

Gas Market Update – 2010 (Q2)

CER/10/133

The Commission for Energy Regulation (CER) publishes an annual report on the gas market (see latest report CER/09/170) which includes relevant information, statistics and trends on the natural gas market consumption by sector and suppliers shares across market sectors by customer number and by consumption. This latest report covers Q2 2010. The CER aim to publish quarterly reports¹ on the gas market alongside the annual report which is published in October.

Key Points

Market Share

- At the end of Q2 2010 BG Energy had 97.9% market share of the domestics, 51% market share of the NDM I/C², 58% market share of the FVT³ and 36% market share of the RTF⁴.
- BG Energy's overall share of the gas market⁵ is 41%, while their share of the retail market is 72%. All markets shares are by consumption.
- In Q2 2010 independents increased their market share in the NDM I/C sector to approximately 49%, up 20% since the start of 2010.
- During Q2 2010 independents also increased their market share of the FVT sector by approximately 2%.
- Finally in Q2 2010 BG Energy regained approximately 2% market share in the RTF sector, bringing its market share up to 36%.
- Market share in the NDM domestic sector has seen a slight change in percentage terms. Flogas registered an increase of 1,962 customers during the period, while Airtricity entered the market in May and gained 14,566 customers.

Switching

- Q2 2010 saw 18,352 customer moves across all sectors. 8 customers switched in the RTF sector while 70 switched in the FVT, 846 switched in the NDM I&C and 17,428 switched in the NDM residential sectors respectively.

¹ All consumption and customer number data supplied by GPRO

² Non Daily Metered Industrial & Commercial

³ Fuel Variation Tariff

⁴ Regulated Tariff Formula

⁵ Includes powergen

Demand

- Total consumption across all sectors (including transmission connected sites) was 13,288 GWh in Q2 2010. Powergen has accounted for 64% of total demand year to date with consumption up to July being 31,018 GWh.

Tariffs

- The RTF sector will be deregulated from 1st October 2010 (see CER/10/088)

NDM Residential Market

Figures 1 & 2 show the breakdown of the NDM residential market by volumes and customer numbers respectively for Q2. On the 18th May Airtricity announced their entry into the domestic gas market and by the end of Q2 had gained 14,566 customers. It should be noted that the consumption volume for Airtricity is low due to their short period of time in the NDM residential sector and also customer consumption in May & June is much lower than in winter months. Flogas also increased their customer numbers up to 17,210.

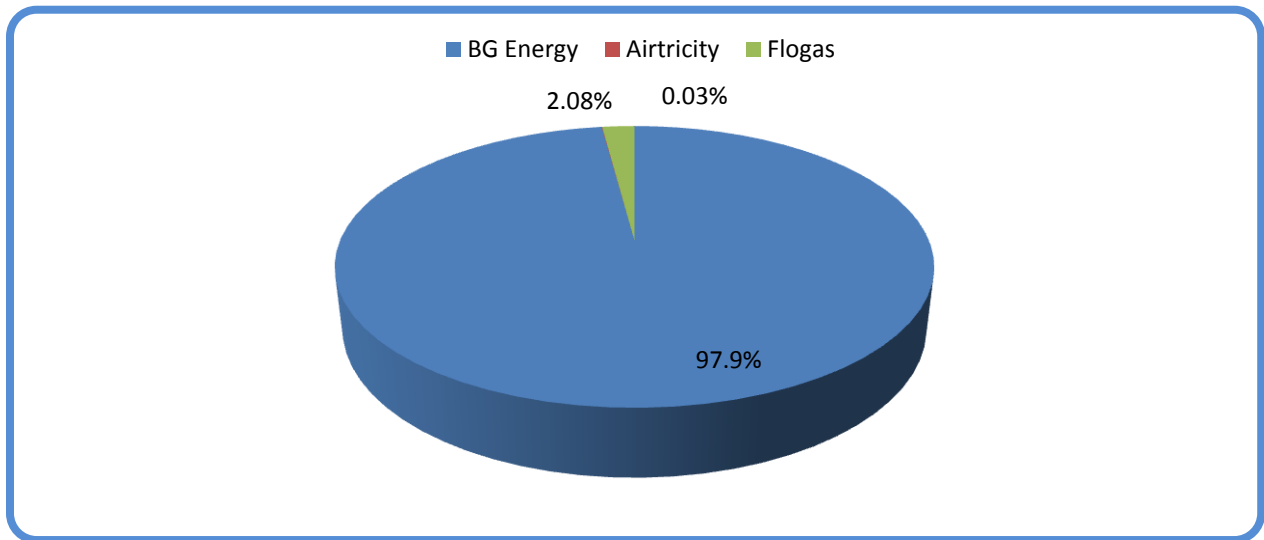


Fig 1: NDM Residential Market by volume

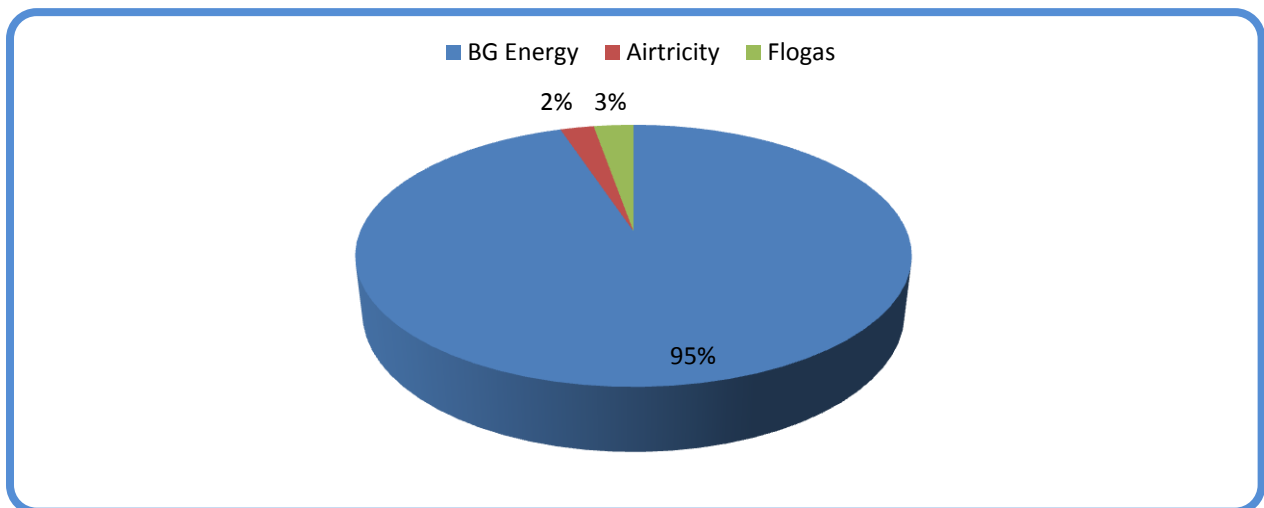


Figure 2: NDM Residential Market by no's

NDM I&C Market

Figures 3 & 4 show the breakdown of the NDM I&C market by volumes and customer numbers respectively for Q2. BG Energy's share of this sector has decreased by approximately 20% since end 2009.

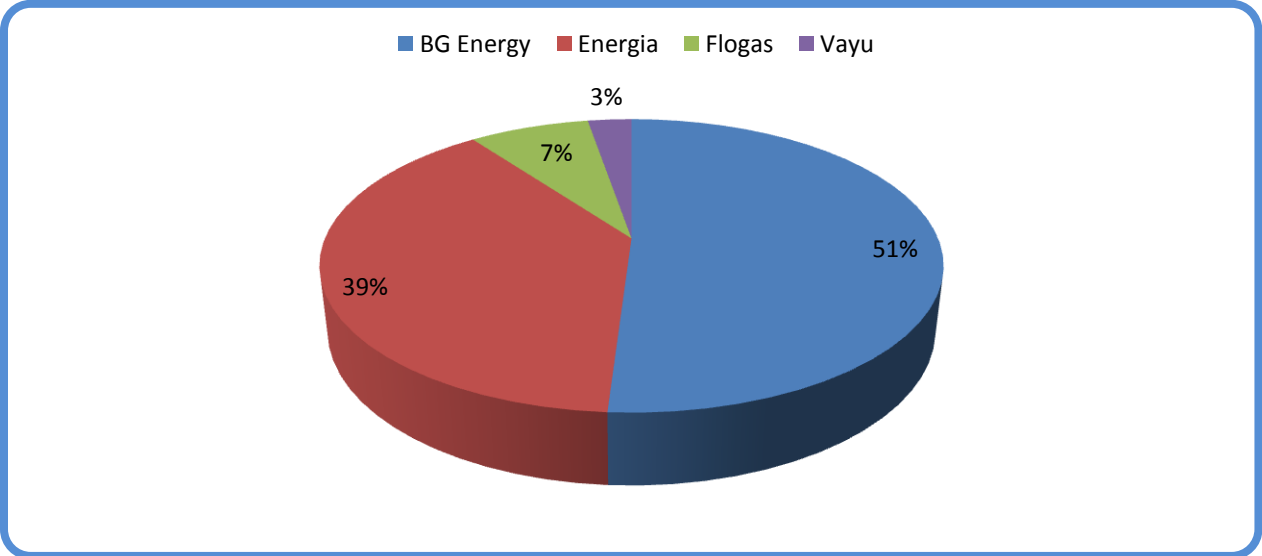


Figure 3: NDM I&C Market by volume

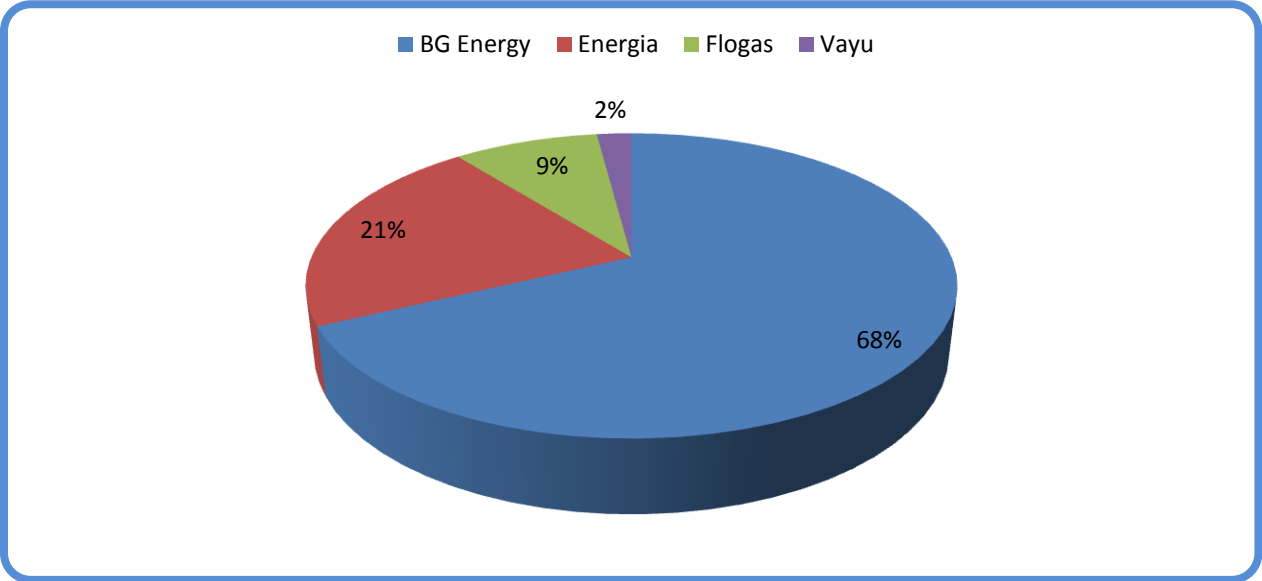


Figure 4: NDM I&C market by customer numbers

FVT Market

Figures 4 & 5 show the breakdown of the FVT market by volumes and customer numbers respectively for Q2. BG Energy's share of this sector has decreased by approximately 13% since end 2009.

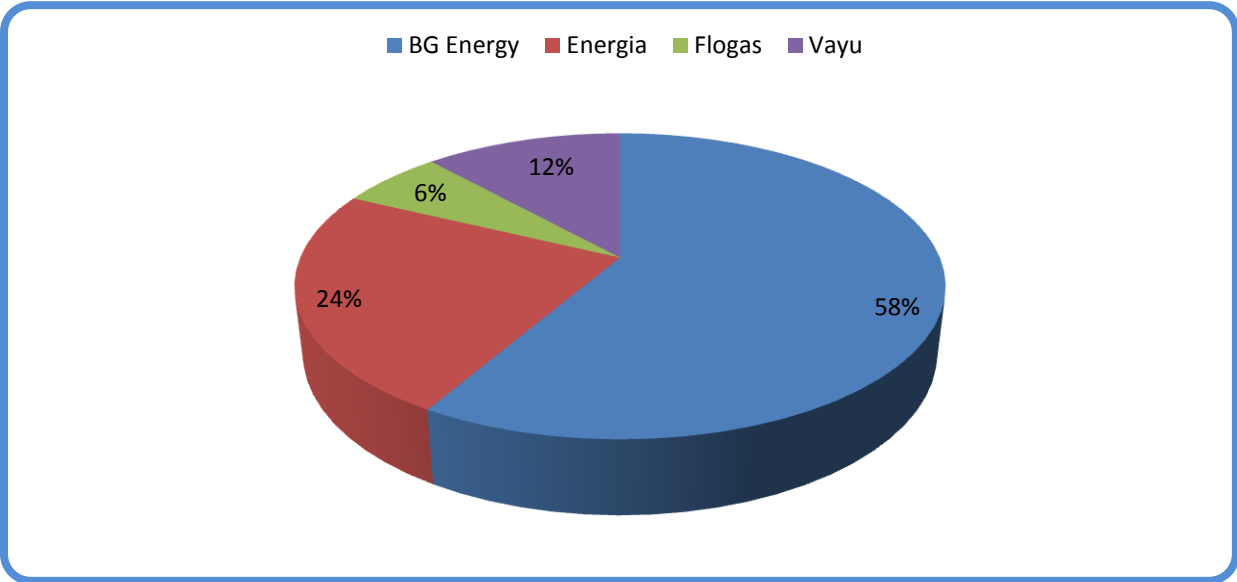


Figure 4: FVT market by volume

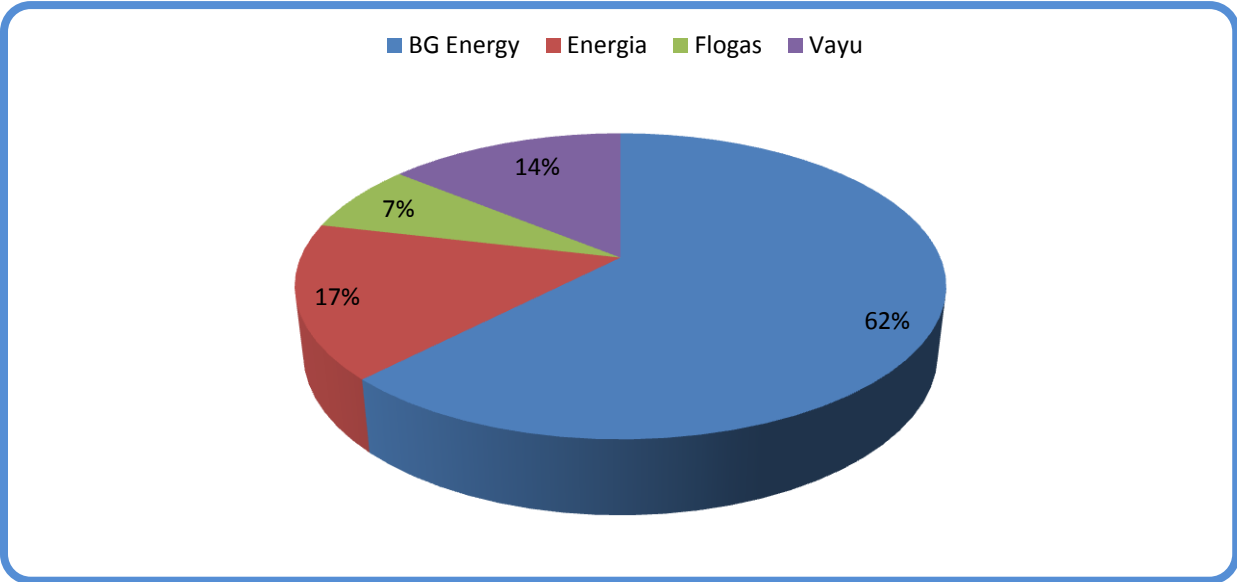


Figure 5: FVT market by customer numbers

RTF Market

Figures 5 & 6 show the breakdown of the total RTF market by volumes and customer numbers respectively for Q2. BG Energy's share of this sector has increased by approximately 2% since Q1 2010. The RTF sector will be deregulated from 1st October 2010 (see CER/10/088).

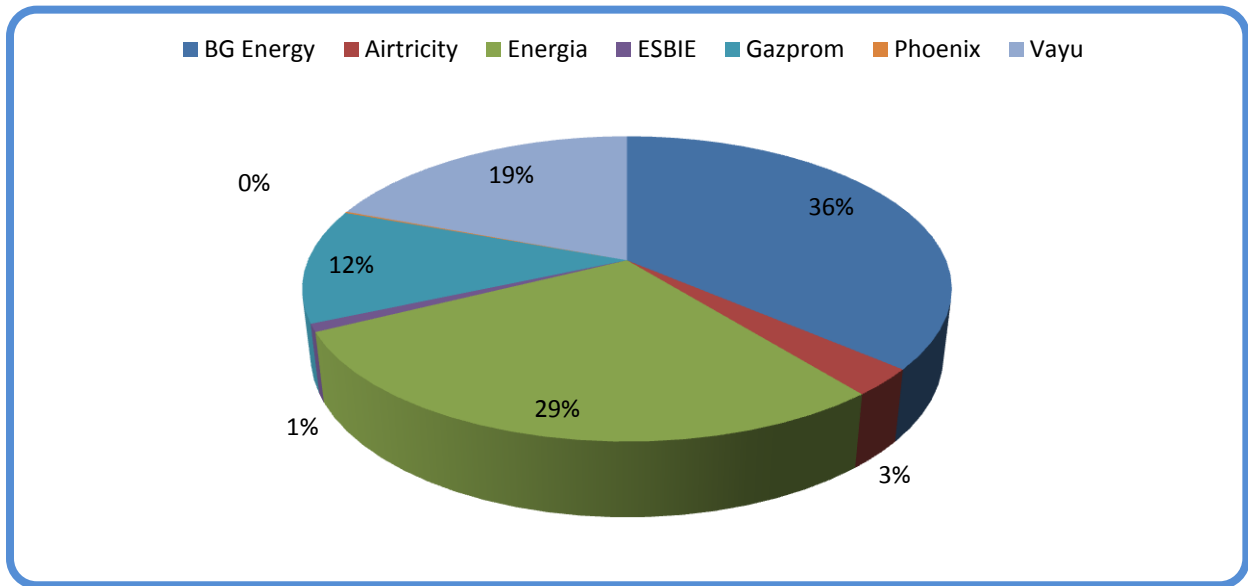


Figure 5: Total RTF market by volume

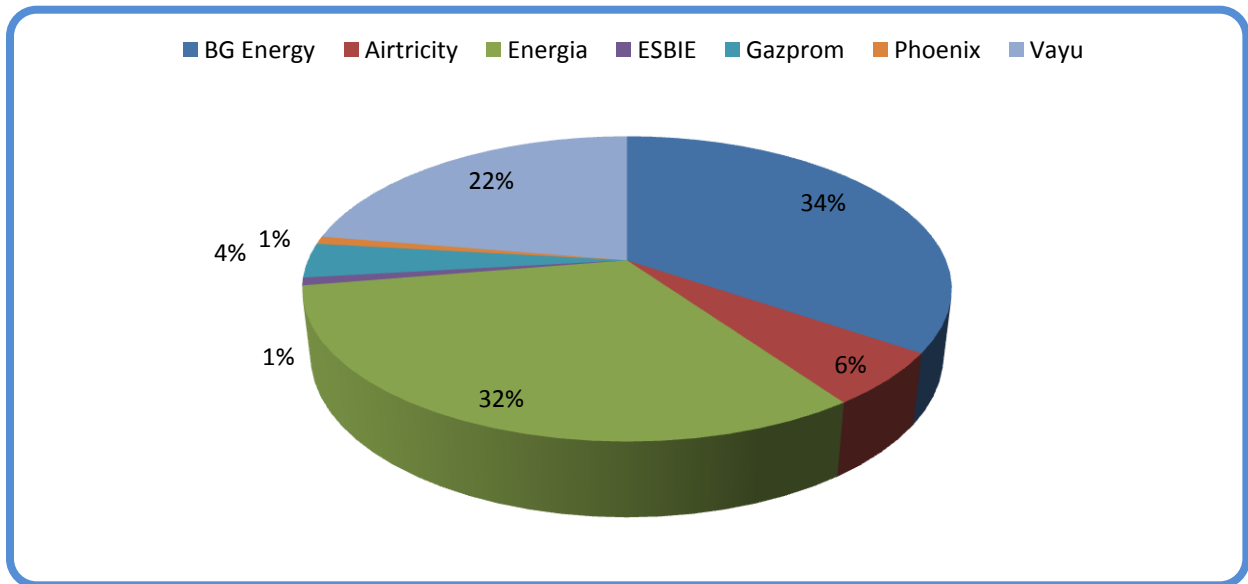


Figure 6: Total RTF market by customer numbers

Customer number breakout Q2 2010

| <i>Supplier</i> | <i>PowerGen⁶</i> | <i>Above RTF (non-powergen)</i> | <i>Total RTF</i> | <i>FVT</i> | <i>NDM I&C</i> | <i>NDM Res</i> |
|-----------------|-----------------------------|---------------------------------|------------------|-------------|--------------------|----------------|
| Airtricity | - | - | 14 | - | - | 14566 |
| BG Energy | 3 | 3 | 85 | 1075 | 15191 | 590408 |
| Energia | 3 | - | 79 | 282 | 4838 | - |
| ESBIE | - | - | 2 | - | - | - |
| Flogas | - | - | - | 125 | 1930 | 17210 |
| Gazprom | - | - | 9 | - | - | - |
| Phoenix | - | 1 | 2 | - | - | - |
| Vayu | - | - | 55 | 243 | 460 | - |
| Total | 16 | 4 | 246 | 1725 | 22419 | 622184 |

Consumption volume (GWh) breakout Q2 2010

| <i>Supplier</i> | <i>PowerGen</i> | <i>Above RTF (non-powergen)</i> | <i>Total RTF</i> | <i>FVT</i> | <i>NDM I&C</i> | <i>NDM Res</i> |
|-----------------|-----------------|---------------------------------|------------------|-------------|--------------------|----------------|
| Airtricity | - | - | 79 | - | - | 2 |
| BG Energy | 4763 | 506 | 993 | 810 | 649 | 5104 |
| Energia | 4476 | - | 779 | 329 | 494 | - |
| ESBIE | - | - | 23 | - | - | - |
| Flogas | - | - | - | 85 | 95 | 108 |
| Gazprom | - | - | 331 | - | - | - |
| Phoenix | - | 158 | 4 | - | - | - |
| Vayu | - | - | 528 | 163 | 34 | - |
| Total | 19743 | 664 | 2737 | 1387 | 1272 | 5214 |

Customer switching by sector Q2 2010

| <i>Sector</i> | <i>LDM</i> | <i>DM</i> | <i>FVT</i> | <i>NDM MBU</i> | <i>NDM SBU</i> | <i>NDM Res</i> |
|---------------|------------|-----------|------------|----------------|----------------|----------------|
| No's | 0 | 8 | 70 | 414 | 432 | 17428 |

⁶ Only suppliers in the retail market are shown.