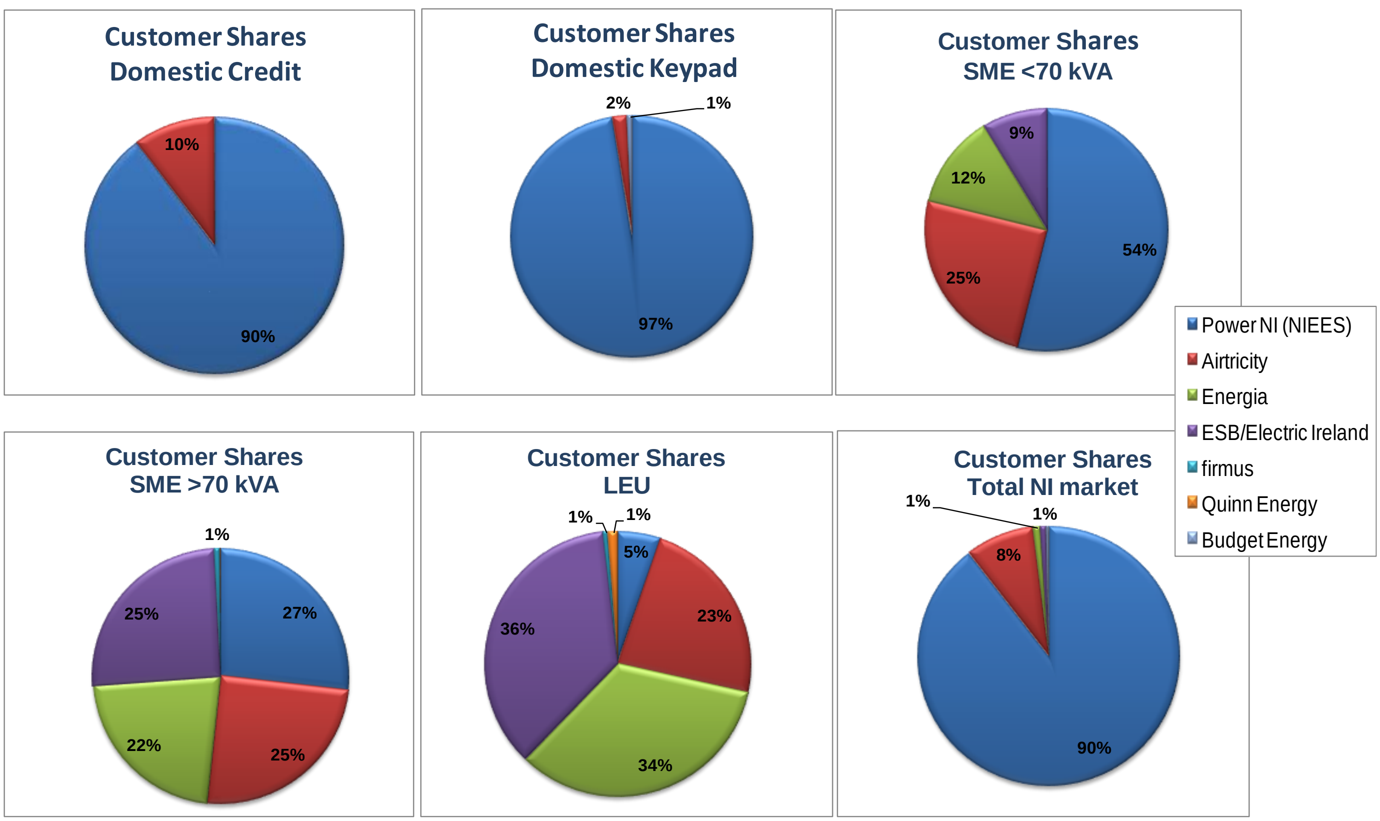
* http://www.uregni.gov.uk/uploads/publications/2011-02-21_Decision_paper_firmus_exclusivity.pdf

ELECTRICITY MARKET SHARES BY CUSTOMER NUMBERS

Year	2011
Month	Q3

Values	Domestic Credit	Domestic Keypad	SME <70kVA	SME >70kVA	LEU >1MW	Grand Total
Customer Numbers Power NI (NIEES)	444,704	263,727	29,235	1,321	9	738,996
Customer Numbers Airtricity	50,048	5,128	13,523	1,228	40	69,967
Customer Numbers Energia	0	0	6,773	1,090	58	7,921
Customer Numbers ESB Electric Ireland	0	0	4,642	1,249	62	5,953
Customer Numbers firmus	243	0	18	35	1	297
Customer Numbers Quinn Energy	0	0	2	5	2	9
Customer Numbers Budget Energy	159	1,804	15	0	0	1,978
Customer Numbers Total Market	495,154	270,659	54,208	4,928	172	825,121

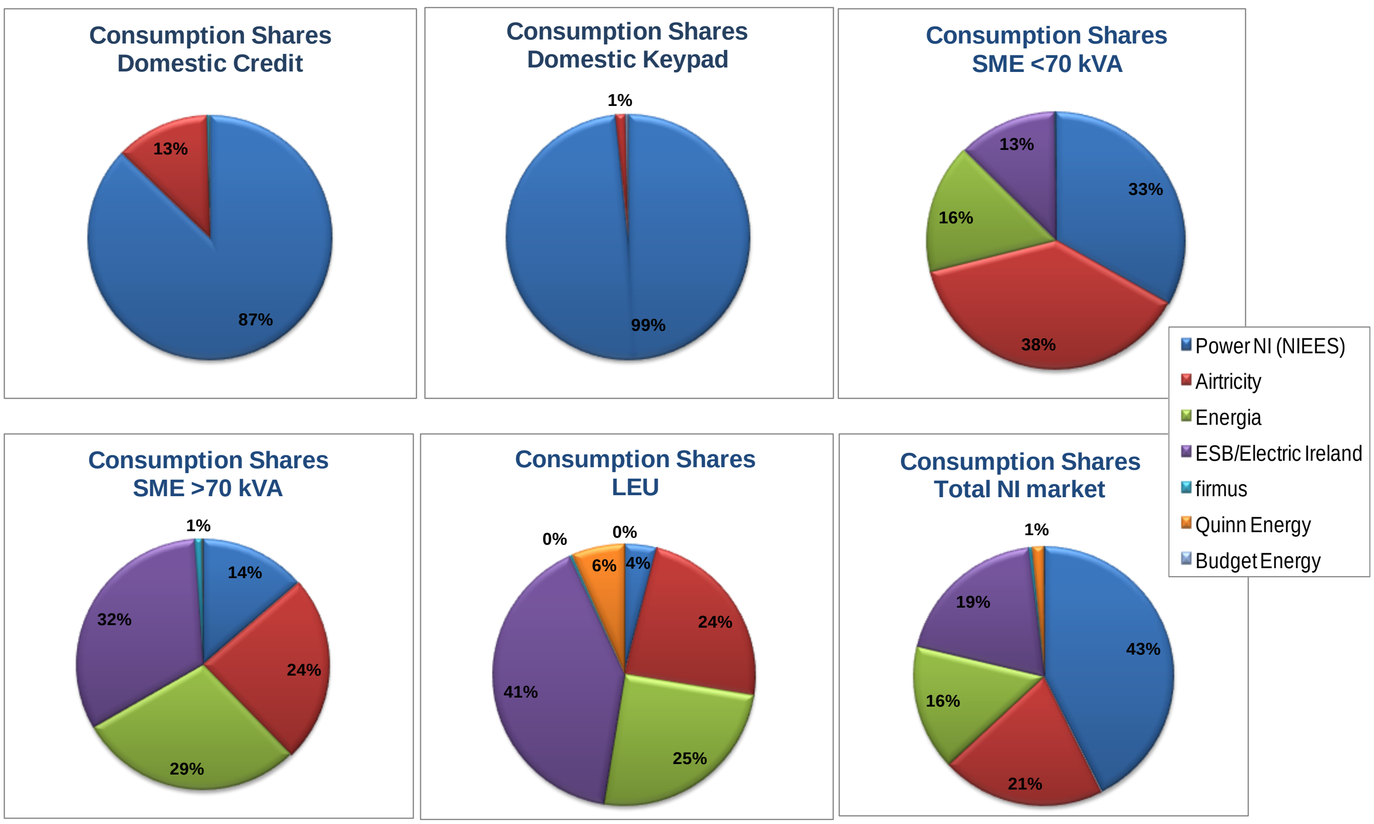
(Column Labels)



- The charts above reflect the market share of each active supplier in NI, by percentage of customers.
- In the domestic sector, there is still a big share of customers remaining with the previously incumbent supplier. However, this situation is progressively changing, and the percentage of domestic credit (including direct debit) customers supplied by Power NI has slightly decreased to 90% by this quarter. Power NI supplies 97% of the keypad customers.
- There is a flow of domestic customers moving from credit to keypad meters. Airtricity and Budget Energy have entered the keypad segment in mid-2011.
- The current non-incumbent market share in this period is 10% (by customers) of the total electricity retail sector.

ELECTRICITY MARKET SHARES BY CONSUMPTION (GWh)

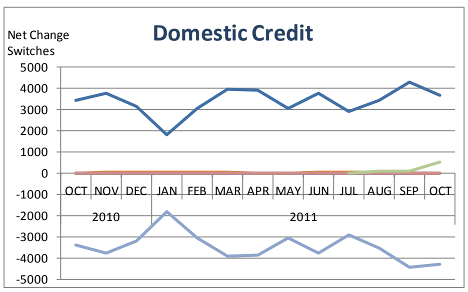
Year	2011					
Month	Q3					
	Market Segment					
Values	Domestic Credit	Domestic Keypad	SME <70kVA	SME >70kVA	LEU >1MW	Grand Total
Consumption Power NI (NIEES)	372.10	232.25	92.63	68.02	15.61	780.61
Consumption Airtricity	53.23	2.97	106.30	119.49	92.45	374.44
Consumption Energia	0.00	0.00	45.53	143.89	97.70	287.13
Consumption ESB Electric Ireland	0.00	0.00	34.90	160.69	158.91	354.49
Consumption firmus	1.43	0.00	0.34	4.69	1.44	7.90
Consumption Quinn Energy	0.00	0.00	0.05	0.47	25.43	25.94
Consumption Budget Energy	0.07	0.70	0.06	0.00	0.00	0.83
Consumption (GWh)	426.83	235.92	279.81	497.25	391.54	1,831.34

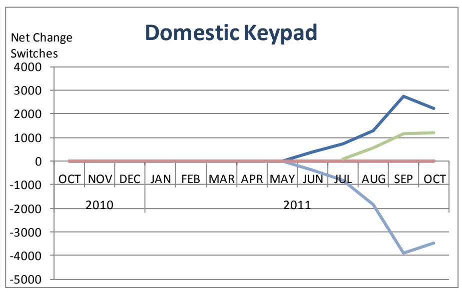


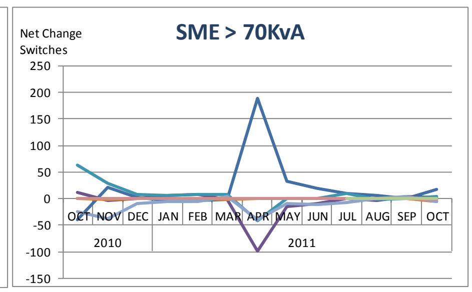
- These charts reflect the market share of each active supplier in NI by percentage of units billed.
- Airtricity entered the keypad segment in May 11, and Budget Energy entered the domestic market in June 2011, with a strong focus on keypad customers. 1% of the volume of this segment is now supplied by non-incumbent suppliers.
- The non-incumbent market share in volume terms is 57% of the total market.
- Competition in the non-domestic sector is more noticeable when examining shares by consumption than by customer numbers.

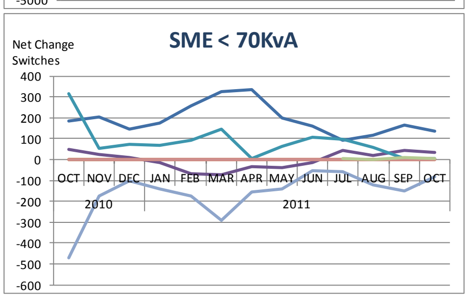
ELECTRICITY MARKET ACTIVITY AND NEW CUSTOMER REGISTRATIONS

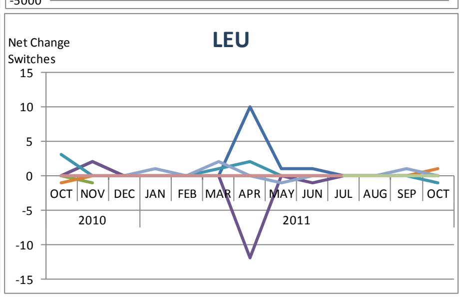
Sum of Net Change	Column Labe						
Row Labels	Supplier 1	Supplier 2	Supplier 4	Supplier 5	Supplier 6	Supplier 7	Supplier 8	Supplier 9
⊟2011	15776	0	109	169	56	-17792	0	1979
⊟Domestic Credit	10632	0	0	0	55	-10884	0	159
JUL	2891	0	0	0	15	-2905	0	0
AUG	3443	0	0	0	30	-3556	0	64
SEP	4298	0	0	0	10	-4423	0	95
⊟Domestic Keypad	4756	0	0	0	0	-6573	0	1806
JUL	726	0	0	0	0	-817	0	91
AUG	1268	0	0	0	0	-1843	0	572
SEP	2762	0	0	0	0	-3913	0	1143
⊟SME < 70KvA	373	0	107	161	1	-333	0	14
JUL	91	0	42	99	0	-59	0	3
AUG	116	0	21	58	1	-123	0	2
SEP	166	0	44	4	0	-151	0	9
⊟SME > 70KvA	15	0	2	8	0	-3	0	0
JUL	9	0	1	9	0	-7	0	0
AUG	5	0	-3	-1	0	0	0	0
SEP	1	0	4	0	0	4	0	0
⊟LEU > 1MW	0	0	0	0	0	1	0	0
JUL	0	0	0	0	0	0	0	0
AUG	0	0	0	0	0	0	0	0
SEP	0	0	0	0	0	1	0	0





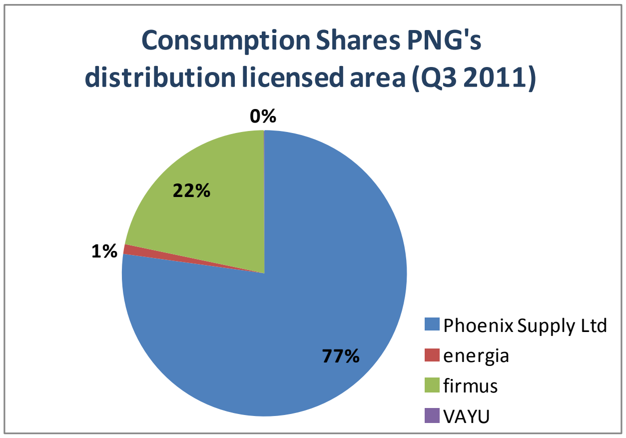


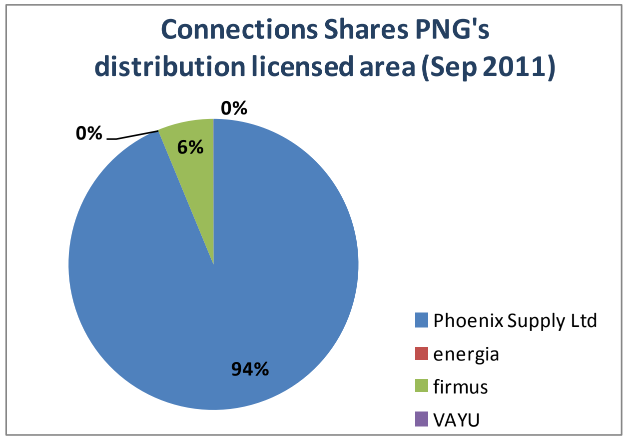




- These charts and table reflect the Net Change of customer numbers (gains less losses) for switching activity plus new customer registrations, per market segment and supplier.
- Competition in the keypad segment started in May 2011.
- By the end of October 2011 more than 65,000 domestic customers have switched their electricity supplier.

GAS MARKET SHARES

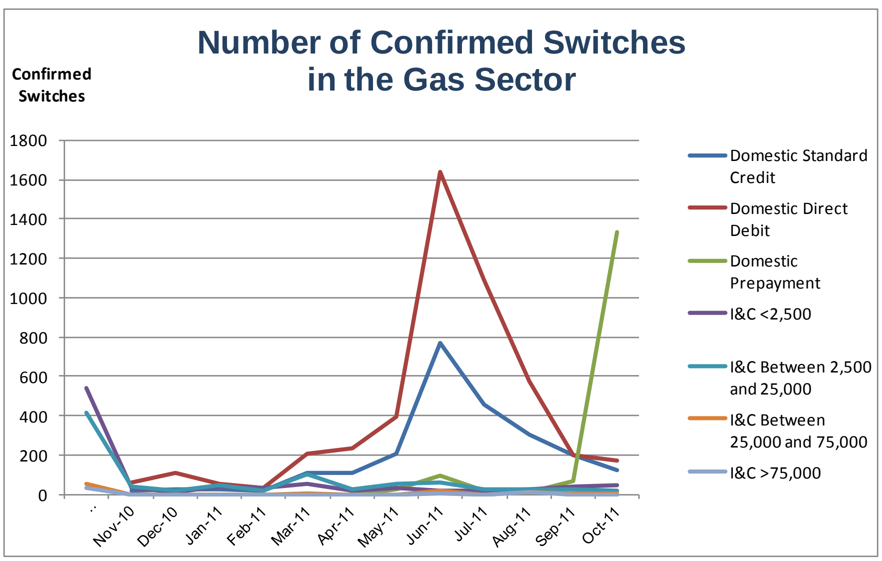




GAS SWITCHING ACTIVITY

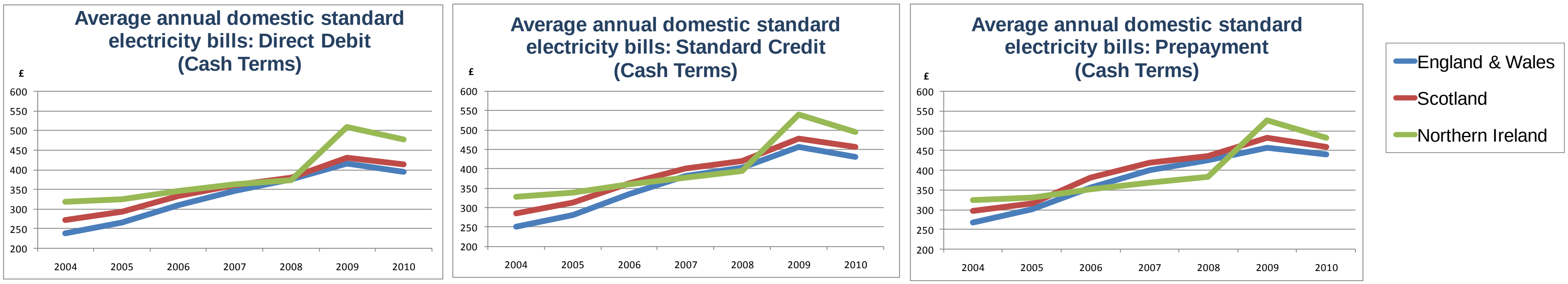
Last available monthly figures:

Values	Domestic Standard Credit	Domestic Direct Debit	Domestic Prepayment	I&C <2,500	I&C Between 2,500 and 25,000	I&C Between 25,000 and 75,000	I&C >75,000
Jul-11	456	1092	20	21	25	1	0
Aug-11	306	573	14	22	22	11	10
Sep-11	199	202	66	36	26	6	1
Oct-11	123	174	1331	47	19	2	0

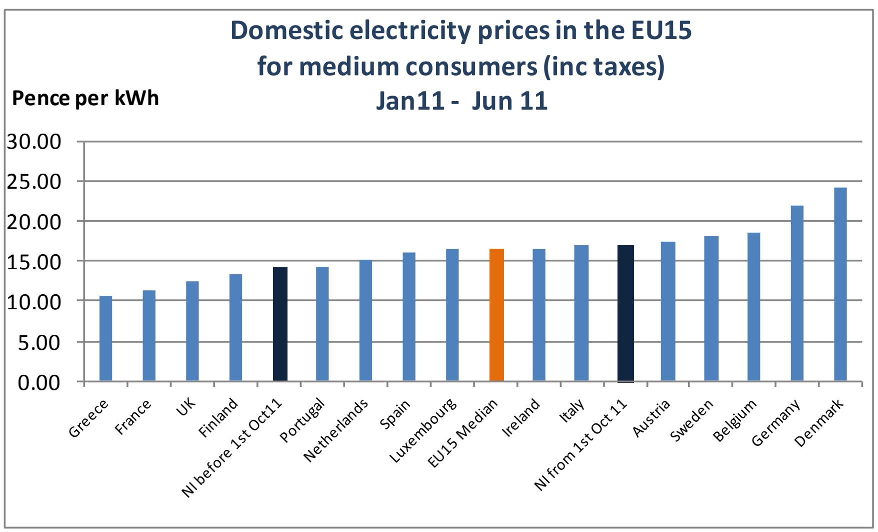


- Source: Phoenix Natural Gas and gas suppliers.
- Gas total market shares and gas switching activity by market segment relate to Phoenix Natural Gas Distribution Licensed Area.
- By end October 2011, more than 8,600 domestic customers, and more than 1,900 industrial and commercial customers have switched gas supplier.

ELECTRICITY DOMESTIC PRICES



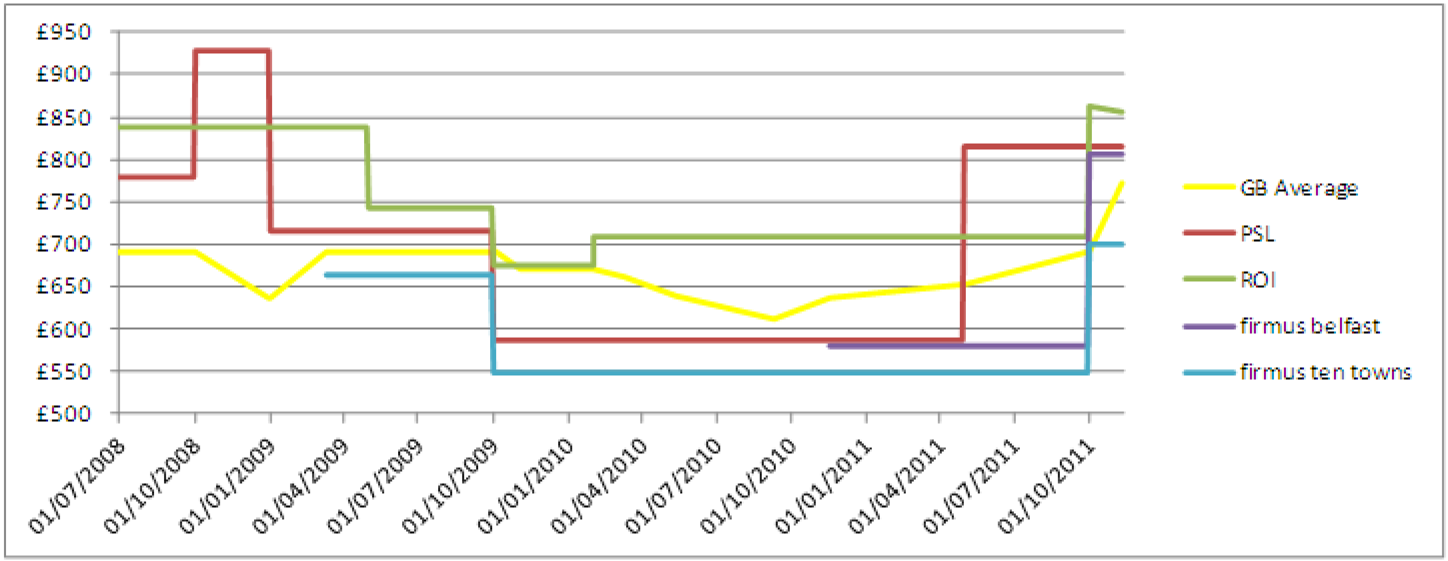
- Average domestic bills in Quarterly Energy Prices are calculated assuming annual consumptions of 3,300 kWh. Data are inclusive of VAT.
- These bills relate to the total amount charged during the year, rather than a bill based on the latest prices.
- Historically in NI, electricity prices have been higher than in GB. This is mainly because there are higher energy transport cots, small size of the market that reduces chances of economies of scale, difference in fuel mix, etc.
- The prepayment option in NI is cheaper than the Standard Credit tariff, and vice versa for the other two regions.
- Source: DECC last Quarterly Energy Prices (http://www.decc.gov.uk/en/content/cms/statistics/energy_stats/prices/prices.aspx).



- The graph on the left compares NI prices (before and after 1st October) with the most recent available data for other countries in Europe (which relate to the second half of 2010).
- Source: DECC Quarterly Energy Prices, table 5.6.2 Domestic Electricity prices for medium consumers (2,500-4,999 KWh) including taxes.

GAS DOMESTIC PRICES

Average annual bill for a gas customer on standard tariff: Northern Ireland, GB and RoI (£/year)



- Domestic prices graph compares prices for a standard tariff. It shows a GB average which includes the 6 big suppliers in GB. The annual usage estimate is 16,500 kWh.
- Traditionally NI prices have been higher than in Great Britain, mainly due to the lack of indigenous supply, extra costs of gas transport from Scotland, more recent infrastructure, etc. The rising of international wholesale fuel costs has lead to a 39.1% increase in Phoenix Supply Ltd prices from 1 May in the Greater Belfast area. In the ten towns area, the firmus energy price increased by 28.4% from 1 October 2011.
- The graph shows GB big energy firms and BGE price increases from September and October 2011 respectively.
- In NI, Direct Debit tariff is 4% cheaper than Standard Credit tariff.
- Source: UR internal data.