



Emma Todd, John Wasson  
Networks Directorates  
Utility Regulator  
Queens House  
14 Queens Street  
Belfast  
BT1 6ER

9 June 2023

**Re: Utility Regulator “Consultation on Short Term Exit Capacity for Gas Transmission in Northern Ireland” and “Consultation on Seasonal Multiplier Factors for Gas Transmission” 9 June 2023**

Dear Emma and John,

I am writing regarding the Utility Regulator (UR) “Consultation on Short Term Exit Capacity for Gas Transmission in Northern Ireland” that seeks input on whether the availability of short-term capacity products at transmission exit points in Northern Ireland, would be in the interest of gas and electricity consumers; and the “Consultation on Seasonal Multiplier Factors for Gas Transmission that seeks views on seasonal multiplier factors which are applied to the postalised tariff for non-annual entry capacity bookings.

**The Consumer Council**

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.

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.

**Short term exit products**

It is notable that there is no legal requirement to implement short term exit capacity products. However, given the requests from the power sector the Consumer Council recognises the need to

ascertain whether the introduction of short-term products would be to the benefit or detriment of consumers including the power sector, non-power gas generation users, and electricity consumers.

As the potential implications and risks of the introduction of short term exit capacity products are unclear, the Consumer Council welcome the consideration of scenarios undertaken by the UR to date. We also welcome the UR request for further information and robust evidence from the power sector and gas suppliers to ensure that any potential benefits of introducing short term exit products are clearly understood and the implications, especially on non-power generation gas users and electricity consumers, are fully considered when assessing the case for change of policy position.

In light of the potential risks surrounding the impact of the introduction of short term exit products, the Consumer Council request that the UR undertake careful deliberation to ensure positive outcomes for consumers, particularly domestic consumers whose need for security of supply at a fair price can often be lost in technical discussions of this nature.

The Consumer Council would also welcome monitoring by the UR regarding the impact of cost allocation and suggest that if this monitoring was to observe a significant swing towards a particular market sector it should prompt a review of the tariff methodology in future years.

### **Seasonal factors**

The Consumer Council note that smoothing seasonal factors from Gas Year 2024/2025 do not appear to result in adverse effects for the gas distribution sector in terms of cost allocation shift. We take this to mean it would not impact the return on investment made by gas networks, that smoothing seasonal factors should reduce the risk of impact to consumers of reconciliation payments when shippers' capacity bookings vary from their forecasts, and therefore would have little impact on customers' bills.

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We trust that the responses provided by the power sector and other stakeholders, will give the UR valuable insight, which will be fully analysed to ensure that the network is operated as economically and efficiently as possible, and that it works in the best interest for Northern Ireland consumers.

We look forward to continuing our engagement with UR and the energy industry throughout the Gas Year 2023/24 and Gas Year 2024/25.

Yours sincerely,



Raymond Gormley  
Head of Energy