



Title: Utility Regulator Draft Forward Work Programme 2018/2019

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1. Introduction

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland (NI).
- 1.2 The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research, and educating and informing consumers.

2. General Comments

- 2.1 The Consumer Council is pleased to be able to offer comment on the Utility Regulator's (UR) Draft Forward Work Programme 2018/19 (DFWP).
- 2.2 As the statutory consumer body for electricity, gas and water consumers we look forward to working with the UR across the full remit of its work. The DFWP builds on the partnership the UR and The Consumer Council have built and provides a strong platform to develop this further.
- 2.3 We use seven consumer principles to set a consumer-focused framework within which we work; see below.



- 2.4 We believe these seven principles improve consumer outcomes and would encourage the UR to use them, both during its 2018/19 work programme and as it begins to set its next Corporate Strategy.
- 2.5 The UR notes the implications that its work has on stakeholders and that it is therefore considering ways of providing stakeholders with advance timing of consultations. This would be a welcome enhancement to the role stakeholders can play in the pre-consultation development of ideas and proposals.
- 2.6 Below we make comment on some specific areas of work outlined in the DFWP.

Objective 1 – Encouraging efficient and effective monopolies

- 2.7 The Consumer Council welcomes the UR's cross utility approach to cost and performance reporting, and the focus on transparency and consumer/stakeholder engagement. We express our commitment to continue working with the UR and the electricity, gas, water and sewerage network companies in this area.
- 2.8 A key element of the regulation of monopoly utilities in NI is the UR's price control determinations. In the essential services of energy and water it is crucial to the economy and society as a whole. We welcome the review of the network price control approach and look forward to playing our full role in this work.
- 2.9 Central to this review will be the critical considerations of how best to ensure the consumer voice is heard and influences decisions. The Consumer Council is reviewing its own experiences of representing consumers on the GD17, GT17, RP6 and SONI 2015-20 price controls. We would welcome the opportunity to share our findings with the UR and to work together to further improve the price control process for consumers.

Objective 2 – Promote efficient and competitive markets

- 2.10 Objective 2 focuses primarily on promoting efficient and competitive markets at wholesale level through the delivery of I-SEM and the post May 2018 go-live structures. We support these projects.
- 2.11 We welcome the steps outlined by the UR to promote transparency, consumer empowerment, and supplier compliance including test audits. We will continue to work with the UR to promote switching as the keystone of a successful competitive energy market.

Objective 3 – Protecting the long term interest of business and domestic consumers

- 2.12 As the statutory complaint handling body for energy and water consumers we look forward to gaining further insight into the UR's prioritisation and decision making processes for effective compliance and enforcement arrangements, and how we can work most effectively together to reduce consumer detriment.
- 2.13 We welcome the inclusion of a project aimed specifically at addressing the needs of small businesses, building on the work carried out in 2017/18¹. This project is important, coming on the back of the de-regulation of the Power NI 0-50 MWh I&C tariffs and the continuing lack of tariff transparency in the market. We would welcome clarity in the final FWP about timescales and how the 2018/19 project will follow on from last year's small business project.
- 2.14 The UR's project on developing its strategic focus, research and engagement of consumer issues provides an important opportunity to develop a body of evidence to inform UR decision making and embed the consumer at the centre of the UR's work. We state our commitment to help the UR develop and deliver this project. We would particularly welcome early discussions on the UR's 'consumer research baseline project'.
- 2.15 Often energy policy makers in NI have relied on GB research. The NI energy market and NI consumers have their distinct features and issues that need to be understood. We believe the research should include a strand on small businesses to inform the delivery of project 2. The business strand of the project could be designed to have its timescales aligned and/or set baselines that can be used to

¹ UR consultation on market enhancement measures for small businesses and call for evidence on Third Party Intermediaries.

monitor the effectiveness of any market enhancement measures introduced.

- 2.16 We fully support the Consumer Protection Strategy (CPS) as a flagship project. Our work with the UR on network companies' Care Registers is a good example of the two organisations working together through the CPS to improve consumer protection. We look forward to contributing to the CPS mid-term review and consumer summit, and sharing ideas with the UR as delivery of the CPS develops.

Corporate projects and objectives

- 2.17 Project 3 – We support the continuation of NISEP in the absence of a suitable replacement scheme.

Annex 1 – Other projects

- 2.18 We understand that the projects set out in Annex 1 are dependent on the UR securing additional resources. Some projects would be valuable to consumers and we welcome the opportunity to discuss with the UR if and how we could support the delivery of these projects.
- 2.19 Project 1 – The Consumer Council has received queries recently from electric car users expressing disappointment about the lack of suitable time of use tariffs. We ask the UR to consider whether this issue could be examined as part of a review of tariff structures.
- 2.20 Project 6 – Evidence from complaints we have received shows that billing complaints remain difficult to resolve satisfactorily for consumers. A back billing framework is needed for energy companies to underpin and strengthen the existing requirement on suppliers to “provide for a system of making a reimbursement and/or compensation payment to complainants”, and to reflect the

role that network companies can have in such complaints. We have noticed a decline in billing enquiries and complaints against NI Water since the introduction of a back billing agreement in April 2017.

3. Conclusion

- 3.1 Overall, The Consumer Council welcomes the UR DFWP and the projects it sets out. We stress our commitment to continue working in partnership with the UR for the benefit of consumers. We would welcome the opportunity to explore further areas of collaboration during 2018/19.
- 3.2 If you would like to discuss any of the above, or have any questions, please contact Sinead Dynan, Director of Regulated Industries, at The Consumer Council. Sinead.dynan@consumercouncil.org.uk telephone 028 9025 1636.

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