

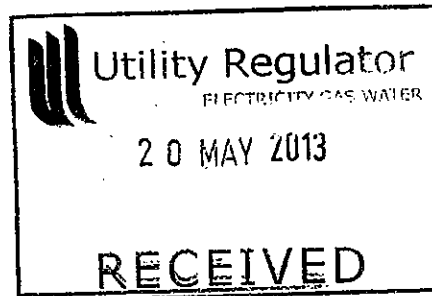
L43/05/13



The Consumer Council

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17 May 2013

Dear Elena

**Re: NI Electricity Prices: Data and Comparisons Information Paper**

Energy bills are a key concern for households but also for businesses as they will impact on costs, competitiveness and could influence future investment decisions. Within our statutory duties CCNI has a responsibility to represent all consumers, domestic and non domestic, therefore we welcome this paper from the Utility Regulator and the opportunity to comment on its contents.

The position of NI's domestic and small business consumers at the median of the EU electricity prices provides a level of reassurance that we are not out of line with the rest of Europe. However, the volatility of the Northern Ireland energy market is such, that sharp increases in electricity prices are worrying for consumers and can quickly change the comparative position of NI costs as outlined in your paper. The forthcoming 18% proposed increase in the domestic tariff by Power NI in July 2013 is a clear example of the spikes that have become common practice.

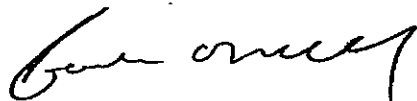
More concerning is the difference when comparing the prices for domestic and small business consumers against those for medium and

large Industrial & Commercial (I&C) consumers. The fact that in NI the electricity prices of I&C consumers are amongst the highest in Europe is of great concern to us and will be of concern to businesses and their representatives across NI and to the NI Government. The report sets out the context and provides the information on the comparative prices, however there is a need to work collectively to understand how the pricing issue occurred.

In publishing this paper, the Regulator has provided the raw data to initiate a debate amongst stakeholders. With its unique position in energy in NI the Regulator now has a responsibility to use its access to data and the full range of energy stakeholders to move the debate forward. We would encourage the Regulator to conduct further data analysis to help frame the debate and bring forward proposals for change that will provide the same level of transparency of costs to non domestic consumers that is afforded to domestic consumers.

The Consumer Council is keen to be involved in this debate and will remain engaged on the issue. We are keen for other relevant key stakeholders to engage in this debate and we will encourage them to do so (for example, the FSB, Ulster Farmers Union, CBI, Northern Ireland Manufacturing and DETI). We look forward to continuing discussions with the Regulator and others on electricity prices in NI and to receive feedback on the range of perspectives given.

Yours sincerely



**Aodhan O'Donnell**

**Director of Policy**