Dear Mary

Re: Implementation of the EU Third Internal Energy Package

Thank you for providing firmus energy with this opportunity to respond to the proposed final decisions on the above.

firmus energy recognises that the purpose of several aspects of the implementation of IME3 is to help protect, and improve services for, vulnerable customers in relation to assessing energy services in Northern Ireland and it is intended that IME3 should have a positive impact on society.

2.2 Universal Service

We note that the UR has not introduced licence modifications on universal service as, given the Regulations; they consider they are unnecessary at this time. We understand that in the event of a gas supplier failing in the market, the UR has the authority to appoint one or more of the remaining suppliers as the supplier(s) of last resort.

2.3 Change of Supplier and Three Week Switching

We note that the majority of respondents were wholly supportive of the modifications and that no objections were raised to the proposal to modify contracts to have a ten day cooling off period. We welcome that a clause will be added to this condition in the firmus energy licence which will mean that the condition only takes effect when the market opens to competition.

We understand from inclusion of the term 'relevant period' that the 15 working day period will commence following the 10 day cooling off period and that this is what is meant by the meaning 'excluding the Objection Period'. We agree it is appropriate that the 10 day cooling off period should sit outside the three week window and that consumers are not switched before the cooling off period has lapsed.

Given the current gas switching systems, we agree that it is reasonable to assume the vast majority of switches will be facilitated within the mandated three week timeframe. The enduring solution for electricity is due to be delivered within the next few weeks and should enable electricity customers to switch freely.

It is intended to include an additional paragraph to Condition 1.23 for firmus energy meaning that the condition will only apply to firmus energy when the ten towns market opens to
competition. We would request additional information prior to implementation to assist with our understanding.

2.4 Customer Information: Consumption Data

We note that the UR intends to introduce all modifications as outlined, with clarification that the response to a Customer Information Request, must be provided within five working days. We are comfortable with this timeframe.

We understand that there is an obligation on suppliers to provide customers with relevant consumption data on at least an annual basis on or with bills and annual statements. For a period of time, our IT system will be unable to print ‘like for like’ periods of consumption on bills as it does currently. However, we propose that should a customer request a comparison that we have means to produce documents manually that will show a ‘like for like’ comparison.

With regards to a final bill, as stated in our previous response, we would suggest this could easily be provided within 4 weeks rather than 6 weeks.

2.5 Customer Information: Consumer Checklist

We agree that supplying the Checklist annually is unnecessary, costly and the environmental impact of producing such material should also be considered and therefore welcome that this condition will now require suppliers to remind customers on an annual basis that the Consumer Checklist exists and provide a copy free of charge upon request. We note that, likewise, all new customers must be advised that the Checklist is available and must be given a copy free of charge upon request.

2.6 Customer Information: Dispute Settlement Rights

We agree that an obligation placed on suppliers to inform customers via bills and promotional material that consumers can complain using the suppliers’ complaints procedure is welcome. We note that the UR considers that the general provision in the Gas Directive which requires that Member States shall ensure high levels of consumer protection, particularly with respect to transparency regarding dispute settlements, are sufficient to require that the gas customer is treated equally to the electricity customer as regards the provision of this information on promotional materials.

Over the last 7 years, firmus energy has not received a single formal Consumer Council complaint. We believe that by following our core brand values of Clarity, Integrity and Empathy we have offered our customers a first class service.

2.7 Customer Information: Transparency of Information

We note that the UR considers that informing customers of their right to switch is an essential piece of information necessary to deliver the required level of transparency. We are comfortable with this approach.

2.8 Enhanced Customer Protection Provisions

We note that the UR intends to introduce all the modifications as outlined with a number of small amendments. As stated in our previous response, we believe it is reasonable that the amount that can be recovered from each “top up” purchased by a customer as payment towards debt should be limited to 40% of the total payment purchased unless a higher amount has been specified by the customer.
We welcome the Marketing Code of Practice being extended to all customers, both domestic and non domestic.

As noted, firmus energy is supportive of the condition to extend the requirement for the supplier to make available advice and information on energy efficiency matters so that it applies in relation to non-domestic customers also.

2.11 Energy Supply Contracts: Contracts Variations

We note that the UR intends to revert to the existing licence condition which requires suppliers to inform customers at least 21 days in advance of any variation of the contract.

2.14 Unbundling Distribution and Display: Communications & Branding

We note that the UR proposes no changes to the supply conditions consulted on in July. As outlined in our previous response, this will not apply to firmus until such time as firmus energy’s customer base exceeds 100,000 connected by firmus distribution not simply customers of firmus energy. We welcome this clarification.

3.2 Non-Discriminatory Conduct and Effective Competition

We note that the UR proposed to strengthen the obligations relating to matters in which PNG and firmus energy conduct their business and to enhance the non-discrimination provisions.

We understand that the modifications include:

i. Adding a requirement for the licensee to conduct its business in a manner that is best calculated to facilitate effective competition in the gas supply market

ii. Prohibiting the licensee from giving statements about the state of play in the competitive gas supply market or about the activities of competing suppliers, without such a statement having been approved by the UR

iii. The introduction of a new condition requiring the licensee to provide services on a non-discriminatory basis with particular emphasis on ensuring that in providing its services the licensee does not treat its related supply business in a more favourable manner

iv. Some consequential amendments to the existing provisions relating to the conduct of distribution businesses and to the existing disclosure of information condition in PNGLs licence for the purpose of alignment and uniformity between PNGL and firmus energy

v. Adding a requirement for the licensee to facilitate supplier transfers within 15 working days and to report to the UR on supplier transfers. There is also a clause to allow the UR to direct the DSO to review and improve its practices and procedures to comply with this condition

vi. Adding a requirement for the licensee to facilitate the provision of information relating to customer consumption, to and between gas suppliers

We welcome the modification to prohibit licensees from providing statements about the state of play in the competitive supply market or about the activities of competing suppliers without such statement having been approved by the Utility Regulator.
3.4 Unbundling of Distribution System Operators

We agree with the decision by the UR to remove section 1.61.1(b)(ii) which means that for firmus energy, conditions 1.16 and 1.17 will only apply when firmus energy reaches 100,000 connected customers.

We note that an ‘independent person’ in relation to the Compliance Manager means someone who is not directly employed by the distribution company or by an associated business.

3.5 Consumer Protection: Marketing Activities of Gas Distributors

As per our previous response, we welcome the introduction of the proposed modification.

We understand that when a DSO provides information to consumers in relation to the business, including information about connections between consumers’ premises and the network, the information must:

i. Be complete and accurate

ii. Be capable of being easily understood by consumers

iii. Not name or otherwise show preference to or discriminate against any gas supplier

iv. Mislead consumers to whom it is directed and must be fair and accurate in terms of its content and presentation

3.6 Complaint Handling Procedures

We note the UR agrees that the proposed Guaranteed Service Standards in Gas regulations need to be considered and the UR will expect DSO’s to consider Guaranteed Service Standards when composing or reviewing complaints handling procedures.

3.7 Customer Information: Transparency of Information

We welcome that the UR intends to remove the reference to ‘together with all other licensed gas distributors’. We agree that it could be problematic to require the distribution system operators to produce a joint CIS as previously proposed.

I trust you find these comments useful.

Yours sincerely

Michael

Michael Scott

General Manager