RETAIL MARKET MONITORING

Quarterly Transparency Report

November 2014



Abstract

This paper is the latest of a series of Utility Regulator (UR) reports – the Quarterly Transparency Reports (QTRs) – that provide a range of information about the retail energy market in Northern Ireland (NI).

The data relate mainly to market shares, market activity and domestic prices in the electricity and gas retail markets. Data also include information on non-domestic electricity prices.

The information shown in this report comes from network companies, suppliers, Department of Energy & Climate Change (DECC) and Eurostat. Some figures have been calculated internally.

These reports are released at the end of the second month after each calendar quarter (in Feb, May, Aug and Nov).

Audience

Electricity and gas industry, consumers associations, regulators, statistical bodies, suppliers, potential new market entrants, researchers and journalists.

Consumer impact

This set of reports increases transparency for consumers on matters of their direct interest, such as the active suppliers in each energy market sector, and NI prices compared against other jurisdictions.

They also allow us to monitor the retail market, and flag potential concerns – in terms of switching irregularities, suppliers' activity on specific areas, price comparisons, etc – and inform regulatory decisions. All of this directly impacts on consumers.

Contents

1 Summary of key market indicators

2014 Q3	Electricity		GAS: Greater Belfast		GAS: Ten towns	
	Domestic	Non domestic	Domestic and small non-domestic	Medium and large non-domestic	Domestic	Non domestic
Customer numbers/connections at end of quarter	784,340	63,545	170,606	3,393	22,255	2,319
Consumption in quarter (GWh/thousand therms)	659	1,148	6,011	10,127	808	9,885
% of prepayment customers within domestic sector	41%		64%		90%	
Number of active suppliers in this quarter	5	8	4	5	1	2
Market shares (by customer numbers/connections) of largest suppliers	Power NI: 72% SSE Airtricity: 21% Budget Energy: 8%	Power NI: 51% SSE Airtricity: 23% Energia: 12%	SSE Airtricity: 72% firmus: 28%	SSE Airtricity: 52% firmus: 48%	firmus: 100%	I&C < 732,000kWh: - firmus: 100% I&C > 732,000kWh: - firmus: 87% - SSE Airtricity: 13%
Market shares (by consumption) of largest suppliers	Power NI: 68% SSE Airtricity: 24% Budget Energy: 8%	SSE Airtricity: 26% Energia: 20% Electric Ireland: 21%	SSE Airtricity: 69% firmus: 31%	SSE Airtricity: 46% firmus: 52%	firmus: 100%	I&C < 732,000kWh: - firmus: 100% I&C > 732,000kWh: - firmus: 90% - SSE Airtricity: 10%
Quarterly switching rate	1.3%	2.2%	Domestic: 0.4%	All non-domestic: 1.5%		
Prices	Around EU-15 median	Very small customers (0-20 MWh pa): around EU-15 median Rest of I&C (more than 20 MWh pa): on the highest end of EU-15 range	Domestic: among lowest in EU-15		Domestic: among lowest in EU-15	

2 Introduction

2.1 Methodology and data sources

Monitoring the market is key in fulfilling our statutory duty to protect consumers by promoting effective competition wherever appropriate. We are developing a wider market monitoring framework known as Retail Energy Market Monitoring (REMM) which we will consult on shortly. As we continue to progress our work in this area, we will continue to make ongoing additions to this set of Quarterly Transparency Reports (QTR's), to ensure a regular and structured flow of relevant information for our stakeholders.

Until 2014, we have also produced a series of broader ranging Energy Retail Reports[1] that cover this information annually. From now on, the information of both – quarterly and annual – energy retail market monitoring reports will be amalgamated into the QTR's.

The main data sources for this QTR are as follows:

- Market shares are provided by the network companies (NIE, PNGL[2] and firmus Distribution[3])
- Electricity switching analysis has been undertaken with inputs from NIE. Gas switching inputs are from PNGL and firmus Distribution, while rates of gas quarterly switching are calculated using gas suppliers figures
- EU domestic energy prices are from DECC. NI domestic prices, for electricity and gas, are collated internally
- EU non-domestic electricity prices are from Eurostat. NI non-domestic electricity data is derived directly from suppliers and collated internally

Non-Domestic Electricity Prices

NI non-domestic electricity prices are based on the average electricity unit prices of non-domestic consumers, categorised in terms of their annual consumption.

We follow DECC's format and methodology when gathering and analysing I&C[4] prices. As a result, we obtain NI prices that are comparable with prices in other EU countries (those published in DECC's Quarterly Energy Prices reports[5] and Eurostat data base[6]).

To avoid confidentiality issues, data has been aggregated in the form of 'averages' for the total of NI (per customer size bands), with no individual supplier detail published.

The base figures are obtained quarterly from suppliers, in the following form:

- **volume** of electricity sold to non-domestic consumers
- the **value**, or revenue gained from the sale, split in three categories: excluding all taxes, excluding VAT, and including all taxes
- the **number** of I&C customers supplied in that particular size category

The volume and value are used to calculate a NI quarterly average value gained per size band. This value per unit per size band is what we refer to in this paper as price. For clarity we do not receive from suppliers the actual price paid by their customers. Instead we calculate the value or

[1] http://www.uregni.gov.uk/publications/view/utility_regulators_annual_energy_retail_reports/
[2] Phoenix Natural Gas Limited
[3] firmus energy (Distribution) Limited
[4] Industrial and Commercial
[5] https://www.gov.uk/government/publications/quarterly-energy-prices-december-2012
[6] http://epp.eurostat.ec.europa.eu/portal/page/portal/energy/data/database

revenue collected per unit in that particular size category.

We also average the two relevant quarters to obtain six-month period figures, so we can readily compare NI data with those published by Eurostat for EU members twice per year.

In the graphs shown in this report, we use unit prices which include Climate Change Levy (CCL) but exclude VAT, as VAT is a refundable expense for many businesses.

Finally, we amalgamate the two largest categories of annual consumption (large and very large customers) to avoid confidentiality issues in sectors where there are a very small number of customers and suppliers involved.

2.2 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 10 towns gas area opened to competition for large I&C customers (those consuming over 732,000 kWh per annum) in October 2012. The domestic and small I&C segments still remain supplied exclusively by one incumbent company, and they are due to open to competition in April 2015.

The table below details when competition effectively started in each of the energy market segments.

Electricity	
Domestic	June 10: SSE Airtricity[7] entered the domestic credit segment Oct 10: firmus started supplying Ulster Farmers' Union members May 11: SSE Airtricity entered the domestic keypad segment June 11: Budget Energy entry Oct 11: Electric Ireland entered the domestic sector
Non-domestic	Industrial electricity customers become eligible to change supplier from 1999. From 2005, small and medium businesses became eligible too. Feb 12: VAYU enters the non-domestic market Apr 12: LCC enters the non-domestic market

Gas: Greater Belfast and Larne area[8]	
Domestic	Incumbent supplier since Sept 1996: SSE Airtricity[9] July 10: firmus[10] entered this market segment

[7] Called Airtricity until 31 January 2014.
[8] The Greater Belfast area, including Holywood, Bangor, Newtownards, Belfast, Newtownabbey, Carrickfergus, Lisburn and Larne
[9] Formerly Phoenix Supply Ltd (PSL). Change of Company Name to Airtricity Gas Supply (Northern Ireland) Limited effective from 28 June 2012 then subsequent change of company name to SSE Airtricity Gas Supply (Northern Ireland) Limited from 31 January 2014.
[10] firmus energy (Supply) Limited

Non-domestic	Incumbent supplier since Sept 1996: SSE Airtricity Nov 06: energia entered the daily metered I&C market[11] Sep 08: firmus energy entered the I&C market Mar 09: VAYU entered the small I&C market May 13: Electric Ireland entered the daily metered I&C market Aug 14: LCC Power entered the I&C gas market
Gas: 10 towns[12]	
Domestic and non-domestic small users	Due to open to competition from Apr 2015
Large non-domestic Users	Open to competition from Oct 2012. Jan 13: SSE Airtricity entered this market

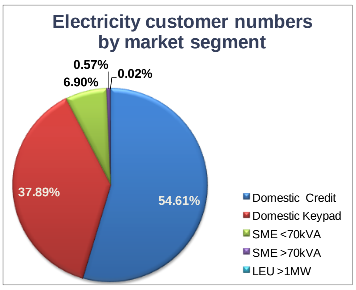
For further details on the retail energy market in NI, please visit:
http://www.uregni.gov.uk/publications/utility_regulators_annual_energy_retail_reports/

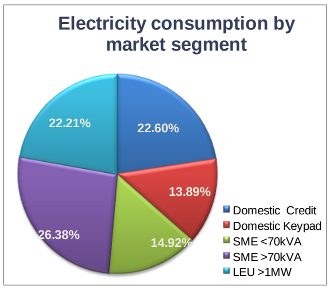
[11] To note that energia did not have gas customers from October 2013.
[12] In 2005 firmus energy was awarded a licence to develop the natural gas network in 10 towns across NI, from L'Derry to Ballymena, and from Antrim to Newry.

3 NI customer numbers and total consumption

3.1 Electricity

Year	2014	
Month	Q3	
Market segments	**Customer Numbers**	**Consumption (GWh)**
Domestic Credit	463,052	408.4
Domestic Keypad	321,288	251.0
SME <70kVA	58,509	269.6
SME >70kVA	4,853	476.7
LEU >1MW	183	401.3
Total	**847,885**	**1,807.0**





From the total customers in NI, 93% belong to the domestic sector, while the remaining 7% are non-domestic customers. In this quarter, this translates into 36% and 64% respectively in terms of consumption.

Within the non-domestic sector, more than 99% of the customers are small and medium enterprises, with 65% of the non-domestic consumption. The remaining LEU customers consumed more than 22% of the total NI volume in this quarter.

Note that long term vacant sites are not included in customer numbers.

Source: NIE

Payment split in the domestic sector

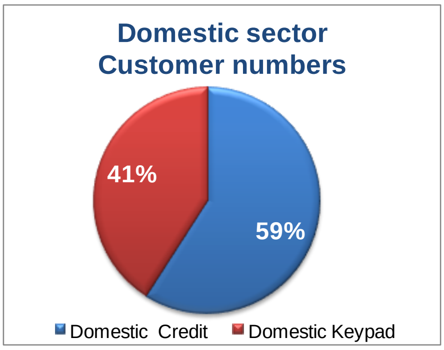
The number of domestic credit customers continues to decrease in comparison to the number of prepayment customers.

At the end of this quarter, 41% of the electricity domestic customers were in the prepayment segment. In the same quarter last year, the percentage was 40%.

Prepayment meters are a popular choice for customers in NI as customers can pay for energy as they consume it. The display unit also helps customers to manage usage and control their energy costs.

Source: NIE

Year	2014
Month	Q3
Market segments	**Customers numbers**
Domestic Credit	463,052
Domestic Keypad	321,288
Total domestic sector	**784,340**



3.2 Gas – Greater Belfast and 10 towns areas

Year	2014	
End of quarter	Q3	
	Connections	**Consumption (therms)**
Greater Belfast	**173,999**	**16,138,853**
Domestic & Small I&C[13]	170,606	6,011,414
I&C 73,200 - 732,000 kWh	2,958	1,911,941
I&C 732,000 – 2,196,000 kWh	322	1,186,506
I&C > 2,196,000 kWh	113	7,028,991
Ten towns	**24,574**	**10,692,489**
Domestic credit	2,260	112,970
Domestic prepayment	19,995	694,770
I&C < 73,200 kWh	1,123	95,396
I&C 73,200 - 732,000 kWh	944	789,097
I&C 732,001 – 2,196,000 kWh	163	669,932
I&C > 2,196,000 kWh	89	8,330,324
Total	**198,573**	**26,831,342**

In the Greater Belfast area, the market segments are split following the Distribution Code:

- Domestic and Small I&C (<73,200 kWh/annum), which in this quarter represents 98% of the connections and 37% of the quarterly consumption.
- The rest of the categories, medium and large I&C (>73,200 kWh/annum) in this quarter represent 2% of the connections in this area, and 63% of the quarterly consumption.

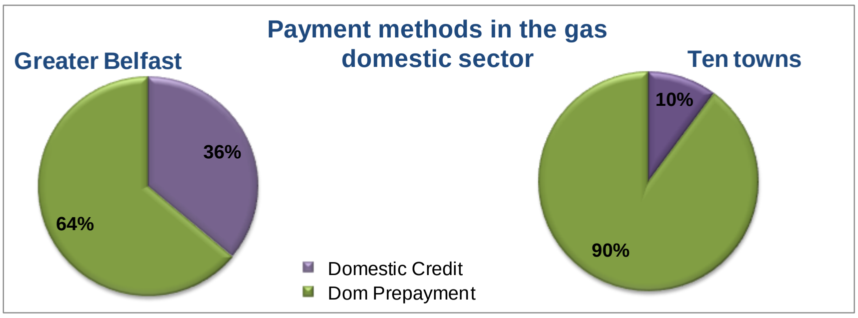
In the 10 towns area, competition in the large I&C segment (consumption greater than 732,000 kWh per annum) opened in October 2012.

Total connections in 10 towns are currently more than 24,500. In this distribution licensed area, domestic premises represent 91% of the connections (and 8% of the quarterly consumption), while the I&C sector represents the remaining 9% of connections (and 92% of quarterly consumption).

Source: PNGL and firmus Distribution

Payment split in the domestic sector

Year	2014		
End of quarter	Q3		
Connections	**Greater Belfast**	**Ten towns**	**Total NI**
Domestic Credit	59,200	2,260	61,460
Dom Prepayment	104,771	19,995	124,766
Total NI	**163,971**	**22,255**	**186,226**



Within the domestic sector, prepayment customers represent 64% of the Greater Belfast distribution Licensed Area, and 90% in the 10 Towns distribution Licensed Area.

Prepayment meters are a popular choice for customers in NI as customers can pay for energy as they consume it. The display unit also helps customers to manage usage, and to control their energy costs.

Source: gas suppliers.

[13] The domestic and small I&C gas market relates to those customers consuming <73,200 kWh/annum.

4 Market shares and market activity

4.1 Electricity shares

Electricity shares by customer numbers[14]

Year	2014
Month	Q3

Suppliers	Domestic Credit	Domestic Keypad	SME <70kVA	SME >70kVA	LEU >1MW	Total
Power NI	360,700	200,182	31,410	1,201	22	593,515
SSE Airtricity	97,899	64,105	13,180	1,087	44	176,315
Energia	0	0	6,529	961	43	7,533
Electric Ireland	1,183	296	4,982	1,130	45	7,636
firmus	238	0	22	33	4	297
Budget Energy	2,931	56,705	153	3	0	59,792
Vayu	0	0	3	9	2	14
LCC	101[15]	0	2,230	429	23	2,783
Total Market	**463,052**	**321,288**	**58,509**	**4,853**	**183**	**847,885**

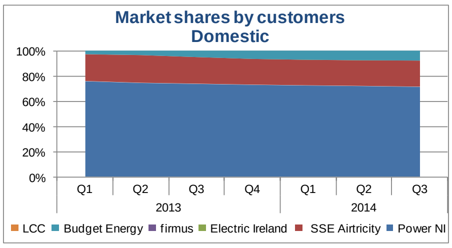
Year	2014
Month	Q3

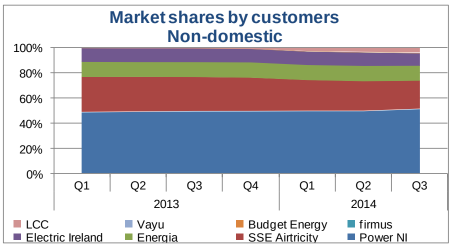
% cust. numbers per supplier	Domestic Credit	Domestic Keypad	SME <70kVA	SME >70kVA	LEU >1MW	Total
Power NI	77.9%	62.3%	53.7%	24.7%	12.0%	70.0%
Airtricity	21.1%	20.0%	22.5%	22.4%	24.0%	20.8%
Energia	0.0%	0.0%	11.2%	19.8%	23.5%	0.9%
Electric Ireland	0.3%	0.1%	8.5%	23.3%	24.6%	0.9%
firmus	0.1%	0.0%	0.0%	0.7%	2.2%	0.0%
Budget Energy	0.6%	17.6%	0.3%	0.1%	0.0%	7.1%
Vayu	0.0%	0.0%	0.0%	0.2%	1.1%	0.0%
LCC	0.0%	0.0%	3.8%	8.8%	12.6%	0.3%

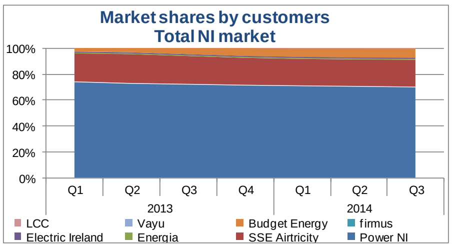
The total number of domestic customers at the end of Q3 2014 was 784,340. There is still a large share of domestic customers remaining with the previously incumbent supplier. Although, this situation has been progressively changing over the last years, the percentage of domestic credit (including direct debit) customers supplied by Power NI has remained stable at around 78% since Q2 2013. Power NI currently supplies 62% of keypad customers, which is a decrease from 63% from the previous quarter. The current non-incumbent share by customer numbers is 22% for credit domestic customers and 38% for keypad customers.

Competition in the non-domestic market is more developed, and shares are more dispersed than in the domestic sector. There were eight active suppliers in Q3 2014. Based on customer numbers, four of these suppliers have shares in excess of c10% in each of the business segments. Within this sector, LCC shares continue to grow in each of the I&C market segments.

The charts below show the trends in market shares (by customer numbers) for each active supplier in NI, by market segment from Q1 2013.







Source: NIE

[14] Market shares figures do not include de-energised nor Long Term Vacant sites.

[15] LCC's domestic customers are not households, but business premises that for different reasons have a meter under a domestic tariff.

Electricity shares by consumption (GWh)

Year	2014					
Month	Q3					
Suppliers	**Domestic Credit**	**Domestic Keypad**	**SME <70kVA**	**SME >70kVA**	**LEU >1MW**	**Total**
Power NI	301.7	147.5	90.4	77.2	30.3	647.0
SSE Airtricity	100.4	55.0	73.6	102.9	123.2	455.1
Energia	0.0	0.0	37.7	115.2	72.0	224.9
Electric Ireland	1.2	0.3	31.1	128.7	85.9	247.2
firmus	1.7	0.0	0.4	8.1	6.5	16.7
Budget Energy	3.0	48.2	0.5	0.0	0.0	51.7
Vayu	0.0	0.0	0.0	2.4	1.7	4.1
LCC	0.4	0.0	35.9	42.2	81.8	160.3
Consumption (GWh)	**408.4**	**251.0**	**269.6**	**476.7**	**401.3**	**1,807.0**

Year	2014					
Month	Q3					
% consumption per supplier	**Domestic Credit**	**Domestic Keypad**	**SME <70kVA**	**SME >70kVA**	**LEU >1MW**	**Total**
Power NI	74%	59%	34%	16%	8%	36%
SSE Airtricity	25%	22%	27%	22%	31%	25%
Energia	0%	0%	14%	24%	18%	12%
Electric Ireland	0%	0%	12%	27%	21%	14%
firmus	0%	0%	0%	2%	2%	1%
Budget Energy	1%	19%	0%	0%	0%	3%
Vayu	0%	0%	0%	1%	0%	0%
LCC	0%	0%	13%	9%	20%	9%

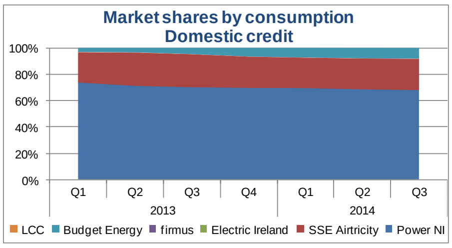
During July, August and September 2014 the electricity consumption in NI was 1,807 GWh.

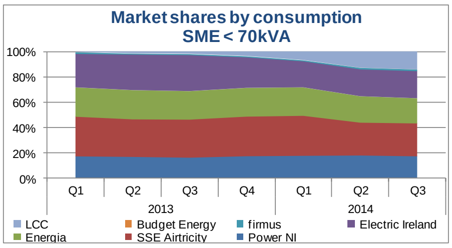
In Q3, Power NI's share of the total market by consumption was 36%, a decrease from 37% in the previous quarter. This supplier retains a large market share by consumption in the domestic market (credit and keypad) of around 68%.

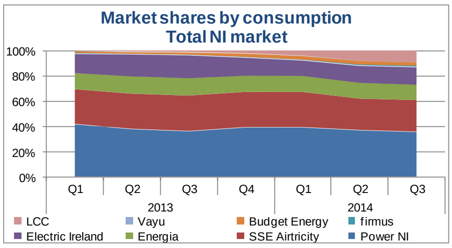
In the non-domestic market, the main suppliers are SSE Airtricity (26%), energia (20%) and Electric Ireland (21%). In this sector, Power NI has a share of 17%. LCC share in the I&C sector has increased to 14%, from 13% in the last quarter.

The non-incumbent suppliers had 64% of the total NI electricity share by consumption this quarter. This percentage is mainly split between SSE Airtricity with 25%, energia with 12%, and Electric Ireland with 14%.

The charts below reflect the trends in market share of active suppliers by consumption (sales units in GWh) in the domestic and non-domestic electricity sectors, and in the total NI market, from Q1 2013.





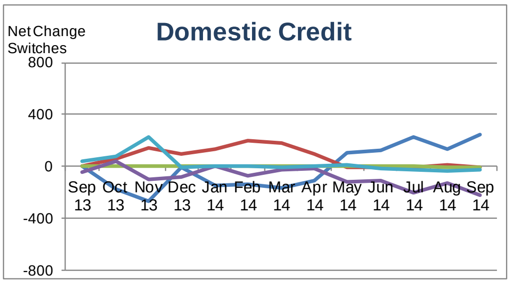


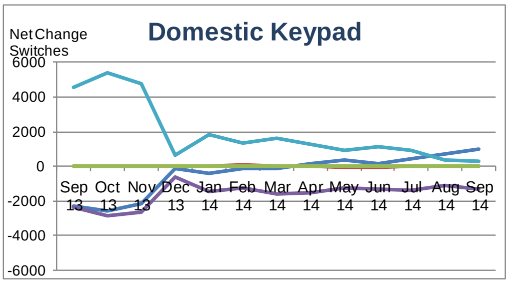
Source: NIE

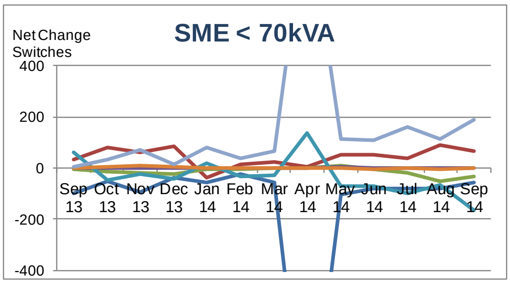
4.2. Electricity market activity

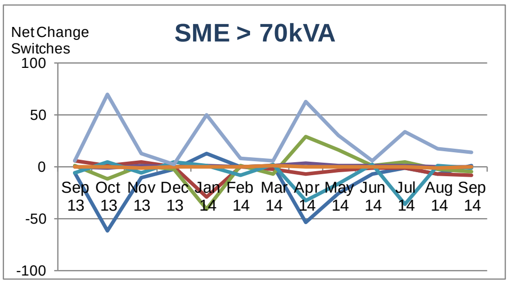
The line charts below reflect the net change of customer numbers (customer gains less losses), per market segment and anonymised supplier. The bar graph shows market activity through changes of supplier (CoS) on a monthly basis in the whole NI market, split by domestic and non-domestic markets.

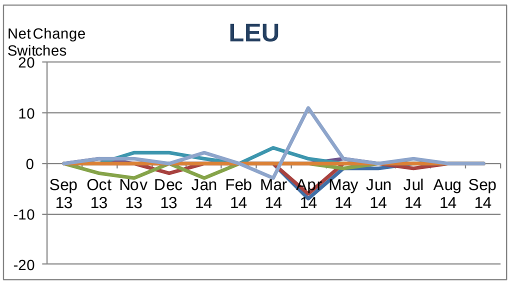
The market activity (measured as net change of customer numbers) continued to slow down in Q3 in the domestic sector. In the non-domestic sector the activity has decreased significantly from the previous quarter[16] and goes back to the levels of the start of the year.

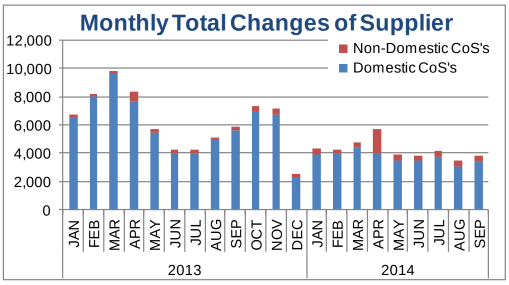












	% Domestic switching	% Non-Domestic switching	% Total switching
2013			
Q1	3.1%	0.8%	2.9%
Q2	2.2%	2.0%	2.2%
Q3	1.9%	1.1%	1.8%
Q4	2.0%	1.6%	2.0%
2014			
Q1	1.6%	1.5%	1.6%
Q2	1.4%	4.2%	1.6%
Q3	1.3%	2.2%	1.4%

The number of domestic switches over this quarter has decreased, with an average of 3,400 switches per month (there were around 3,600 domestic switches per month in the last quarter).

Non-domestic switches have recovered (and surpassed) the trend of the last few months after the April peak, with an average of around 400 switches per month.

The table above shows % rates of quarterly switching. These percentages are calculated using the number of quarterly switches over the number of customers at the end of the quarter in the relevant market. Following the CoS movements above, the table shows a slight decrease in the number of domestic switches and a decrease in the non-domestic switches (after the April peak). However, Q3 rate of switching is slightly over Q1 rate. Source: NIE

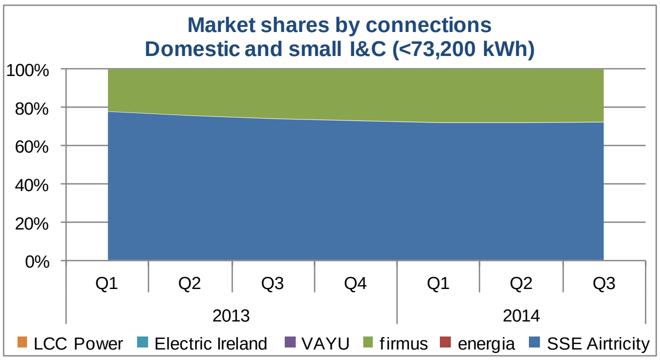
[16] April (in calendar Q2) is generally the month in which most of I&C customers renew or switch their contracts with electricity suppliers. This explains the increase of CoS in Q2.

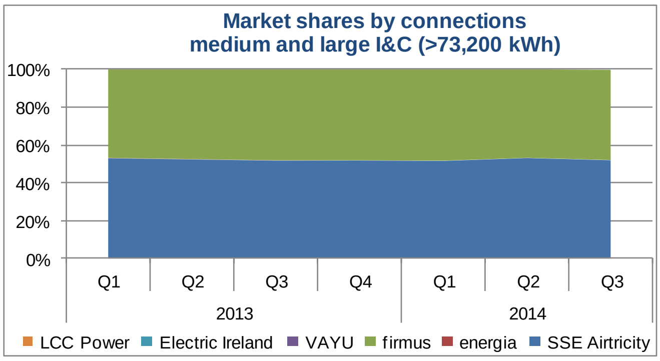
4.3. Gas – Greater Belfast area: shares

Shares by connections

Year	2014		
End of quarter	Q3		
Suppliers	**Domestic & Small I&C[17]**	**I&C > 73,200 kWh**	**Total**
SSE Airtricity	122,998	1,754	124,752
firmus	47,592	1,622	49,214
VAYU	14	9	23
Electric Ireland	0	1	1
LCC Power	2	7	9
Connections	**170,606**	**3,393**	**173,999**

Year	2014		
End of quarter	Q3		
% Connections per supplier	**Domestic & Small I&C**	**I&C > 73,200 kWh**	**Total**
SSE Airtricity	72.09%	51.69%	71.70%
firmus	27.90%	47.80%	28.28%
VAYU	0.008%	0.265%	0.013%
Elec. Ireland	0.000%	0.029%	0.001%
LCC Power	0.001%	0.206%	0.005%





The information on connections above relates to the Phoenix Natural Gas Ltd distribution Licensed Area.

Market shares in terms of connections are as at end September 2014.

LCC Power entered the gas market in August 2014. Since then, there have been four active suppliers in the domestic and small I&C market (only two of them active in the domestic market) and five active suppliers in the medium and large[1] I&C segment during this quarter.

At the end of Q3, SSE Airtricity had 72% share of connections in the total gas market, which is around the same as last quarter. Their share in the domestic and small I&C market was slightly over 72%, while the share in the larger I&C market (over 73,200 kWh/annum) was around 52%).

firmus has a total share by connections of 28%. The share of the rest of the suppliers is quite below 1%.

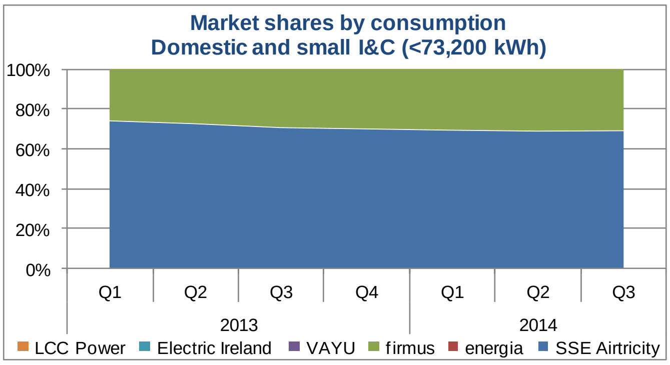
Source: Phoenix Natural Gas.

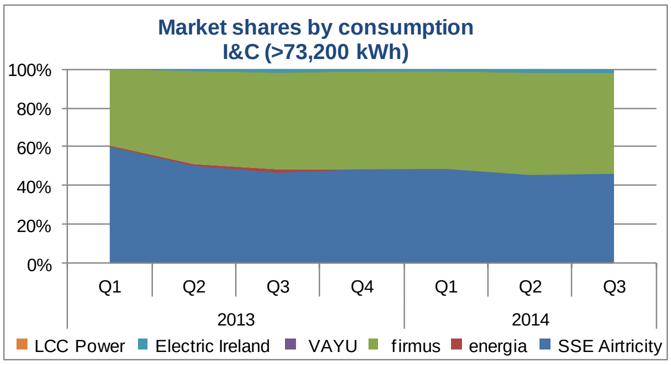
[17] The domestic and small I&C gas market relates to those customers consuming <73,200 kWh/annum.

Shares by consumption (therms)

Year	2014		
Quarter	Q3		
Suppliers	**Domestic & Small I&C[18]**	**I&C > 73,200 kWh**	**Total**
SSE Airtricity	4,159,070	4,696,775	8,855,844
firmus	1,851,026	5,243,940	7,094,965
VAYU	1,167	5,189	6,356
Electric Ireland	0	176,608	176,608
LCC Power	152	4,928	5,079
Consumption	**6,011,414**	**10,127,439**	**16,138,853**

Year	2014		
Quarter	Q3		
% Consumption per supplier	**Domestic & Small I&C**	**I&C > 73,200 kWh**	**Total**
SSE Airtricity	69.19%	46.38%	54.87%
firmus	30.79%	51.78%	43.96%
VAYU	0.019%	0.051%	0.039%
Electric Ireland	0.000%	1.744%	1.094%
LCC Power	0.003%	0.049%	0.031%





The information on consumption above relates to the Phoenix Natural Gas Ltd distribution Licensed Area.

Market shares in terms of consumption relate to consumption during Q3 2014.

SSE Airtricity market share by consumption during Q3 was 55%, which is around the same as last quarter. firmus retains 44% of the share by consumption in the total market, while the rest of the active suppliers have a share around or below 1% of the market.

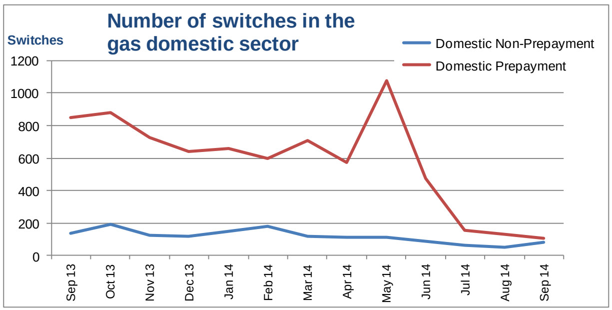
Source: Phoenix Natural Gas.

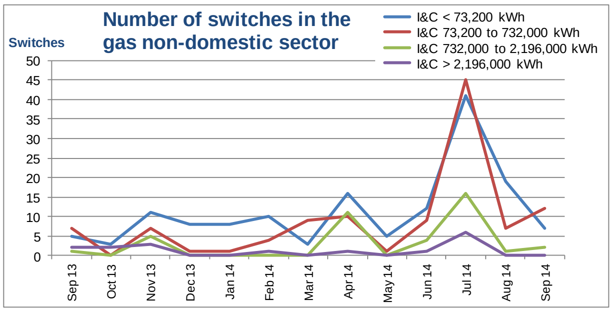
[18] The domestic and small I&C gas market relates to those customers consuming <73,200 kWh/annum.

4.4. Gas – Greater Belfast area: market activity

The information below relates to the Phoenix Natural Gas Ltd distribution licensed area.

The graphs below show switching activity as the number of completed switches. Note that prepayment switches, within domestic switches, include switches back to the previous supplier in cases where the customer has not taken the required action to complete their switch.





This table shows the switching rate for the domestic and non-domestic markets in the Greater Belfast area. These percentages are calculated using the number of Supply Meter Point switches during the quarter as a percentage of the total number of Supply Meter Points in the market segment at the end of the same quarter.

The switching activity in the non-domestic sector has increased significantly compared to the previous quarter. The switching rate has therefore increased from 0.7% to 1.5%.

Source: Phoenix Natural Gas and gas suppliers.

	% Domestic switching	% Non-Domestic switching	% Total switching
2013			
Q1	2.6%	3.4%	2.7%
Q2	2.6%	0.7%	2.5%
Q3	2.3%	0.6%	2.2%
Q4	1.7%	0.4%	1.6%
2014			
Q1	1.5%	0.4%	1.4%
Q2	1.5%	0.7%	1.4%
Q3	0.4%	1.5%	0.4%

4.5. Gas – 10 towns area: shares and market activity

Competition opened in the 10 towns large I&C market (>732,000 kWh) in October 2012.

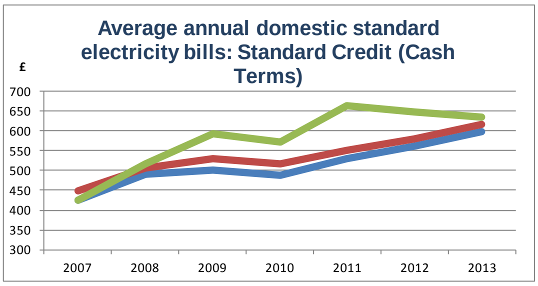
SSE Airtricity entered the large I&C market in January 2013, and as at end September 2014, 33 supply meter points had switched from firmus to SSE Airtricity. This equates to 13% market share of the large I&C market (consumption over 732,000 kWh) in terms of connections at the end of this quarter, and 10% market share in terms of consumption during Q3 2014 in the same market segment.

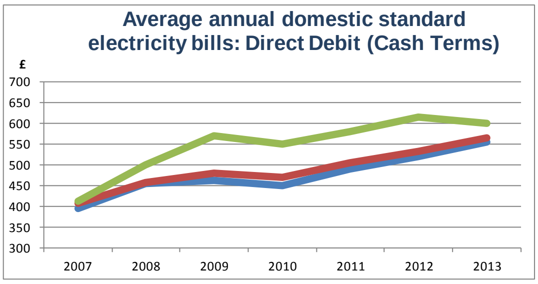
The remainder of the market (i.e. small I&C and domestic market) will open to competition from April 2015.

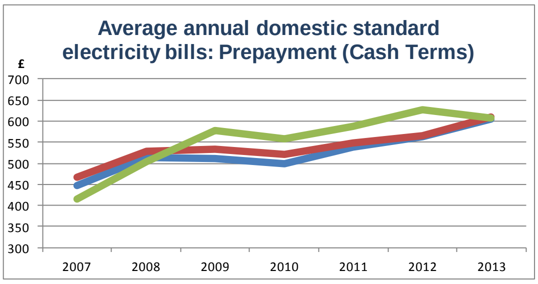
Source: firmus energy Distribution

5 Domestic prices

5.1 Electricity domestic prices







Average domestic bills are calculated assuming an annual consumption of 3,800 kWh (please note that average annual consumption has increased from 3,300 kWh on these charts due to changes made by DECC[19]). Data is 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 costs, small size of the market that reduces chances of economies of scale, difference in fuel mix, etc.

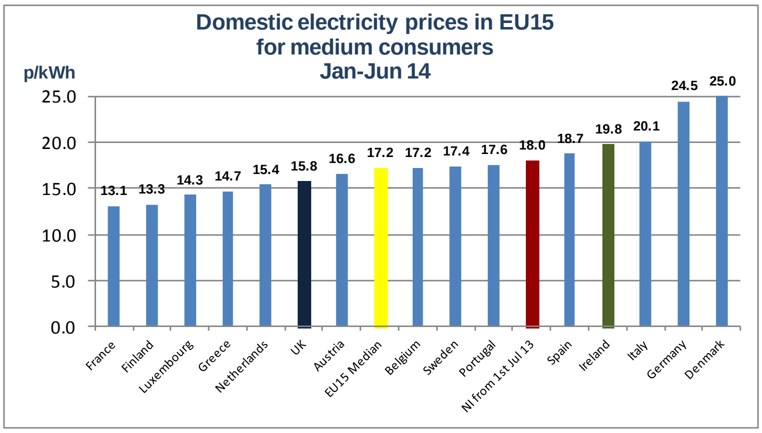
The prepayment option in NI is cheaper than the standard credit tariff, and vice versa for the other two regions. In 2013, the prepayment option in NI was slightly cheaper than in Scotland.

Source: Table 2.2.2 on DECC last Quarterly Energy Prices (https://www.gov.uk/government/organisations/department-of-energy-climate-change/series/quarterly-energy-prices).

England & Wales Scotland Northern Ireland

The graph below compares NI domestic price with the most recent available prices for other countries in Europe (including taxes).

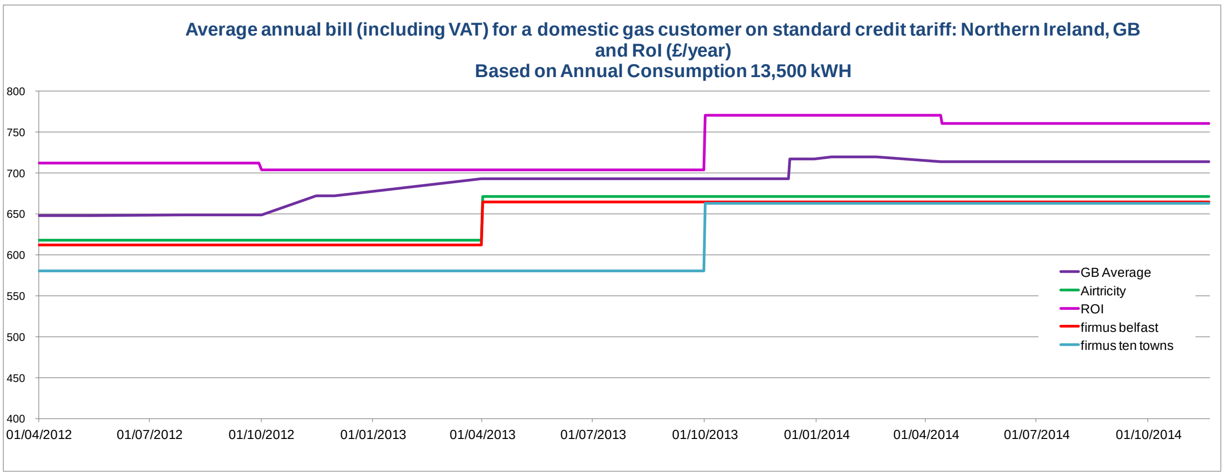
For a domestic customer, the NI regulated tariff since 1 July 2013 is 18.04 p/kWh (including taxes). The NI tariff remains the same for 2014.



Source: DECC Quarterly Energy Prices. Table 5.6.2. Medium consumers (2,500-4,999 KWh) including taxes.

[19] DECC previously published household bill estimates in Quarterly Energy Prices based on standard household consumption levels of 3,300 kWh for electricity and 18,000 kWh for gas. Following changes in typical household consumption in more recent years, DECC has reviewed the available evidence, and decided to revise the levels used to 3,800 kWh for electricity and 15,000 kWh for gas. A special feature article within the March 2014 publication of Energy Trends provides more details and is available on the Internet at https://www.gov.uk/government/collections/energytrends-articles (Quarterly energy Prices March 2014, page 5).

5.2 Gas domestic prices

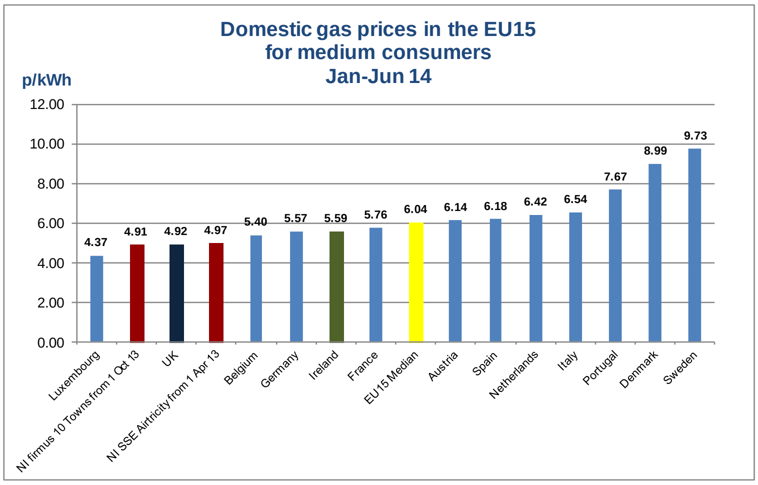


The graph above compares gas domestic prices for standard gas tariffs. It shows a GB average which includes the six big suppliers[20]. The annual usage estimate is 13,500 kWh.

The tariffs used for comparison purposes are the standard tariff rates for domestic credit customers excluding any discounts available for payment by direct debit, viewing bills online, etc.

In RoI, BGE increased tariffs by 1.47% from 14 April 2014. The graph however shows a decrease at this time. This is due to the changes in the exchange rate because, for the purposes of this tariff comparison, we convert the RoI tariff from euro to pound sterling using the exchange rate applicable at the date of each tariff change.

Source: UR internal data.



This graph compares NI domestic gas tariff with the prices for other countries in Europe, including taxes, for the period January to June 2014.

The NI price used is based on the SSE Airtricity credit tariff applying from April 2013, for a customer on a standard tariff consuming 13,500 kWh per annum (6.957p/kWh for first 2000 kWh, then 4.629p/kWh).

The graph also shows the credit tariff for 10 Towns customers, From 1 Oct 2013: 6.804 p/kWh for first 2000 kWh, and then 4.586 p/kWh

Source: DECC Quarterly Energy Prices: Table 5.10.2. Medium consumers (5,557-55,556 kWh/annum) including taxes, and UR data.

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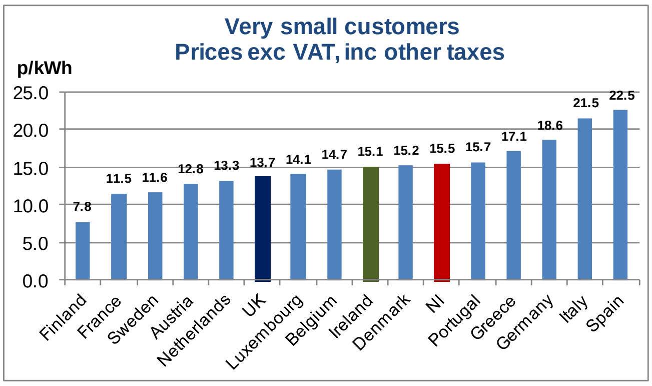
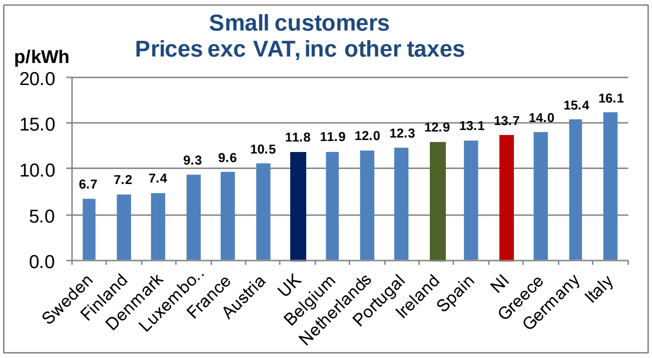
[20] The larger energy suppliers in GB (often called the 'Big Six') are the companies that hold supply licences and supply most of the energy to domestic households in the GB market. They are: Centrica plc, E.ON UK, Scottish and Southern Energy (SSE), RWE npower, EDF Energy and ScottishPower.

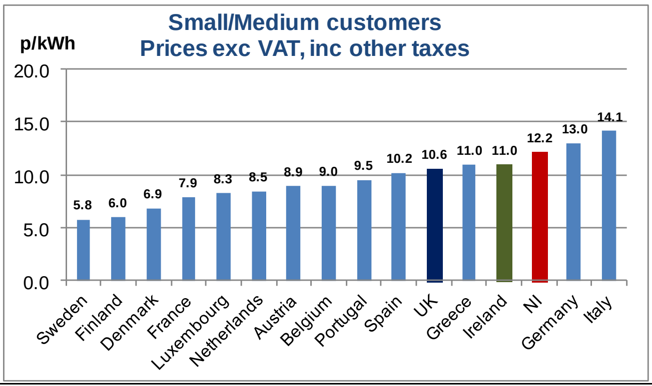
6 Electricity non-domestic prices

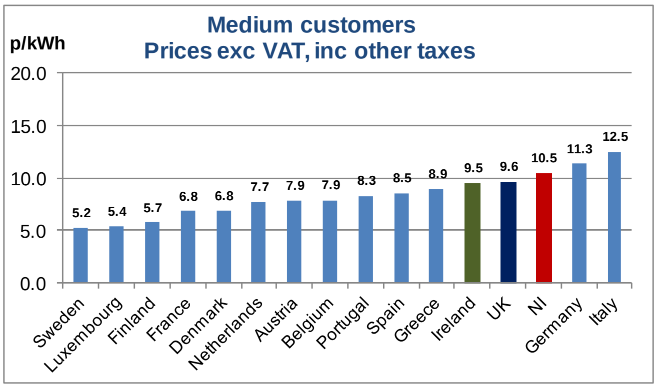
6.1. Price comparison with EU

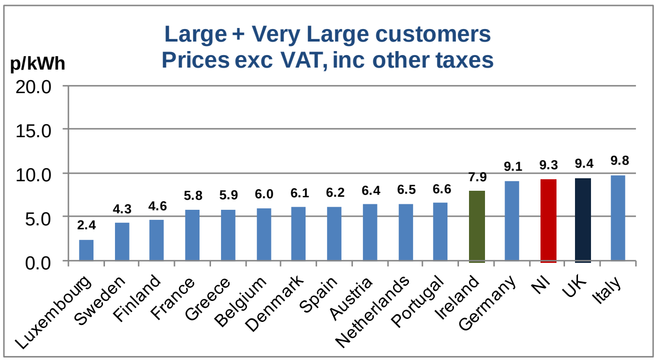
Jan-Jun 2014











Size of consumer	Annual consumption bands (MWh)	% of I&C customers	% of I&C consumpt.
Very small	0 - 20	67.82%	8%
Small	20 - 499	30.65%	38%
Small/Medium	500 - 1,999	1.10%	16%
Medium	2,000 - 19,999	0.41%	29%
Large + Very Large	20,000 - 150,000	0.02%	10%

The graphs above show non-domestic electricity prices in the 15 EU countries and in NI, per consumption size bands (following EU categorisation). While prices for the very small customers are around the middle of the EU range, those for larger non-domestic customers sit towards the top end of the EU comparisons.

The table above shows percentages of NI non-domestic customers at the end of Q2 2014, and percentages of consumption from January to June 2014, in each of the consumption categories. NI non-domestic customers are very heavily grouped in the smallest size band (consuming less than 20 MWh per annum). These customers account for 68% of the total customers in the I&C sector, while they represent approximately 8% of the I&C consumption.

Source: NI electricity suppliers, Eurostat and UR internal calculations

Glossary

AGS	SSE Airtricity Gas Supply Limited
CCL	The Climate Change Levy (CCL) is a tax on electricity, gas and solid fuels delivered to non-domestic consumers. Its objective is to encourage businesses to reduce their energy consumption or use energy from renewable sources. The rate changes every year.
DECC	Department of Energy and Climate Change
ERGEG	European Regulators' Group for Electricity and Gas
EU	European Union
Eurostat	Statistical office of the EU. Its task is to provide the EU with statistics at European level that enable comparisons between countries and regions
firmus Distribution	firmus energy (Distribution) Limited
firmus	firmus energy (Supply) Limited
GB	Great Britain
I&C	Industrial and Commercial
kVA	Kilo volt-ampere
kWh	Kilowatt hour. Unit of energy equivalent to one kilowatt (1kW) of power expended for one hour (1h) of time. 1,000kWh = 1MWh. 1,000MWh = 1GWh.
NI	Northern Ireland
NIE	Northern Ireland Electricity
NRAs	National Regulatory Authorities
QTR	Quarterly Transparency Reports
LCC	Lissan Coal Company
LEU	Large Energy Users
Ofgem	Office of the Gas and Electricity Markets
PNGL	Phoenix Natural Gas Limited
PSL	Phoenix Supply Limited
Q	Quarter. In this report, Q refer to the calendar year.
QTR's	Quarterly Transparency Reports published by the UR at the end of the second month after each calendar quarter (in Feb, May, Aug and Nov).
REMM	Retail Energy Market Monitoring
RoI	Republic of Ireland
SME	Small and Medium Enterprises
UR	Utility Regulator
VAT	Value Added Tax