

## Electricity Retail Market Update – Quarter 3, 2009

The Commission publishes an annual report on the retail electricity market which contains relevant information on key trends in market share and customer churn measured in customer numbers and consumption. Earlier this month, the Commission published a quarterly report for Q2 2009<sup>1</sup>, this report gives an update on Q3 2009.

### Key Points

#### Market Share

- At the end of Q3 '09 PES had 84.46% market share of domestic customers and 83.41% market share of domestic consumption;
- In Q3 2009, Bord Gáis and Airtricity gained 3.11% and 1.8% of the domestic customers, with the majority of these customers having switched from the PES - ESB Customer Supply (ESBCS);
- Independent suppliers increased their customer market share within the small business segment from 42.37% in Q2 2009 to 45.48% in Q3 2009;
- Airtricity increased its market share of medium sized business by 4.8% to 18.22% of the market consumption in Q3 '09;
- ESBIE increased its share by 0.61% to 39.06% of LEU market consumption while ESBCS lost 0.05% share of this market since end of Q2 '09

#### Churn

- Q3 2009 saw a significant amount of customer churn with 115,848 customer switches across all sectors.

#### Demand

- Total consumption across all sectors (including transmission connected sites) decreased by 6.06% on the same quarter in '08 (economic circumstances have largely contributed to this).

#### Tariffs

- The April 2009 tariff review, brought forward an average 10.3% decrease in regulated tariffs from 1<sup>st</sup> May. This was achieved

through re-profiling network charges, to the immediate benefit of all consumers.

- A decision was published on 3<sup>rd</sup> Sept regarding PES tariffs to apply from 1<sup>st</sup> Oct '09 to 30<sup>th</sup> Sept '10. This decision will result in an average decrease of approximately 0.2% in the final tariff;
- The reduction in Network charges which was implemented on 1<sup>st</sup> May will be recouped in the charges which will apply from 1<sup>st</sup> Oct '09 to 30<sup>th</sup> Sept '10.

### 1. Domestic Market

Table 1 shows the breakdown for domestic customer market shares at end Q3 2009. ESBCS has lost 7.8% of domestic consumption and 4.93% of domestic customer market on Q2 2009, and 14.8% of domestic customers and 16.01% of domestic consumption since domestic competition started in feb 2009.

Q3 '09	% Market Share (Customer Numbers)	% Market Share (Consumption)
<b>PES</b>	84.46%	83.41%
<b>Bord Gáis</b>	12.10%	13.49%
<b>Airtricity</b>	3.28%	2.91%
<b>Others</b>	0.15%	0.20%

Table 1 Domestic Market Share Q3 2009

### 2. SME Market

#### (i) Small Business (LV Non-MD)

Table 2, below, shows the breakdown for small business market shares at end Q3 2009. Figures 1 (a) and (b) show market share by quarter. ESBCS lost 6.34% of small business customer consumption from Q2 '09 with Bord Gais gaining approximately 2.20% of small business consumption since Q2 '09. Energia gained 2.42 % in this sector since Q2 '09.

<sup>1</sup> CER 10/005 Electricity Retail Market Update – Quarter 2, 2009

Q3 2009	% Market Share (Customer Numbers )	% Market Share (Consumption )
<b>PES</b>	54.52%	35.41%
<b>Energia</b>	19.08%	30.03%
<b>Airtricity</b>	16.14%	17.81%
<b>BGE</b>	9.48%	14.61%
<b>ESBIE</b>	0.72%	2.04%
<b>Others</b>	0.05%	0.11%

Table 2 Small Business (LV Non MD) Q3 2009

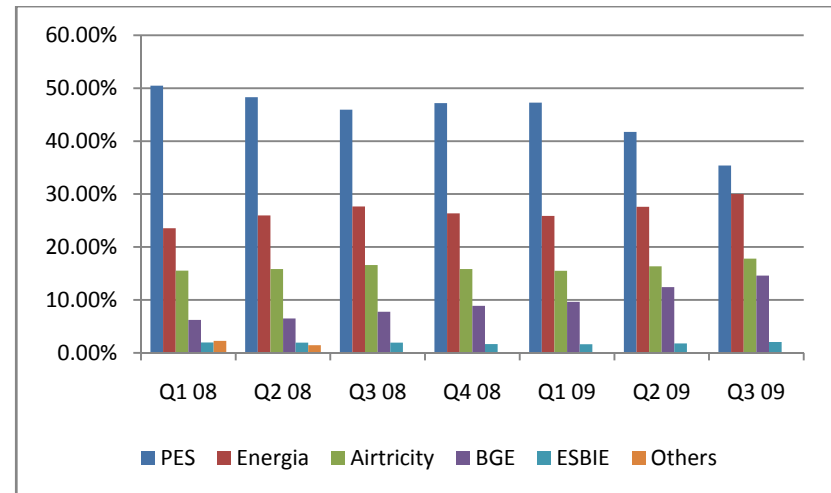


Figure 1 (b) Small Business Market Share (Consumption) Q1 '08 –Q3'09

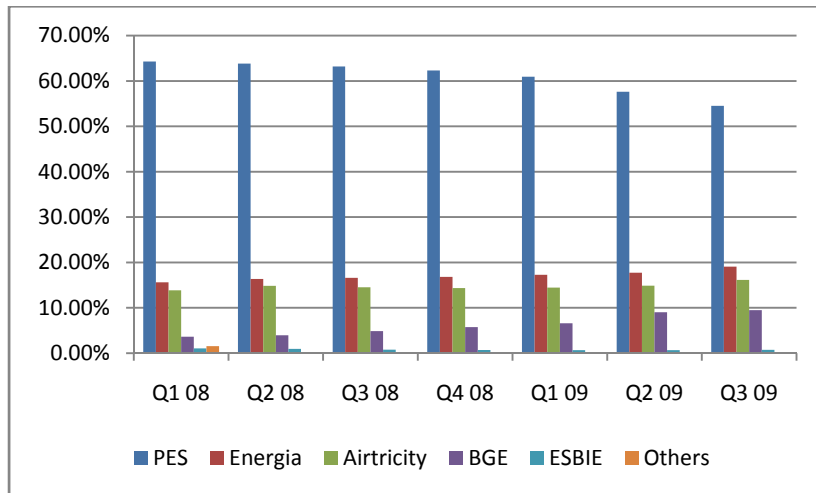


Figure 1 (a) Small Business Market Share (Cust. Nos.) Q1 '08 – Q3'09

(ii) Medium Sized Business (LV MD)

Q3 2009	% Market Share (Customer Numbers )	% Market Share (Consumption )
<b>PES</b>	29.35%	20.01%
<b>Energia</b>	31.16%	30.59%
<b>Airtricity</b>	18.05%	18.22%
<b>BGE</b>	11.65%	12.16%
<b>ESBIE</b>	9.70%	18.85%
<b>Others</b>	0.10%	0.18%

Table 3 Medium Sized Business (LVMD) Q3 2009

Table 3 shows the medium sized business market shares for Q3 2009. Figures 2 (a) and (b) show market share by quarter. ESBIE lost 7.77% of medium sized customer consumption in this market from Q2 '09. Airtricity and Energia had the largest increase in consumption share in Q3 2009, with increases of 4.8% and 2.39% respectively from Q2 '09.

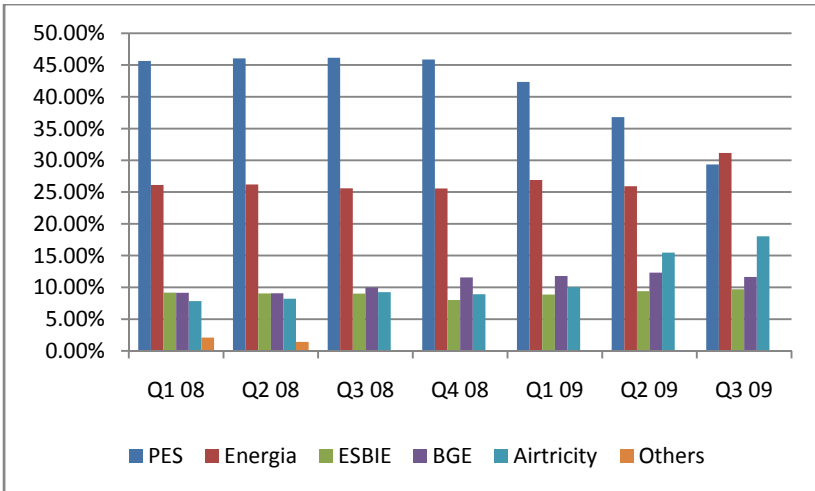


Figure 2 (a) Medium Sized Business Market Share (Cust. Nos.) Q1 '08 – Q3'09

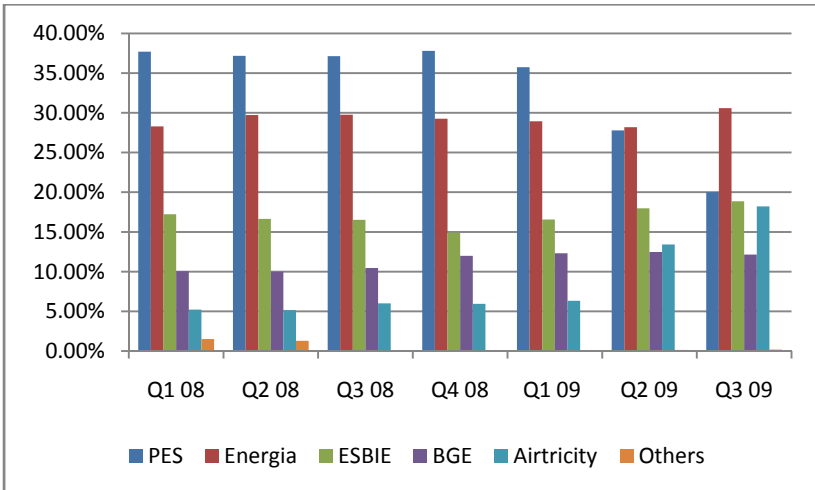


Figure 2 (b) Medium Sized Business Market Share (Consumption) Q1 '08 – Q3'09

### 3. LEU Market

Tables 4 shows the LEU business market shares<sup>2</sup> for Q3 2009. Figures 3 (a) and 3 (b) show market share by quarter. ESBIE held only 8.64% of LEU consumption at end Q3 '09 while ESBIE had increased its share by 0.61% to give it 39.06% of LEU market consumption.

Q3 '09	% Market Share (Customer Numbers)	% Market Share (Consumption)
<b>ESBIE</b>	29.49%	39.06%
<b>PES</b>	24.75%	8.64%
<b>Energia</b>	17.97%	23.54%
<b>BGE</b>	14.68%	13.66%
<b>Airtricity</b>	9.68%	8.88%
<b>Others</b>	3.42%	6.21%

Table 4 Large Energy Users Q3 2009

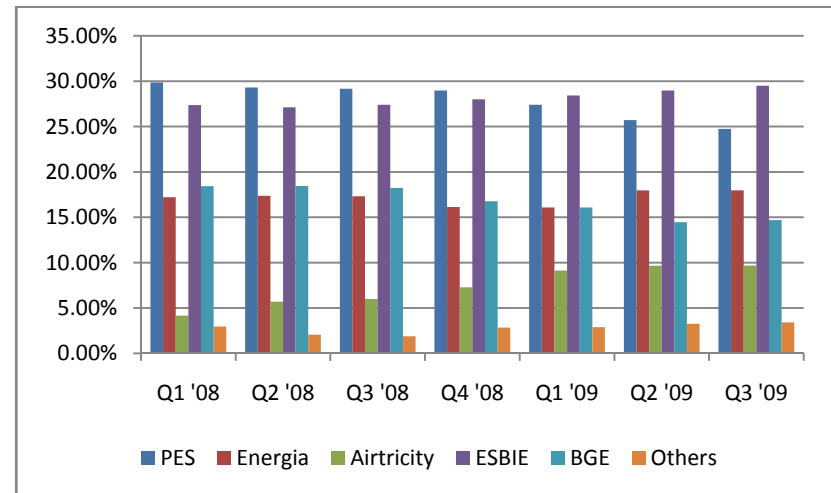


Figure 3 (a) LEU Market Share (Cust. Nos.) Q1 '08 – Q3'09

<sup>2</sup> Retail market updates prior to Q2' 09 have not included transmission connected customers.

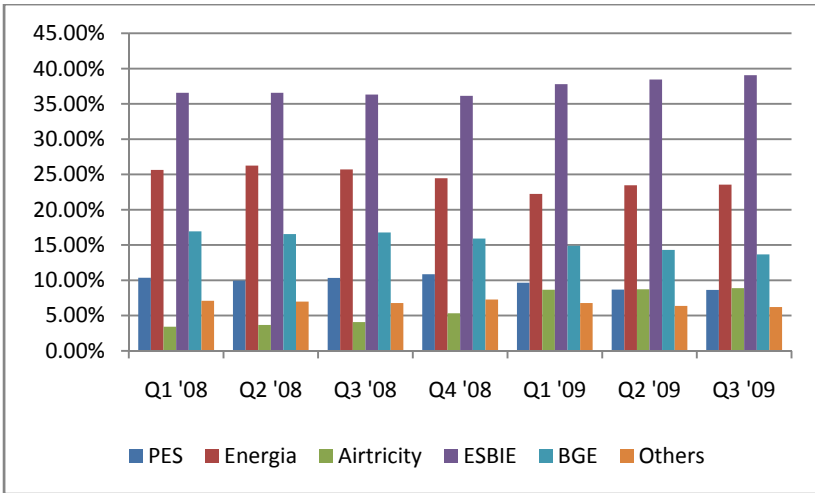


Figure 3 (b) LEU Market Share (Consumption) Q1 '08 – Q3'09

#### 4. Total Customer Churn

Q3 2009 saw a significant level of customer churn with 115,848 customer switches across all categories. This corresponds to 5.2% of customers switching in the period.

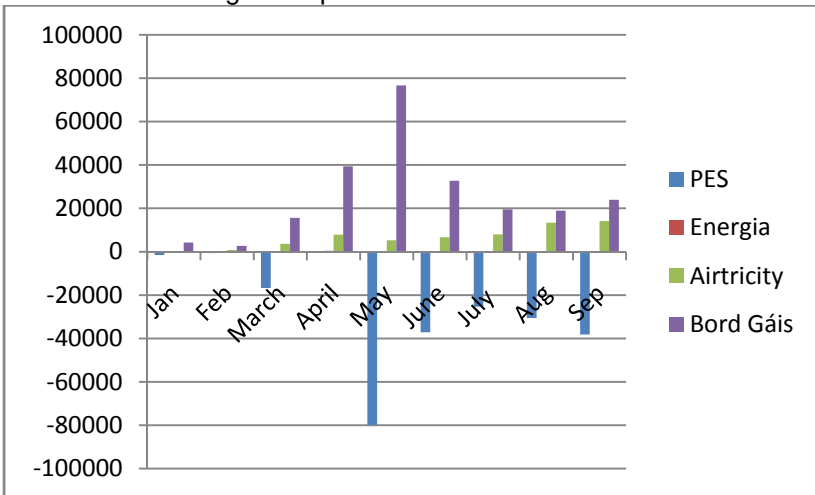


Figure 4 Customer Churn Q1-Q3 '09

#### 5. Total Customer Demand

Q3 2009 saw a decrease in overall customer demand of 1.57% for domestic, 6.06% for small business, 4.72% for medium business and 11.07% for LEUs on the same quarter last year.

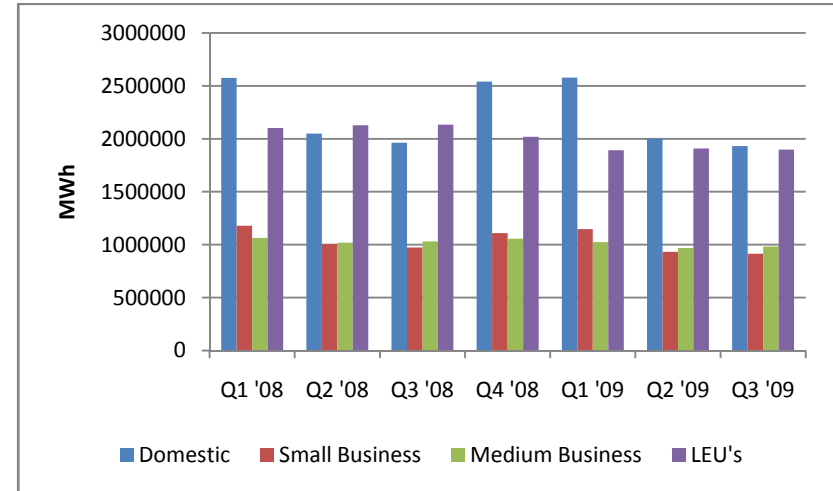


Figure 5 Total Consumption Per Sector Q1 '08 – Q3 '09