



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

Market Monitoring in the  
Electricity & Gas Retail Markets

DOCUMENT TYPE:	<b>Consultation Paper</b>
REFERENCE:	<b>CER 11/221</b>
DATE PUBLISHED:	16 <sup>th</sup> December 2011
CLOSING DATE:	10 <sup>th</sup> February 2012
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**Abstract:** The document outlines the CER's proposals for market monitoring in the electricity and gas retail markets. The indicators considered for market monitoring are set out as well as the data that network operators and suppliers will be required to provide to the CER.

### Target Audience:

This paper is for the attention of members of the public, the energy industry, consumers and all interested parties.

### Related Documents:

- ERGEG Final Guidelines of Good Practice on Indicators for Retail Market Monitoring for Electricity and Gas - [E10-RMF-27-03](#)
- Customer Protection in the Deregulated Electricity Market - [CER11057](#)  
Roadmap to Deregulation - [CER10058](#)

Responses to this consultation should be returned by email, post or fax and marked for the attention of James Curtin (jcurtin@cer.ie) at the CER.

**The CER intends to publish all submissions received.** Respondents who do not wish part of their submission to be published should mark this area clearly and separately or enclose it in an Appendix, stating the rationale for not publishing this part of their comments.

## Executive Summary

The European Union's 3<sup>rd</sup> Energy Package describes a new framework for the development of the internal electricity and gas markets. One of the general objectives of the National Regulatory Authority set out in the 3<sup>rd</sup> Package is to ensure that customers benefit through the efficient functioning of their national market. Regulators are required to promote effective competition and ensure consumer protection. In order to achieve these aims, the 3<sup>rd</sup> Energy Package prescribes a new role for the regulatory authority in the area of market monitoring and sets out its powers to monitor the level and effectiveness of market opening and competition at wholesale and retail levels. The 3<sup>rd</sup> Package sets out specific metrics that should be monitored by also requires that the regulators monitors for any distortion or restriction of competition.

In order for the CER to meet the new legislative requirements and to monitor the market to ensure that consumers are benefitting from competition, a new framework, with information from all suppliers and both electricity and gas networks, is required. This will require a broad range of data submissions in order to create the market metrics that can be used to assist the CER to analyse market trends. The CER can also assist the future development of market competition, by increasing market information and transparency, through the publication of the various market metrics. This consultation proposes to capture the essential market data which will inform retail market policy under the following headings:

**Market Condition and DSO services** – examines how well the services in the market function, switching, repairs etc, as well as providing an indication of the level of consumer engagement in the market.

**Market Structures** – provide an overview of the features of the market that drive the market outcomes including market share, market concentration and retail margins.

**Retail Market Outcomes** – capture customers experience through the prices and choices that the market produces including diversity of tariffs and contracts, end user prices and the price spread for comparable products

**Customer Satisfaction** – shows whether competition is delivering improved customer service in addition to benefits in cost, this includes customer enquiries, and complaints.

**Other** – looks at a number of potential indicators that the CER may consider developing in the future.

Having a consistent format to the data submissions and setting a regular frequency to the submission of this data from suppliers and the DSOs will be a key component to the establishment of an effective market monitoring framework. A timeline for the submission of data is also proposed, where suppliers make their submissions on quarterly basis and DSOs on a monthly basis. The CER are proposing to publish quarterly market monitoring reports and believe that this will enhance overall transparency in electricity and gas retail markets. The CER is mindful that this will impose new obligations in terms of data provision, particularly on suppliers. As such the CER is seeking comment on the proposed a set of metrics and the format and the frequency of the data.

This framework operates as part of other monitoring work-streams, including compliance audits with the Codes of Practice and Consumer Surveys. The framework will evolve as required with market developments and innovations for effective monitoring of competition to provide the CER with the necessary information to see that competition is working and the necessity for action required to correct market failure or abuse. The closing date for this consultation

is 10<sup>th</sup> February 2012. The CER looks forward to receiving the views of all stakeholders and interested parties.

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## 1.0 Introduction

### **1.1 The Commission for Energy Regulation**

*The Commission for Energy Regulation* ('the CER') is the independent body responsible for overseeing the regulation of Ireland's electricity and gas sectors. The CER was initially established and granted regulatory powers over the electricity market under the *Electricity Regulation Act, 1999*. The enactment of the *Gas (Interim) (Regulation) Act, 2002* expanded the CER's jurisdiction to include regulation of the natural gas market, while the *Energy (Miscellaneous Provisions) Act 2006* granted the CER powers to regulate electrical contractors with respect to safety, to regulate to natural gas undertakings involved in the transmission, distribution, storage, supply and shipping of gas and to regulate natural gas installers with respect to safety. The Petroleum (Exploration and Extraction) Safety Act, 2010, expanded the CER's safety functions into the upstream petroleum sector. The *Electricity Regulation Amendment (SEM) Act 2007* outlined the CER's functions in relation to the Single Electricity Market (SEM) for the island of Ireland. This market is regulated by the CER and the Northern Ireland Authority for Utility Regulation (NIAUR). The CER is working to ensure that consumers benefit from regulation and the introduction of competition in the energy sector.

S.I. No. 450 of 2010, European Communities (Internal Market in Electricity) Regulations, 2010 outlined the functions of the CER in relation to the monitoring and regulation of electricity retail markets.

### **1.2 Purpose of this paper**

The purpose of this paper is to seek the views of the public and the CER's stakeholders with regard to the proposed market monitoring framework set out in this paper.

The proposals set out in this paper apply to both the electricity and gas retail markets, unless otherwise stated. In order to make an informed and impartial decision on this topic, the CER wishes to obtain comments from members of the public, the energy industry and all interested parties. The CER commits to considering all views equally and affording each respondent the opportunity to clarify any issue raised in this paper.

### ***1.3 Background Information***

The Irish electricity and gas markets have traditionally been dominated by the State bodies established for each market, the Electricity Supply Board (ESB) and Bord Gais Eireann (BGE) respectively. Both State bodies operated as the incumbent provider at the wholesale and at the retail level to all consumers. The CER regulated ESB's retail prices from 1999, until October 2010 for business customers and April 2011 in the domestic market. In the gas market the CER regulated BGE's prices retails prices for business customers from 2002 until October 2011, and continue to do so for domestic customers.

The declining market share of both incumbents' primary market to competitors has been one of the factors that have informed the CER's decision to deregulate different segments of both markets. Other factors included the number of competitors to the incumbent in each segment of the market and in electricity a commitment from the incumbent to rebrand. The following figure gives a timeline of key milestones to deregulation across both markets.

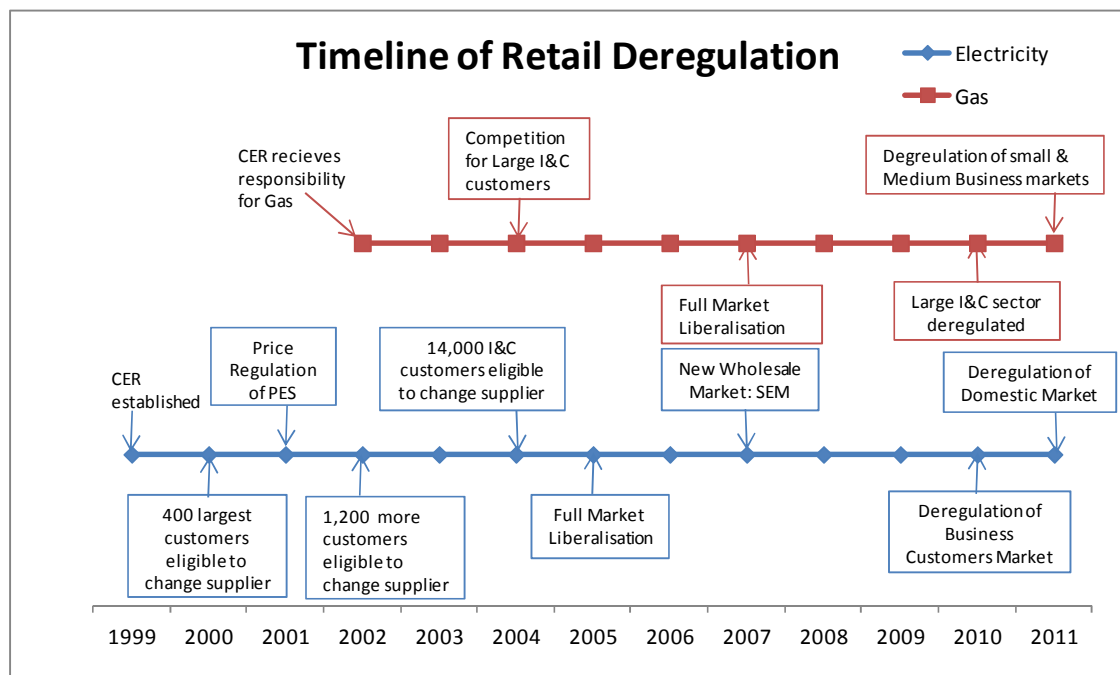


Figure 1: Timeline of Retail Deregulation

### 1.3.1 Retail Electricity Market

In April, 2010, the CER published its Roadmap to Deregulation<sup>1</sup> that set out the framework for how and when the retail electricity market would be deregulated. This document set out the criteria to decide the deregulation of each specific market. At the same time the CER published its first quarterly competition review<sup>2</sup>, which found that the criteria for deregulation had been met for all business markets which were subsequently deregulated on the 1<sup>st</sup> October 2010. The CER also concluded that the Domestic market was not yet ready for deregulation as Electric Ireland's<sup>3</sup> forecast market share remained above the 60% threshold. On 4<sup>th</sup> March 2011 the CER published its final assessment<sup>4</sup> on the deregulation of the domestic electricity market ending the regulation of electricity prices for domestic (i.e. residential) consumers in Ireland. This price

<sup>1</sup> Roadmap to Deregulation - [CER10058](#)

<sup>2</sup> Competition Review Q1 2010 - [CER10059](#)

<sup>3</sup> Formerly ESB Customer Supply

<sup>4</sup> Decision Paper on Deregulation of Domestic Markets – [CER11041](#)

deregulation decision enabled Electric Ireland to set its own electricity prices for domestic consumers from 4<sup>th</sup> April this year.

### **1.3.2 Retail Gas Market**

Competition in the retail electricity market is currently more developed than the gas market, however the new entrants in the domestic gas market; Flogas, Airtricity and Electric Ireland means that there is now competition in all segments of the gas market.

On the 7<sup>th</sup> June the CER published its roadmap decision paper<sup>5</sup> for the retail gas market in which it outlines the criteria under which revenue and price controls should be removed from Bord Gais Energy in the NDM sector. It is likely that deregulation of all segments of the retail gas market will occur at some stage in the next few years.

## ***1.4 Current Retail Market Monitoring***

While new legislative provisions require a review of existing marketing monitoring measures it is important to highlight the number of areas in which the CER already conducts retail market monitoring, including;

- Quarterly market reports, including competition reviews, which have been published since January 2010 for electricity and May 2010 for gas, and show the market breakdown in terms of customer numbers and demand for all four market segments.
- The CER publishes a weekly Change of Supply report for electricity and a monthly report for gas – this has since been combined into a common monthly report for gas and electricity, from September 2011.
- The CER monitors suppliers' compliance with the Codes of Practice, and publishes specific reports monitoring customer disconnections.

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<sup>5</sup> Gas Roadmap Decision Document [CER11071](#)

- Through incentives put in place as part of ESB Networks five year revenue control the CER monitors their performance with regards to interruptions, customer minutes lost and worst served customer. Bord Gais Networks has a commitment on the restoration of gas supply to customers, in its customer charter.
- The CER monitors customer complaints through the Energy Customers Team, recoding the type of complaint and which market participant it relates to. A summary of the complaints received is published annually on [www.energycustomers.ie](http://www.energycustomers.ie), the CER's website for electricity and natural gas consumers.
- The annual Consumer Survey provides direct consumer feedback, examining a number of areas including: consumer understanding of the market, competition, switching, bill clarity, complaint handling, vulnerable customers, dual fuel, and prepayment.

### ***1.5 Structure of this paper***

- **Section 1** - Introduction
- **Section 2** - Legislative basis for Retail Market Monitoring
- **Section 3** - Objectives of Market Monitoring
- **Section 4** – Market Segmentation in Electricity & Gas
- **Section 5** – Market Monitoring Indicators – Market Condition & DSO Services
- **Section 6** – Market Monitoring Indicators – Market Structures
- **Section 7** - Market Monitoring Indicators – Retail Market Outcomes
- **Section 8** - Market Monitoring Indicators – Customer Satisfaction
- **Section 9** – Market Monitoring Indicators - Other
- **Section 10** - Reporting
- **Section 11** - Conclusions and Next Steps
- **Annex 1** - List of Consultation Questions

### ***1.5 Responding to this paper***

Interested parties are invited to comment on the issues raised in this paper this consultation paper by close of business on ***Friday 10<sup>th</sup> February 2012***.

As responses will be published in full on the CER's website, respondents should include any confidential information in a separate Annex. Submissions on this paper should be forwarded, preferably in electronic format, to:

James Curtin  
Commission for Energy Regulation,  
The Exchange, Belgard Square North,  
Tallaght,  
Dublin 24.

**E-mail:** [jcurtin@cer.ie](mailto:jcurtin@cer.ie)

Participants are encouraged to explain their positions and the rationale for these positions. Responses that provide rationale will be accorded more weight.

## 2.0 Legislative Basis for Retail Market Monitoring

### 2.1 Introduction

The legislative requirements for retail market monitoring in energy markets can be seen in the provisions made in European legislation, the 3<sup>rd</sup> Energy package, and the latest transposition of into national law. The following sections examine the European, National legislation as well as the relevant licence provisions for the CER's retail market monitoring.

### 2.2 European Legislation

The European Union's 3<sup>rd</sup> Energy Package describes a new framework for the development of the internal electricity and gas markets. This ranges from rules on the unbundling of networks to the functioning of retail markets and the independence and resources of national regulators. There are separate Directives for electricity and gas, Directive 2009/72/EC<sup>6</sup> and Directive 2009/73/EC<sup>7</sup>, respectively.

As part of the general objectives of the regulatory authority set out in the 3<sup>rd</sup> Energy Package, this includes:

“ensuring that customers benefit through the efficient functioning of their national market, promoting effective competition and helping ensure consumer protection;”<sup>8</sup>

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<sup>6</sup> Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

<sup>7</sup> Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in gas and repealing Directive 2003/55/EC

<sup>8</sup> Article 36 (g) Directive 2009/72/EC & Article 40(g) Directive 2009/73/EC



The 3<sup>rd</sup> Energy Package prescribes a new role for the regulatory authority in the area of market monitoring under duties and powers:

*“monitoring the level and effectiveness of market opening and competition at wholesale and retail levels, including on electricity exchanges, prices for household customers including prepayment systems, switching rates, disconnection rates, charges for and the execution of maintenance services, and complaints by household customers, as well as any distortion or restriction of competition, including providing any relevant information, and bringing any relevant cases to the relevant competition authorities;”*<sup>9</sup>

### **2.3 National Legislation**

The requirements set out in the 3<sup>rd</sup> Energy Package relating to the monitoring of the electricity retail market were transposed into Irish legislation through S.I. 450 of 2010<sup>10</sup> which require that the CER “monitor the level and effectiveness of market opening and the development of competition in the supply of electricity to final customers”. This market monitoring should include, but is not limited to the following areas:

- final tariffs charged to domestic customers including those on prepayment systems,
- rates of customer switching between licensed electricity suppliers,
- disconnection and de-energisation rates,
- charges for and the execution of maintenance services,
- complaints by domestic customers,
- any distortion or restriction of competition in the supply of electricity to final customers, and

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<sup>9</sup> Article 37 (j) Directive 2009/72/EC & Article 41(j) Directive 2009/73/EC

<sup>10</sup> S.I. No. 450 of 2010 - European Communities (Internal Market in Electricity) Regulations 2010

- whether the development and operation of competition in the supply of electricity is benefiting final customers.

The balance of consumer protection requirements has been transposed into national legislation by SI 463 2011 for both the electricity and gas market. The requirements for retail market monitoring by the National Regulatory Authority (NRA) are common to both gas and electricity markets.

## ***2.4 Provision of Information***

The CER is responsible for licensing the supply of electricity and natural gas to final customers under Section 14 of the Electricity Regulation Act, 1999 and for natural gas under Section 16 of the Gas (Interim) (Regulation) Act 2002.

The CER's powers to request information from licensed suppliers and network operators in both electricity and gas is based on the Electricity Regulation Act, 1999 and for natural gas under Section 16 of the Gas (Interim) (Regulation) Act 2002 and the subsequent amendments, including S.I. 450 of 2010 discussed in the previous section. The requirement on suppliers and network operators to provide information to the CER is explicitly set out in each type of licence issued by the CER.

## **3.0 Objectives of Retail Market Monitoring**

### ***3.1 Introduction***

The purpose of this consultation is to define a new more detailed framework for retail market monitoring. The legislative requirements originating from the 3<sup>rd</sup> Energy Package, as outlined in section 2, have placed enhanced duties in the area of market monitoring on the national regulators such as the CER. In addition to this, the complete deregulation of the retail electricity markets and gas, with the exception of domestic gas customers, the CER is no longer receiving the same level of market information from the incumbent suppliers, as it did as part of the tariff setting process. In order for the CER to meet the new legislative requirements and to overcome the reduction in market information a new framework, with information from all suppliers and both electricity and gas networks, is required and will help answer the following basic questions:

- Is the market working?
- Is the market working for consumers?
- Is competition supported?

This will require a broad range of data submissions in order to create the market metrics that can be used to assist the CER answer the above questions. The CER can also assist the future development of market competition, by increasing market information and transparency, through the publication of the various market metrics.

This section examines how the market monitoring framework in the context of the overall retail market design, the ERGEG guidelines on retail market monitoring and also briefly looks at the experience of retail market monitoring in other jurisdictions.

### 3.2 Retail Market Design

The legislative requirements on CER for retail market monitoring are stated in section 2 but this framework has also needs to integrate into CER's development form part of retail market policy and the overall market design. Market monitoring provides essential feedback to the CER on the effectiveness of existing policies and the development of the market. It also highlights the need for the development of new or revised policies. The following figure illustrates the role of market monitoring within context of CER's overall retail market policy development and review.

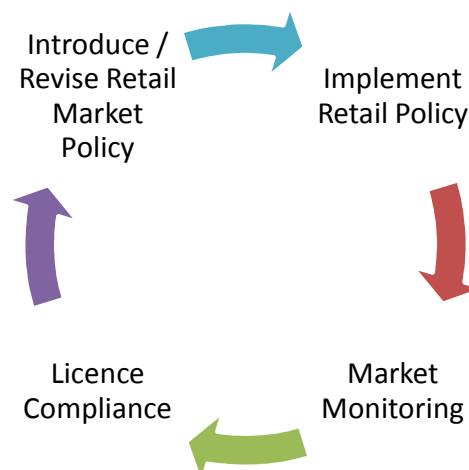


Figure 2: Development & Review of Retail Market Policy

The Retail Market Monitoring Framework will involve a number of different sources of market data and information, in order to give the CER a more holistic view of the market. This will need to cover both the experience and operation of both the supply and demand elements of the market. Data on the supply side of the market will come directly from the suppliers and the networks, which should assist the CER in understanding the level of competition in the market place across different sectors and impediments that there may be to greater competition and new entry into the market place. On the demand side of the

market, data from suppliers and the networks will be complimented by customer surveys, customer complaints received directly by the CER and price comparison websites. The figure below illustrates the different sources of inputs to the market monitoring framework and a sample of the data requirements for each source.

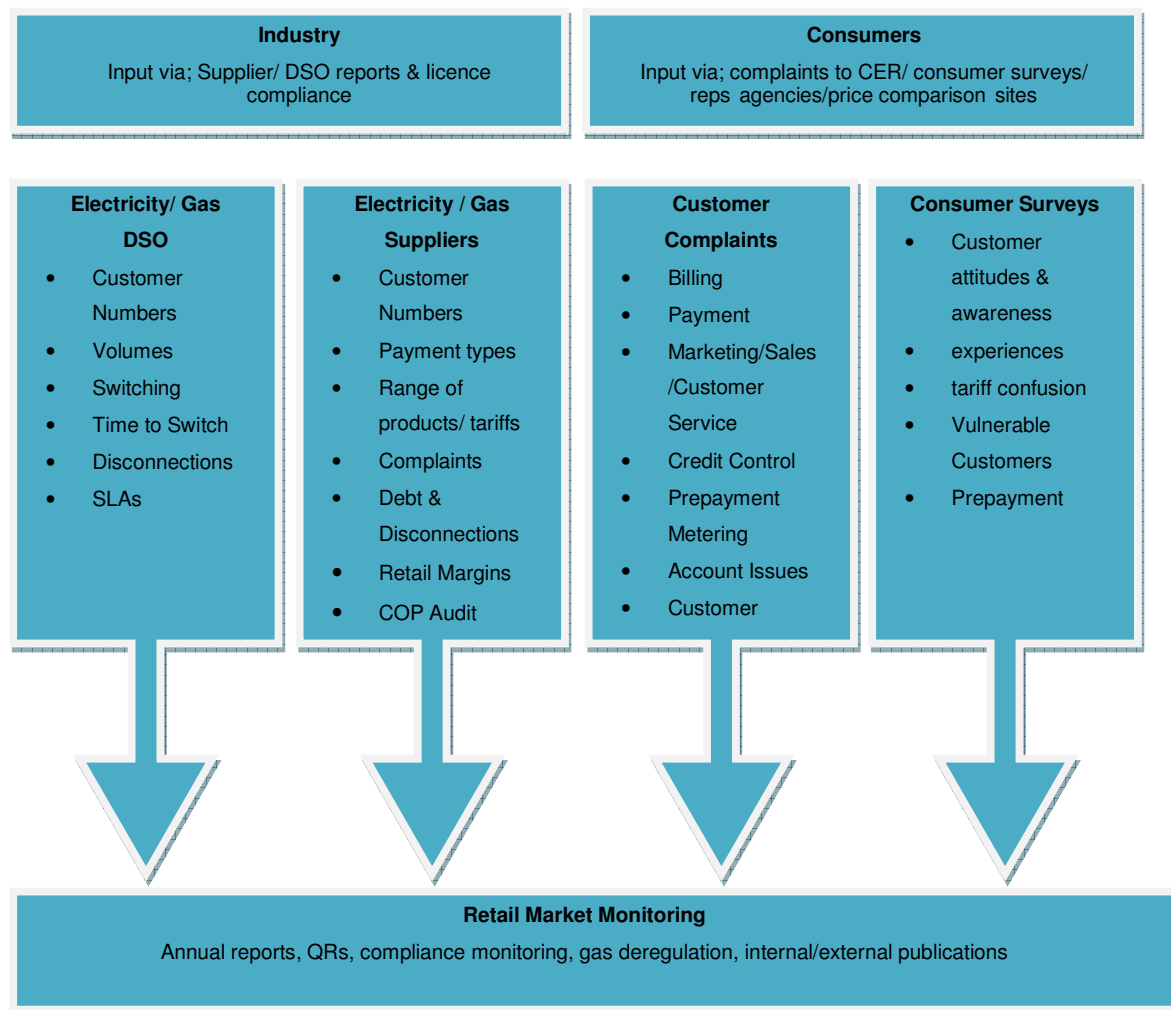


Figure 3: Retail Market Monitoring Framework

### 3.3 ERGEG Guidelines on Market Monitoring

In October 2010 the European Regulators' Group for Electricity and Gas (ERGEG<sup>11</sup>) published Guidelines of Good Practice on Indicators for Retail Market

<sup>11</sup> Now CEER

Monitoring for Electricity and Gas (GGP)<sup>12</sup>. The ERGEG GGP on retail market monitoring described the retail market metrics in three themes:

- Market Condition & DSO Services
- Retail Market's Structure
- Retail Market Outcomes, and
- Customer satisfaction,

ERGEG set out a hierarchy structure for retail market monitoring and how the four categories relate. This is set out in Figure 4 below:

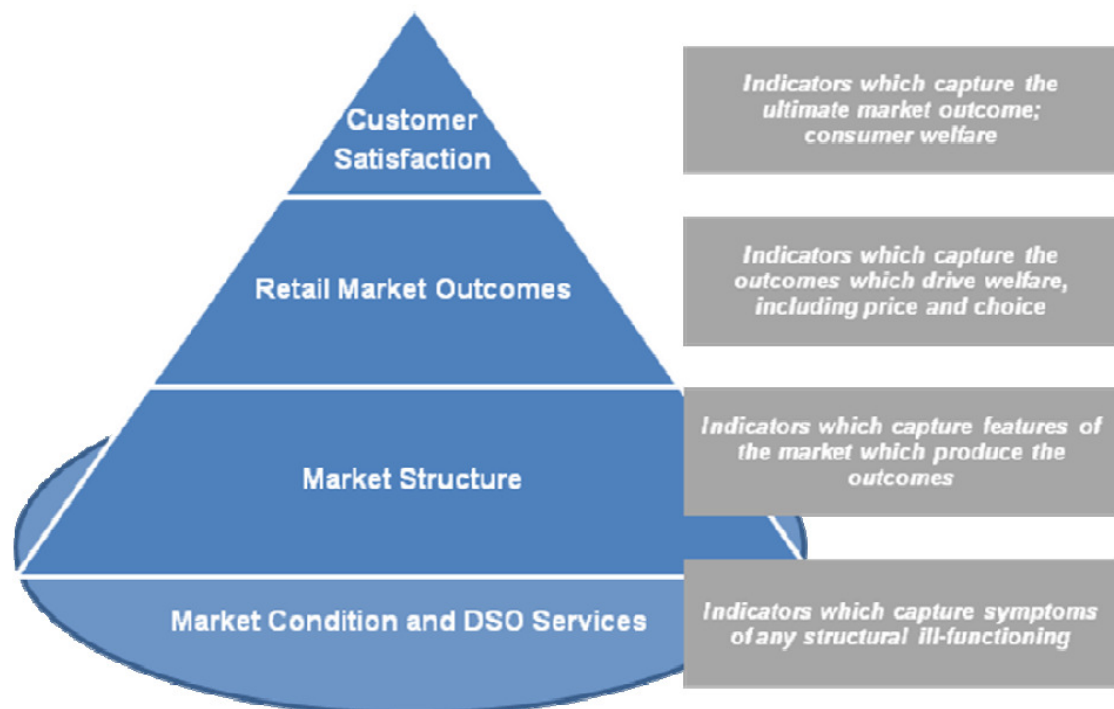


Figure 4: Identified categories for retail market monitoring and how they relate

This guideline document sets out 18 specific indicators which should be measured and the purpose of the document is to provide Member States and

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<sup>12</sup> GGP on Indicators for Retail Market Monitoring for Electricity and Gas – [E10-RMF-27-03](#)

NRA's with a framework for effective retail market monitoring. The CER intends to use these 18 indicators as a basis to develop a retail market monitoring framework in order to ensure that final customers are benefiting from competition in the supply of electricity and gas. The indicators are shown in Table 1.

Category	No.	Indicator	Frequency	Data Source
<b>Customer satisfaction</b>	1	Number of customer complaints by category	At least annually	Suppliers, DSOs and relevant 3 <sup>rd</sup> party bodies
	2	Number of customer enquiries	At least annually	Suppliers, DSOs and relevant 3 <sup>rd</sup> party bodies
	3	Is there a reliable price comparison website available for customers?	At least annually	Research
<b>Retail Market outcomes</b>	4	End-user price for typical household customer	Quarterly, if feasible	Research / suppliers
	5	Price spread on comparable products for typical household customer	At least annually	Research / suppliers
	6	Number of available contracts to typical household customer	At least annually	Research/ suppliers
	7	Percentage of customers eligible to receive a regulated end-user price Percentage of eligible customers supplied under regulated end-user prices	At least annually	Research / suppliers
<b>Market structure</b>	8	Number of active suppliers that are selling electricity and/or gas to household customers across the same market	At least annually	NRA
	9	Market shares by number of customers and consumption	At least annually	Suppliers / DSOs
	10	What percentage of customers is served by a DSO that has separate branding from the supply branch of its vertically-integrated undertaking?	At least annually	Customer research
<b>Market condition and DSO services</b>	11	Number of switches for household customers as a percentage of customer numbers	At least quarterly, if feasible	Suppliers / DSOs
	12	Number of renegotiated contracts for household customers as a percentage of customer numbers	At least annually	Suppliers / DSOs/ customer surveys
	13	Number of delayed switches	At least annually	DSOs
	14	Number of failures in relation to the total switching rate	At least quarterly, if feasible	Suppliers / DSOs
	15	Average time between a connection being requested by a customer and completed	At least annually	DSOs
	16	Average time until repair	At least annually	DSOs
	17	Relative number of disconnections	At least annually	DSOs
	18	Is there a charge for execution of maintenance services? Average time taken for execution of maintenance services Average charge for execution of	At least annually	Relevant maintenance providers

		maintenance services		
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Table 1 Summary of ERGEG Recommendations<sup>13</sup>

### 3.5 *Experience in Other Markets*

In addition to the indicators identified by ERGEG, the experience in other markets is also worth examining when considering the CER's retail market monitoring requirements. While this does not presume that conditions and behaviour will be the same in different jurisdictions, it is prudent to learn the lessons of other more mature markets.

#### 3.5.1 Great Britain

The electricity and gas markets of Great Britain (GB), provide one such example. The retail electricity and gas markets in GB have been open to full competition since 1999. The national regulator, the Office of the Gas and Electricity Markets (Ofgem), monitors the retail electricity and gas markets, and conducts market reviews, issues periodic retail market reports and investigations into the market's performance in meeting customer's needs.

The most notable investigation carried out by Ofgem in recent years was the Energy Supply Probe<sup>14</sup>. This examined the retail electricity and gas markets for households and small businesses. The results of the investigation showed no evidence of a cartel but that not all customers were gaining the benefits from competition. As a result of this Ofgem developed a number of measures to improve the market for customers, including the requirement of the largest 6 supplies to publish separate regulatory accounts for their wholesale and retail

<sup>13</sup> Table 3, page 23 & 24

<sup>14</sup> <http://www.ofgem.gov.uk/Markets/RetMkts/ensuppro/Pages/Energysupplyprobe.aspx>



businesses. The Energy Supply probe also provided Ofgem with information on the hedging strategies used by the large suppliers in GB and uses this in their 'Electricity and Gas Supply Market Reports' to estimate supplier's margins on a typical customer's bill.

### **3.5.1 Northern Ireland**

Further to the work that has been achieved in creation of a single wholesale electricity market (SEM) and that is underway in the wholesale gas markets (CAG) on the island of Ireland, the CER and the Utility Regulator of Northern Ireland are also working towards increased harmonisation of the retail markets. It is our intention that over time the market monitoring frameworks adopted in each jurisdiction will align in order to provide comparisons between the two retail markets.

## 4.0 Market Segmentation in Electricity and Gas

### 4.1 Introduction

The electricity and gas markets encompass a wide a range of customers, with different demand requirements both in terms of overall consumption and the profile of their consumption. Suppliers offer different products in order to cater for the varying requirements and the associated costs of supplying different categories of customers. When collecting data in both the electricity and gas markets it is important that this is broken down into the appropriate market segments to see what is happening to different customer categories. This needs accommodate the need for sufficient data granularity for detailed analysis, while also not being excessively burdensome on data providers.

The CER has defined the electricity tariff categories into the following broader categories: Domestic, Small Business, Medium Business and Large Energy Users<sup>15</sup>. As the CER holds historic data (tariff prices, market shares etc) using these categories this provides a good case to continue using them for future market monitoring but there is no distinction between high and low consumption within these groups.

Another category that could be used for dividing up each market is those used by Eurostat when comparing electricity and gas prices across Europe. The Energy Policy Statistical Support Unit (EPSSU), within the Sustainable Energy Authority of Ireland (SEAI), produces a bi-annual report that compares electricity and gas prices in Ireland to those across Europe with this data.

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<sup>15</sup> CER/10/058: Review of the Regulatory Framework for the Retail Electricity Market - Roadmap to Deregulation

The following sections will examine both sets of categories for the electricity and gas markets.

## ***4.2 Electricity Market Segments***

Three options are presented, for comment by stakeholders, on the segmentation of the electricity market for the purposes of data submission by suppliers and networks to the CER for the different market indicators outlined in the subsequent sections of this paper.

### ***Electricity Option 1 – Existing DUoS categories***

In electricity, the tariff categories used when Electric Ireland's prices were regulated, were based on distribution connection categories, as shown in the table below.

Market Segment	DUoS Group
Domestic	DG1-1
	DG1-2
	DG2-1
	DG2-2
Small Business	DG5
Medium Business	DG3
	DG4
	DG6
Large Energy Users	DG7
	DG8
	DG9
	DG10
	Tuos

Table 2

These groups assist in identifying the DUoS charges associated with different customers. Data in this format allows comparison with historical data that the CER has from regulating the prices of the incumbent. The drawback to using these categories and subcategories is that they do not identify the differences in customers' consumption over a given period.

### ***Electricity Option 2 – Eurostat Customer Categories***

The Eurostat categories for electricity customers provide an alternative to those identified above. The table below outlines the different groups and subcategories with the Eurostat approach.

Business Category	Eurostat Code	Annual Consumption (MWhs)
<b>Residential</b>	DA	< 1
	DB	1 - 2.5
	DC	2.5 - 5
	DD	5 - 15
	DE	>=15
<b>Business</b>	Band - IA	<20
	Band - IB	20 - <500
	Band - IC	500 - <2,000
	Band - ID	2,000 - <20,000
	Band - IE	20,000 - <70,000
	Band - IF	70,000 - <=150,000

Table 3

These categories assist in comparing Irish data with data from other members in the EU. It also allows a weighting of domestic and business customers by consumption. The drawback is that this does not allow direct comparison with historical data which is collected under the regulated tariff categories.

### ***Electricity Option 3 – Combining DUoS and Eurostat Customer Categories***

A third approach that would take the benefits of the previous two types of categories, would be to combine both. This would require greater granularity of the data, so that results based on categories could be created. This would require each of the 4 Domestic DG categories to be subdivided into the 5 Residential Eurostat categories (DA-DE) and each of the other 9 DG groups (DG3-10 & Tuos) subdivided into the 6 Business Eurostat categories (Band IA-IF). The obvious drawback to this approach is that it creates a greater reporting burden than either of the other categories, with up to 74 categories.

**Question 1** – Respondents are invited to comment on the three options presented for electricity market segments? Respondents are also invited to suggest alternative market categories.

### ***4.3 Gas Market Segments***

As in section 4.2, three options are presented, for comment by stakeholders, on the segmentation of the gas market for the purposes of data submission by suppliers and networks to the CER for the different market indicators outlined in the subsequent sections of this paper.

#### ***Gas Option 1 – Historical BGE Tariff categories***

In the gas market, the existing gas market categories, and tariff categories used when Bord Gais Energy was fully under price regulation, was based on meter type and consumption bands.

Market Segment	Tariff Category
Domestic	NDM Residential

<b>Small Business</b>	NDM Industrial & Commercial <0.073 GWhs consumption
<b>Medium Business</b>	NDM Industrial & Commercial 0.073 - <5.5 GWhs consumption
<b>Large Energy Users</b>	Fuel Variation Tariff (FVT)
	Regulated Tariff Formula (RTF)
	Above RTF not Power Generation.

Table 4

Data in this format allows comparison with historical data that the CER has from price regulation of the incumbent. Unlike the electricity tariff categories, these can be weighted by consumption.

### ***Gas Option 2 – Eurostat Customer Categories***

The Eurostat categories for electricity customers provide an alternative to those identified above. The table below outlines the different groups and subcategories with the Eurostat approach.

<b>Business Category</b>	<b>Eurostat Code</b>	<b>Annual Consumption (GJ)</b>
<b>Residential</b>	D1	< 20
	D2	20 - <200
	D3	>=200
<b>Business</b>	Band - I1	<1,000
	Band - I2	1,000 - <10,000
	Band - I3	10,000 - <100,000
	Band - I4	100,000 - <1,000,000
	Band - I5	1,000,000 - <=4,000,000

Table 5

These categories assist in comparing Irish data with data from other members in the EU. It also allows a weighting of domestic and business customers by

consumption. The drawback is that this does not allow direct comparison with historical data which is collected under the regulated tariff categories.

### ***Gas Option 3 – Modified Eurostat Customer Categories***

Unlike electricity, the difference between the two types of gas categories identified above is more a difference in consumption boundaries. Therefore a combination of the two is not an option, but a third approach for consideration is one where there are more Domestic categories within the Eurostat approach. This is worth considering because 95.2% of domestic customers fell into D2 for the second half of 2010, according to SEAI's latest report on Electricity & Gas Prices in Ireland. Therefore subdividing this band into 3 smaller categories would provide more information of the range of domestic consumption.

Business Category	Eurostat Code	Annual Consumption (GJ)
<b>Residential</b>	D1	< 20
	D2a	20 - <80
	D2b	80 - <140
	D2c	140 - <200
	D3	>=200
<b>Business</b>	Band - I1	<1,000
	Band - I2	1,000 - <10,000
	Band - I3	10,000 - <100,000
	Band - I4	100,000 - <1,000,000
	Band - I5	1,000,000 - <=4,000,000

Table 6

**Question 2** – Respondents are invited to comment on the three options presented for gas market segments? Respondents are also invited to suggest alternative market categories.

## **5.0 Market Monitoring Indicators – Market Condition & DSO Services**

### ***5.1 Introduction***

This section examines the market condition and DSO services, which indicate how well the services in the market function, switching, repairs and connections etc. In addition it should provide an indication of the level of customer engagement with the market.

### ***5.2 Switching Rates***

Switching supplier is the action through which a consumer acts and changes their supplier, whereby the meter point associated with the consumer is re-registered with a different supplier. Switching rates are a key indicator of consumer engagement and competition in the market. The last few years have seen very strong competition in the retail electricity and gas markets in Ireland, with over one million supplier switches in electricity and under two hundred thousand in gas across all suppliers since early 2009 and 2010 respectively.

The CER currently publishes a monthly Information Paper on switching activity in the electricity and gas retail market providing an update on the number of customers who have changed supplier. The CER intends to continue publishing the monthly change of supplier report, but will also include switching data in the market monitoring report. The report will include switching rates over the period and over the past year(s) in order to identify trends.

The CER recognises that switching levels provide a key indicator as to the levels of competition and customer engagement. Ireland currently has a very high switching rate and the CER would like to see this continue. In order to aid in



analysing the switching rate we are also proposing to show where the level of switching activity over the previous twelve month period falls on the Vaasaett<sup>16</sup> scale for measuring the level of activity in a market. The list below shows the Vaasaett scale which has six different categories of activity level.

- 1) **Super Hot Markets:** These are markets where activity is (in the current year) over 20% and has been consistently at or above 20% for at least three years.
- 2) **Hot Markets:** Annual switching is approximately 15% or higher.
- 3) **Warm Active Markets:** Annual switching is between 8.5% and 14%.
- 4) **Active Markets:** Annual switching is between 3.5% and 7%.
- 5) **Cool Active Markets:** Annual switching is between 1% and 3.0%.
- 6) **Dormant Markets:** Annual switching is less than 1%.

The DSOs currently provide frequent updates to the CER with detailed information on the switching activity in the Irish market. We will continue to collect this data and intend to publish a summary of switching information in the quarterly monitoring report.

Finally the CER will investigate the possibility of capturing repeat switching in order to try and develop a deeper understanding of switching trends and the level of consumer engagement.

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<sup>16</sup> <http://www.vaasaett.com/projects/switching-project/>

Metric	Unit	Period	Categories	Provider	Reporting
Switching Rate	Number	Monthly	Electricity & Gas Supplier & Customer Group	MRSO/GPR O	Monthly
Unique Switching Rate	Number	Monthly	Electricity & Gas Supplier & Customer Group	MRSO/GPR O	Monthly

Table 7

**Question 3** – Respondents are invited to comment on the whether the indicators outlined for measuring switching rates are sufficient and if not, what other methodology could be used?

### ***5.3 Delays in switching process***

As set out above the CER recognises the importance of switching for the promotion of competition and we currently monitor and publish monthly levels of switching. While the switching processes currently in place have been extremely successful in handling the large volume of switches in the Irish market over the past couple of years, it is important to ensure that these processes continue to function in order to ensure that consumers have a positive switching experience. By measuring the length of delays this indicator will help highlight potential malfunctioning in the switching process.

The 3<sup>rd</sup> Energy Package requires that switches ordered by customers are done within three weeks. Under the current model the MRSO/GPRO, for electricity & gas respectively, must have a meter read to carry out a switch after receiving an instruction from a supplier. There are three/ two types of switching instruction carried out by the MRSO/ GPRO:

## Electricity

- 1 **A switch with a customer read;** is where the MRSO receives a customer read with the request for a switch or else they use an estimated read. This constitutes the vast majority of switches are generally carried out within two weeks.
- 2 **A switch with a scheduled read;** this is where the supplier requests that the MRSO wait until the next scheduled read and use that reading to make the switch. There is a bi-monthly scheduled read, therefore this could be up to two months later depending on when the request is made.
- 3 **A switch with a special read;** if a customer has not had an actual read in over a year, or if a supplier specifically requests

## Gas

- A switch with a customer read;** is where the GPRO receives a customer read with the request for a switch. This constitutes the vast majority of switches and is generally carried out within 3 working days.
- A switch request without a read;** this is where the supplier requests the CoS without supplying a read, the CoS will pend for up to 21 days until either the next scheduled read takes place – either a siteworks read or the Shipper later provides a read. The standard read schedule for domestic sites is bi-monthly, (4 actuals and 2 estimates) however the pending CoS times out after 21 Days.

this then the MRSO will make a site visit to take an actual read. This is type of switch represents a fraction of the overall switches.

Therefore the CER is proposing that a delayed switch under number one, for both electricity and gas, a switch with a customer read, will be one in which the customer is not switched within three weeks of MRSO/GPRO receiving the request from a supplier. Under number two, for both electricity and gas, a switch with a scheduled read, a delayed switch will be where the switch is not completed within two weeks of the scheduled read. Finally, for number three, switch with a special read, the CER does not intend to record these as delayed switches as there may be difficulty in gaining access to the premises to make a read and as such the issue lies outside of the switching process. We will however record the number of such switches.

The MRSO/GPRO will be required to provide data on the number of switches requested, the number completed on time and the number of delayed switches. In addition they will report the number of switches requiring a special read. We also intend to collect data on the length of time switches are delayed. This information should signal whether there are any issues emerging with regards to the switching process. The CER will publish the information collected on the number of delays in the switching process.

Metric	Unit	Period	Categories	Provider	Reporting
Switches Requested	Number	Monthly	<ul style="list-style-type: none"><li>• Electricity &amp; Gas</li><li>• Supplier</li><li>• Customer</li></ul>	MRSO/GPRO	Quarterly

			Group		
<b>Switches completed on time</b>	Number	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Supplier</li> <li>• Customer Group</li> <li>• Bands (0-1; 1-2; 2-3 Weeks)</li> </ul>	MRSO/GP RO	Quarterly
<b>Delayed Switches</b>	Number	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Supplier</li> <li>• Customer Group</li> <li>• Bands (2-3; 3-4; 5-6 Weeks etc)</li> </ul>	MRSO/GP RO	Quarterly

Table 8

Prior to the suppliers request to the DSOs for a switch to take place, the customer has informed the new supplier of their desire to switch. Therefore, there may be a need to capture this data and the CER will review the need to capture this data in the future.

**Question 4** – Respondents are invited to comment on the whether the indicators outlined for measuring delays in the switching process are sufficient and if not, what other methodology could be used?

## ***5.4 Failure to fulfil the switch***

A failure to fulfil the switch occurs when a switch is not completed. Consumers can only participate in the market if they are able to effectively switch. In addition

to delays in switching this indicator will provide information on whether the switching process is operating effectively.

A switching request received by the MRSO/ GPRO and not completed within 65/ 21 working days times out and is not progressed. Any switch requests that time out and are not completed, for whatever reason are to be recorded by the MRSO/ GPRO as failed switches.

As with the previous indicator the CER will collect data from the MRSO/ GPRO on the number of failed switches. Combined with the other switching indicators it will highlight areas where issues with the switching process are arising.

The CER will publish the information collected on the number of failed switches.

Metric	Unit	Period	Categories	Provider	Reporting
Failed Switches	Number	Monthly	<ul style="list-style-type: none"><li>• Electricity &amp; Gas</li><li>• Suppliers</li><li>• Customer Categories</li></ul>	MRSO/ GPRO	Quarterly

Table 9

**Question 5** – Respondents are invited to comment on the whether the indicators outlined for measuring failed switches are sufficient and if not, what other methodology could be used?

### ***5.5 Renegotiations***

A renegotiation is where a consumer changes to a new contract (excluding the automatic renewal of the current contract) with their existing electricity supplier. This is an important indicator of consumer engagement with the market. So while

a consumer who switches is actively participating in the market, this is equally true of a consumer who examines the offers available to them and opts to stay with their current supplier.

Suppliers will be required to provide data on the number of renegotiated contracts by month as well as the number of contracts which expired and the number of consumers who defaulted to the standard tariff upon completion of their contract period.

Taking this data along with switching rates will allow a fuller picture of the level of consumer engagement and is another indicator of whether they are exerting a competitive constraint. The CER intends publishing information on the number of renegotiations.

Metric	Unit	Period	Categories	Provider	Reporting
Renegotiations	Number	Monthly	<ul style="list-style-type: none"> <li>Electricity &amp; Gas</li> <li>Customer Categories</li> </ul>	Suppliers	Quarterly
Contracts expired	Number	Monthly	<ul style="list-style-type: none"> <li>Electricity &amp; Gas</li> <li>Customer Categories</li> </ul>	Suppliers	Quarterly
Defaulting to Standard Tariffs	Number	Monthly	<ul style="list-style-type: none"> <li>Electricity &amp; Gas</li> <li>Customer Categories</li> </ul>	Suppliers	Quarterly

Table 10

**Question 6** – Respondents are invited to comment on the proposals outlined for measuring renegotiations. Is there any other methodology that could be used?

## 5.6 Connections

This indicator is important as it provides information on how effectively the market is delivering good service to customers. ERGEG suggests that information on connection times is collected at least annually from DSOs and they also support the idea of developing defined quality of service obligations for connections.

ESB Networks Ltd is the DSO in the Irish electricity market and they currently have in place a Service Level Agreement (SLA) with regards to connections as part of their customer charters Distribution Service Guarantees<sup>17</sup>. Guarantees four, five and six of the charter address connections and set out timelines for the installation of meters in new premises where there is an existing supply of electricity. Therefore the quality of service obligations is already in place.

Gaslink is the DSO for the Irish gas market and they currently don't report on the time to connect customers to the gas distribution network in their annual performance report. This may be a requirement in future DSO performance reports, therefore until then the DSO will be required to report on the average time to connection from a customer request.

Metric	Unit	Period	Categories	Provider	Reporting
Average time to Connect	Days	Annual	• Gas Customer Categories	Gas DSO	Annual
Range of times to Connect	Days	Annual	• Gas Customer Categories • Connection segments (0-20%; 21-40%; 41-60%; 61-	Gas DSO	Annual

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<sup>17</sup> [http://www.esb.ie/esbnetworks/en/about-us/customer\\_charter/service\\_guarantees.jsp](http://www.esb.ie/esbnetworks/en/about-us/customer_charter/service_guarantees.jsp)



			80%; 81-100%)		
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Table 11

**Question 7** – Respondents are invited to comment on whether the proposals to monitor connections as part of the DSO performance report are sufficient. If not, what value would more regular monitoring of connections provide?

## 5.7 Repairs

This indicator is used to show where customers' supplies have been affected and to measure how effectively the market is at delivering good service to customers. ERGEG supports the idea of defining quality of service obligations for repairs and the 3rd Energy Package requires that the time taken by DSOs to make repairs is monitored.

As part of the first two revenue controls, covering the period 2001 to 2010, the CER put in place financial incentive mechanisms to encourage ESB Networks, as the DSO, to reduce the annual average number of Customer Minutes Lost (CMLs) and Customer Interruptions (CIs). CMLs and CIs are how the CER monitors the average speed of repairs carried out by ESB Networks. Such financial incentives have also been included in the CER's decision<sup>18</sup> on 2011 to 2015 distribution revenue for ESB Networks with targets for the annual reduction of both CMLs and CIs over the period.

The CER collects data on outturn CMLs and CIs from ESB Networks as part of its annual review of Networks allowed revenue. We will continue with this process and include the data on CMLs and CIs as part of the market monitoring framework. This will be done on an annual basis and the CER will include the results of these reports in the market monitoring reports.

<sup>18</sup> Decision on 2011 to 2015 distribution revenue for ESB Networks Ltd - [CER10198](#)

Bord Gais Networks have a customer charter which outlines ten performance commitments. This includes the restoration of gas supply by the end of the following day after notification. As part of Gaslink's annual performance report the percentage of cases that meet this performance commitment and the amount in compensation that has been paid out is identified. These results will also be included in the market monitoring report.

**Question 8** – Respondents are invited to comment on whether the proposals to monitor repairs through the annual reporting of CMLs and CIs for electricity and supply restoration for gas are sufficient. If not, what value would more regular monitoring provide?

## ***5.8 Disconnection Rates***

The current economic climate is placing additional pressures on consumers and many people are caught between a diminished household income and increased domestic outgoings and mortgage payments. As a result many consumers are falling into arrears with their energy providers and notwithstanding the regulated customer protection measures already in place, the number of disconnections has risen in the past couple of years.

The CER currently monitors the level of disconnections taking place in the Irish electricity market, on a weekly basis, and the gas market, on a monthly basis. This includes the number of disconnections by supplier, disconnections by market segment (DG group for electricity and domestic/Industrial & commercial split for gas) and a breakdown of ESB Networks actions associated with disconnection calls. As a result of this monitoring and the rise in disconnection

rates the CER has taken a number of actions over the past year, including the reduction in the cost of disconnections for consumers<sup>19</sup>.

We intend to continue collecting the detailed level of information on disconnections and the number of prepayment meters that are being installed. This customer categories discussed in section 4 will be used for both metrics.

Metric	Unit	Period	Categories	Provider	Reporting
<b>Disconnections</b>	Number	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Suppliers</li> <li>• Customer Categories</li> <li>• Disconnection Categories</li> </ul>	DSOs	Monthly
<b>Vacant Premises disconnected</b>	Number	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Suppliers</li> <li>• Customer Categories</li> <li>• Disconnection Categories</li> </ul>	DSOs	Monthly
<b>Prepayment Meters</b>	Number	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Suppliers</li> <li>• Customer Categories</li> </ul>	DSOs	Monthly

Table 12

<sup>19</sup> Electricity and Natural Gas Supplier Handbook 2011 (CER/11/168a)

**Question 9** – Respondents are invited to comment on whether the proposals outlined for monitoring disconnections are sufficient. What additional information on disconnections do respondents consider would be worth publishing?

### ***5.9 Debt Flagging***

The CER published a decision paper (CER/11/106) providing the approval to alter the Change of Supplier process to allow for debt flagging of Non Daily Metered (NDM) customers in the gas market and all customers with the exception of LEUS in the electricity market. In a subsequent decision (CER/11/181) the CER approved an industry code in order to ensure customers are protected when the process is introduced.

The following metrics identified in CER/11/181 are proposed with the addition of data by suppliers and customer categories.

Metric	Unit	Period	Categories	Provider	Reporting
Debt Flags raised	Number	Monthly	<ul style="list-style-type: none"> <li>Electricity &amp; Gas</li> <li>Suppliers (losing)</li> <li>Customer Categories</li> </ul>	DSOs	Monthly
Change of Supplier requests rejected	Number	Monthly	<ul style="list-style-type: none"> <li>Electricity &amp; Gas</li> <li>Suppliers (gaining)</li> <li>Customer Categories</li> </ul>	DSOs	Monthly
Change of Legal Entity	Number	Monthly	<ul style="list-style-type: none"> <li>Electricity</li> <li>Suppliers</li> </ul>	DSO	Monthly

(CoLE)			• Customer Categories		
Debt flags not issued due to CoLE	Number	Monthly	<ul style="list-style-type: none"> <li>• Electricity</li> <li>• Suppliers (gaining)</li> <li>• Customer Categories</li> </ul>	DSO	Monthly

Table 13

**Question 10** – Respondents are invited to comment on whether the proposals outlined for measuring debt flagging are sufficient. Is there any other related information that the CER should consider including in its monitoring framework?

## 6.0 Market Monitoring Indicators – Market Structures

### 6.1 Introduction

The following set of indicators give an overview of the features of the market that are driving the outcomes observed in the section 7. These indicators show how the market is put together.

### 6.2 Suppliers and Market Share

The CER has published quarterly/competition reviews for both electricity and gas, since April and May 2010 respectively, showing the market breakdown in terms of customer numbers and demand for four market segments in electricity and 6 in gas. The CER will continue to collect data from the DSOs in this regard and propose using the relevant customer categories discussed in section 4.

In addition the CER may include a list of active suppliers in each market segment. This will help ensure that consumers have details of all suppliers

operating in the market. If suppliers wish to be listed as active in any of the segments they will have to inform the CER.

Metric	Unit	Period	Categories	Provider	Reporting
Market Share	<ul style="list-style-type: none"> <li>• Numbers</li> <li>• Demand</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Suppliers</li> <li>• Customer Categories</li> </ul>	DSOs	Monthly
Active Suppliers	<ul style="list-style-type: none"> <li>• Yes/No</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Customer Categories</li> </ul>	Suppliers	Monthly

Table 14

**Question 11** – Respondents are invited to comment on the whether the level of detail on market share currently shown in the CER’s quarterly reports is sufficient. If not, please state what additional information should be provided.

**Question 12** – Respondents are invited to comment on the proposal to include a list of active suppliers in each market segment.

### 6.3 Market Concentration

The OECD<sup>20</sup> state that market concentration

*“....measures the relative position of large enterprises in the provision of specific goods or services such as automobiles or mortgage loans. The rationale underlying the measurement of industry or market concentration is the industrial organization economic theory which suggests that, other things being equal, high levels of market concentration are more conducive to firms*

<sup>20</sup> <http://stats.oecd.org/glossary/detail.asp?ID=3165>

*engaging in monopolistic practices which leads to misallocation of resources and poor economic performance. Market concentration in this context is used as one possible indicator of market power.”*

In setting out the criteria for deregulation in electricity and gas markets the CER examined market share as well as the need for two independent suppliers with at least 10% market share each. By measuring these indicators the CER set the criteria by which the level of competition could be judged and the decision to deregulate made.

The previous indicator will continue to measure market share as has been done over the past 2 years, however under the market monitoring framework we also intend to show other indicators illustrating market concentration. The CER intends to use calculate the Herfindahl-Hirshman Index (HHI) in each market monitoring report. In addition the CER may calculate and publish the Concentration ratio index (CR). Table 16 is taken from the ERGEG guidelines for good practice document and provides a brief explanation of both indexes:

Market Concentration Indicator	Meaning	Calculation
Herfindahl-Hirschman index (HHI)	HHI number indicates the degree of concentration in the market overall. A HHI number is calculated which ranges from 0 to 10,000. If HHI falls towards 0 the number of firms tends to infinity. If a single firm supplied the market, the HHI is 10,000. A HHI between 1,000 and 2,000 typically indicates moderate concentration, with 2,000 indicating a concentrated market.	$HHI = MS_1^2 + MS_2^2 + \dots + MS_n^2$ <p>Where n is the number of suppliers in the market and MS is the market share of each supplier.</p> <p>Market share could be calculated by energy consumption volume or by number of customers.</p>
Concentration ratio index (CR)	Summarises the extent to which the largest few suppliers control supply, e.g. CR3 is the addition of the 3 largest suppliers market shares.	$CR_n = MS_1 + MS_2 + \dots + MS_n$ <p>Where n is the number of largest suppliers that the CR will apply to, MS1 is the market share of the largest supplier, MS2 is the market share of the second largest and so on.</p> <p>Market share could be calculated by energy consumption volume or by number of customers or metering points.</p>

**Table 15**

The CER will consider publishing the results of these two indicators for both customer numbers and demand by market segment. The CER does not intent to set a predetermined target level for either indicator but by tracking both the HHI and CR over time, combined with other indicators; it should provide an indication of whether competition continues to develop.

**Question 13** – Respondents are invited to comment on the whether the two measures of market concentration are the most appropriate for the Irish market. If not, what other approaches should be used?



## **6.4 Retail Margin**

National electricity and gas retail markets the total revenues earned can vary significantly over the short term due to variations in the wholesale prices, which are in turn responding to swings in international supply and demand and the relative limitations of storage of either good. This therefore can result in significant changes in the profits reported by energy companies who have a significant share of their costs are fixed. This would suggest that examining profits over the longer term would provide greater insight to the level of competition in the markets.

On the other hand, as suppliers of electricity and gas can vary there prices to consumers throughout the year, it is important in assessing the level of competition to understand the impact this has on to their margins. Also by examining profits across different market segments, it could indicate where suppliers might be cross-subsidising between activities and therefore it is important to examine this area in the context of the total energy market. This can indicate how intense competition is at any point in time as well as the seasonal nature of retail margins<sup>21</sup>.

Ofgem publish regular supply reports<sup>22</sup> on the electricity and gas market, outlining the expected costs and margins that suppliers are due to make on their standard tariffs, with the prevailing wholesale, network and other costs. Ofgem also published a report on the profitability of vertically integrated energy companies, showing the margins in each segment of the business for each fuel.

Currently, only electricity suppliers are required to submit regulated accounts to the CER on an annual basis. Therefore, in order to examine profitability in the

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<sup>21</sup> Typically higher in the summer and lower in the winter, in line with wholesale electricity prices

<sup>22</sup> <http://www.ofgem.gov.uk/MARKETS/RETMKTS/RMR/Pages/rmr.aspx>

gas supply market and under different customer categories suppliers will be required to provide a breakdown of revenue and costs for the different customer categories for each quarter. The CER does not plan to publish all this detailed information, but may publish amalgamated information by customer category or by supplier, showing retail margins.

Metric	Unit	Period	Categories	Provider	Reporting
<b>Electricity</b>					
Revenues	€ 000	Quarterly	Customer Categories	Suppliers	Quarterly
Generation	Ditto	Ditto	Ditto	Ditto	Ditto
TUoS	Ditto	Ditto	Ditto	Ditto	Ditto
DUoS	Ditto	Ditto	Ditto	Ditto	Ditto
PSO	Ditto	Ditto	Ditto	Ditto	Ditto
Supply Costs (excl D&A)	Ditto	Ditto	Ditto	Ditto	Ditto
Suppliers D&A <sup>23</sup>	Ditto	Ditto	Ditto	Ditto	Ditto
Supply Margin (EBIT) <sup>24</sup>	Ditto	Ditto	Ditto	Ditto	Ditto
VAT	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Gas</b>					
Revenues	€ 000	Quarterly	Customer Categories	Suppliers	Quarterly
Commodity	Ditto	Ditto	Ditto	Ditto	Ditto
Transmission	Ditto	Ditto	Ditto	Ditto	Ditto
Distribution	Ditto	Ditto	Ditto	Ditto	Ditto

<sup>23</sup> Depreciation and Amortisation

<sup>24</sup> Earnings Before Interest & Tax

Supply Costs (excl D&A)	Ditto	Ditto	Ditto	Ditto	Ditto
Suppliers D&A	Ditto	Ditto	Ditto	Ditto	Ditto
Supply Margin (EBIT)	Ditto	Ditto	Ditto	Ditto	Ditto
VAT	Ditto	Ditto	Ditto	Ditto	Ditto

Table 16

**Question 14** – Respondents are invited to comment on the whether the proposals for retail margins are sufficient. Is the proposal outlined above sufficient? If not, what other approaches should be used?

### ***6.5 Customers with a supplier separately branded from its vertically integrated DSO***

The 3<sup>rd</sup> Energy package states that “vertically integrated DSO’s shall not, in their communication or branding, create confusion in respect of the separate identity of the supply branch of the vertically-integrated undertaking”<sup>25</sup>. ERGEG state that the degree of neutrality and distinction between brands can be seen as a measure that implies whether the market is transparent or not. By a supply business operating under the same branding as the DSO could lead to customer confusion over the roles of different market players.

As part of the conditions for deregulation of the domestic Irish electricity market, ESB Customer Supply and ESB Independent Energy, the supply businesses of the vertically integrated incumbent, was required to change the brand, but are

<sup>25</sup> Article 26.3 (electricity and gas) in the 2009 Directives

now known as Electric Ireland. Therefore in electricity, no customers come are with a company that has the same brand as the DSO.

In the gas market, the incumbent supplier, Bord Gais Energy, is part of the same business that owns the DSO, which currently operates with a separate brand, Gaslink. Therefore like electricity, currently no gas customers are with a company that has the same brand as the DSO. The 3rd Energy Package, includes provision designed to separate the supply and networks activities of Vertically Integrated Utilities (VIUs), such as Bord Gais Eireann. The Minister for Communications, Energy and National Resources has advised that he and the Government have chosen to implement the ITO (Independent Transmission Operator) model in respect of BGE and the necessary regulations will be implemented shortly. Under the ITO model, a legally separate and ring-fenced independent subsidiary of BGE will own and operate the gas transmission system. This change essentially involves an amalgamation of Gaslink and BGN functions. Subsequently, if the branding of the newly merged networks business is the same as that of the supply business, then this metric will be examined.

## **7.0 Market Monitoring Indicators – Retail Market Outcomes**

### ***7.1 Introduction***

As set out in the Roadmap decision papers the objectives of deregulation are to increase choice for Irish consumers, provide further downward pressure on retail prices and stimulate innovation in new retail products. Combining the indicators measuring customer's satisfaction with the indicators in this section will capture consumers experience through the prices and choices that the market produces. This will allow us to gauge whether the deregulated market is delivering the choice and value expected.

## 7.2 Diversity of Tariffs & Contracts

This indicator will measure the number and diversity of tariffs that are available for a typical household and the contracts available business customers. Suppliers will be required to provide details of all tariffs/contracts offered to domestic /business customers as well as the number of customers availing of each tariff/contract.

This data will give an indication of the diversity and innovation available in the market place and show trends over time. This may give an indication of whether there is a sufficiently broad range of tariff/contract offerings or whether there is a level of tariff numbers and complexity that may result in consumer confusion and disengagement. In addition it will allow the CER to monitor whether there are disproportionate numbers of certain customer groups, such as Free Electricity Allowance (FEA) or vulnerable customers, which are being disadvantaged by their tariff choice.

All suppliers active in each market segment will be required to report on the full set of tariffs/ contracts available to their customers. The CER will publish summary data of the tariffs available and may also publish a full list of available tariffs.

Metric	Unit	Period	Categories	Provider	Reporting
<b>Diversity of Contracts</b>	<ul style="list-style-type: none"> <li>• Tariff/ contract Description<sup>26,27</sup></li> <li>• Customer Nrs</li> <li>• Vulnerable Customer Nrs</li> <li>• Demand</li> <li>• Rates (Variable</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas &amp; Dual fuel</li> <li>• Tariff offered</li> <li>• Customer Categories</li> </ul>	Suppliers	Quarterly

<sup>26</sup> Include Prepayment Meters and

<sup>27</sup> Include any additional benefits associated with the description of the Tariff

	& fixed) • Payment method used				
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Table 17

**Question 15** – Respondents are invited to comment on the whether the proposals for monitoring the diversity of tariffs and contracts are sufficient. If not, please state what additional measures should be undertaken?

### 7.3 End-user prices

This indicator will measure the amount that households and business are paying for their energy. It's a key market outcome rather than evidence of well-functioning of the market.

The data required for this metric will include customer numbers, demand and revenue over the previous quarter. This data will allow us to show the average customer bill in each of the customer categories. This will give an indication of the movement in prices over time and give an indication of which supplier is offering the best overall value for customers in each market segment.

All suppliers will be required to report on end user prices and the CER intends publishing all information relating to domestic customers. Although average annual bills for business customers is less useful given the wide spread in consumption between customers within the categories, we will also consider publishing averages as a means to track price movements over time.

Metric	Unit	Period	Categories	Provider	Reporting
End user prices	<ul style="list-style-type: none"> <li>• Customer Nrs</li> <li>• Demand</li> <li>• Revenues</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>• Electricity &amp; Gas</li> <li>• Customer Categories</li> </ul>	Suppliers	Quarterly

Table 18

**Question 16** – Respondents are invited to comment on the whether the proposals for monitoring end user prices are sufficient. If not, please state what additional measures should be undertaken?

#### ***7.4 Price Spread for comparable products***

The price spread is the difference between the most expensive and the cheapest comparable offer (i.e. equivalent contract type) that a household customer can achieve at the same point in time. This indicator is for domestic customers and by showing the difference between the most expensive and the cheapest comparable offer, it highlights the ability of consumers to save money and may indicates if a particular consumer group is paying unfair premiums. As cost saving is the main driver of switching, this parameter should also provide guidance as to where market activity should be.

The data submitted by suppliers under the heading of the diversity of contracts will provide the information required to determine the highest and lowest tariff for the average customer in each customer category. With these details it is possible to highlight the potential savings available to customers.

By examining the spread price in the context of other factors it may provide an indicator of whether inactive customers are being significantly disadvantaged.

**Question 17** – Respondents are invited to comment on the whether the proposals for monitoring the spread price are sufficient. If not, please state what additional measures should be undertaken?

### **7.5 Arrears**

The deterioration of the economic situation over the past few years has not only lead to an increase in the number of customers being disconnected, but also in the number of customers who are in arrears with regards to their utility bills. To date there has been no systematic recording on an industry wide level of the situation with regards to the number of customers in arrears. This is an essential component which will inform customer protection policy.

As part of the market monitoring framework suppliers will be required to report to the CER on the number of customers in arrears. This data will be further broken down into the number of customers in areas for more than 30, 60 and 90 days. In addition, suppliers must also report on the number of customers in arrears that are on payment plans.

Using this indicator, combined with the information on disconnection rates, the CER will be able to monitor the situation with regards to the number of customers having difficulty paying their bills and whether there is action required on the part of the CER and/or suppliers.

The CER intends to publish arrears data by supplier.

Metric	Unit	Period	Categories	Provider	Reporting
Arrears	• Customer Nrs • Total Value	Monthly	• Electricity & Gas	Suppliers	Quarterly



	(€000) • Nr on Payment plans		• Debt days <sup>28</sup> • Customer Categories		
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Table 19

**Question 18** – Respondents are invited to comment on whether the proposals outlined for measuring arrears are sufficient. Is there any other related information that the CER should consider including in its monitoring framework?

## 7.6 Penalty Clauses

A number of products offer to domestic customers include penalty clauses that result in a fee being charged to the customer for exiting from the contract before a specified duration. In order to examine the extent and the impact of these clauses on customers in both the electricity and gas markets the CER is proposing that Suppliers report on the number.

This indicator will show whether customers are entering into unsuitable contracts and may also inform trends identified in the switching indicators. The CER intends to publish penalties data by supplier.

Metric	Unit	Period	Categories	Provider	Reporting
<b>Penalties applied to Customers</b>	• Customer Nrs • Total Value (€000)	Monthly	• Electricity & Gas • Customer Categories	Suppliers	Quarterly

<sup>28</sup>

Table 20

**Question 19** – Respondents are invited to comment on whether the proposals outlined for measuring penalty clauses are sufficient. Is there any other related information that the CER should consider including in its monitoring framework?

## **8.0 Market Monitoring Indicators – Customer Satisfaction**

### ***8.1 Introduction***

One of the key aspects of any market monitoring framework is to gauge customers experiences of the marketplace. The level of customer satisfaction is a key indicator in trying to assess whether competition is delivering not only cost benefits, but improved customers service and quality. The CER is proposing to monitor the below areas in order to help build a comprehensive picture of customer satisfaction, as well as conducting market audits on the codes of practice.

### ***8.2 Customer Complaints***

Understanding the number and type of complaints, as well as when they were submitted, will provide an indication of the outcomes for customers in the market and some sense of the extent to which service standards are a competitive tool. This information will highlight areas where there is customer confusion/dissatisfaction and where there is a need for remedial action. The number of complaints could also help gauge the level of market engagement. Therefore, a low level of customer complaints does not necessarily mean the absence of problems, for example it could be a manifestation of low levels of market engagement.

In order to collect data on customer complaints the CER will require suppliers to report to the CER on the number of complaints per month that they received. This must be further broken down into the categories set out in the accompanying reporting form.

The CER has definition a complaint as:

*“The expression, (through various channels, letter, email, phone call, physical claim) of a customer’s dissatisfaction and his/her explicit expectation for a response or resolution.”*

All suppliers will be required to report on customer complaints and the CER intends publishing all information collected.

Metric	Unit	Period	Categories	Provider	Reporting
Customer Complaints	• Numbers	Monthly	• Complaint Categories* • Electricity & Gas • Customer Categories	Suppliers	Quarterly

\*See appendix 2 for a breakdown of complaint categories

**Table 21**

In addition to the data collected from suppliers the CER will continue to monitor customer complaints received by the Energy Customers Team and will compare these to the data provided by suppliers in order to identify and investigate any anomalies.

**Question 20** – Respondents are invited to comment on the whether the proposals for monitoring customer complaints are sufficient. If not, please state what additional measures should be undertaken?

### **8.3 Customer Enquiries**

Customer enquiries are evidence of active behaviour and this indicator used along with the information collected on customer complaints will provide information on the areas that are confusing customers and where they are experiencing difficulties.

A customer enquiry is a request for information and advice, other than a complaint. Every enquiry, regardless of the form of expression (letter, email, phone call or in person), should be taken into account. Suppliers will be required to report to the CER in the format set out in the reporting form. The form for customer enquiries breaks down the information by month and adopts the same categorisation as for complaints.

All suppliers will be required to report on customer enquiries and the CER intends publishing all information collected.

Metric	Unit	Period	Categories	Provider	Reporting
<b>Customer Enquiries</b>					
<b>Billing</b>	• Numbers	Monthly	• Electricity & Gas Customer Categories	Suppliers	Quarterly
<b>Payment</b>	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Marketing/ Sales/ Customer Service</b>	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Credit Control</b>	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Prepayment Metering</b>	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Account Issues</b>	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Customer Charter</b>	Ditto	Ditto	Ditto	Ditto	Ditto
<b>Other</b>	Ditto	Ditto	Ditto	Ditto	Ditto

Table 22

**Question 21** – Respondents are invited to comment on the whether the proposals for monitoring customer enquiries are sufficient. If not, please state what additional measures should be undertaken?

### ***8.4 Customer Charter & Codes of Practice Additional Reporting Requirements***

In addition to providing ongoing metrics in relation to aspects of complaints handling and the number and level of payments under the supplier's Customer Charter, suppliers will be required to submit a report annually setting out their compliance with the CER's Natural Gas and Electricity Supplier's Handbook and details of any new services that are covered by the requirements.

The Natural Gas and Electricity Supplier's Handbook sets out the CER's requirements for suppliers in the areas of customer charters, marketing & sign up, billing, disconnection, prepayment metering, complaints handling, vulnerable customers and terms and conditions of supply to household customers.

The annual report should include the following:

1. Details of how often and how customers are being made aware of the existence of the supplier's Codes of Practice and Customer Charter.
2. A statement setting out how the supplier is meeting the CER's guidelines in relation to Codes of Practice and the Customer Charter.
3. A copy of the content of the supplier's bill with indicating any changes that have been made to the bill during the previous year.
4. Details of the number and category of customers registered as vulnerable customers, including the types of service offered to these customers, how these services are advertised and their uptake.
5. A copy of the supplier's doorstep checklist and details of the number of copies of the checklist distributed to customers during the previous year.

6. Details of the supplier's services that have met the requirements of universal design.
7. Details of any measures taken to reduce the number of customer disconnections..
8. Details of any measures taken to assist the supplier's customer base with budgeting for their energy use. (not inclusive of individually negotiated measures)

In addition the CER will conduct audits on the compliance with the codes of practice from time to time. This qualitative data will contribute to the CER's market monitoring.

### ***8.5 Price Comparison Website***

There are already independent price comparison websites in the Irish market that allow domestic customers to compare the various tariff offerings available from electricity suppliers. The CER wants to ensure that there are price comparison websites that are easy to use and trusted by consumers as these can be a valuable tool in delivering cost savings to consumers, reducing confusion about tariff offerings and promoting competition.

Therefore, the CER recently consulted upon and subsequently published a decision paper<sup>29</sup> setting out its proposals for the principles to be met by price comparison websites in order to receive accreditation from the CER. Becoming accredited will entitle price comparison websites to use the CER logo on their website and to advertise their accreditation. Accreditation should provide credibility to the website provider and instil consumer confidence in the service. In order to ensure that this is well placed the price comparison website must comply with all of the principles set out by the CER.

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<sup>29</sup> Decision on CER Accreditation Framework for Price Comparison Websites - [CER1114](#)

The CER currently welcomes applications from website providers' and we hope to have accredited websites operating and offering cost comparison to Irish consumers in the near future. The CER will monitor accredited websites on an ongoing basis and this will ensure that consumers continue to have a reliable price comparison service.



## **9.0 Market Monitoring Indicators – Other**

### ***9.1 Introduction***

In addition to the market monitoring indicators set out in the previous sections there are a few additional indicators that the CER will consider developing in the future. The CER sees these as being important in terms of developing a comprehensive market monitoring framework, but in the interest of initiating the process has decided to implement the following indicators at a later stage.

### ***9.2 Barriers to Entry***

Barriers to entry are ways in which incumbents keep competition out<sup>30</sup> and therefore an important determinant of competition. Market entry or the threat of entry can act as a competitive force maintaining a downward pressure on industry profits and driving existing market participants to act in a competitive manner.

Barriers to entry may include market rules, cost of capital, economies of scale, wholesale market liquidity (see Section 7.3 below), intensity of competition, profit margins, brand loyalty and a range of other factors. Many of these are qualitative in nature and as such will require a good deal of market analysis. As a result the CER do not intend to set out any market monitoring measure for barriers to entry at this time, but it is an area we hope to develop in the future.

### ***9.3 Wholesale Market Liquidity***

One of the major barriers to entry in the retail market may be access to the right volume and type of hedge product. Therefore wholesale market liquidity is an essential component of the competitive market.

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<sup>30</sup> The Economist, A\_Z terms; Barriers to entry (exit), <http://www.economist.com/economics-a-to-z/b#node-21529927>

In December 2010 the CER and the Utility Regulator published a joint consultation paper<sup>31</sup> and accompanying report by Cambridge Economic Policy Associates Ltd on Market Power and Liquidity in the SEM<sup>32</sup>. The overall aim of the review was to identify practical ways in which the Regulatory Authorities (RAs) can further promote competition in the SEM by reducing/mitigating market power and/or improving contract liquidity over the course of the next 10 years. The RAs have recently published a draft decision<sup>33</sup> document, which indicates the RAs preference not to impose measures on the industry to enhance contract liquidity but to let the industry lead in the development of hedging initiatives. Recent developments in wholesale contracting include:

- the RAs decision on the continuation of PSO backed CFDs,
- the regular NDC auctions, including short term contracts,
- the introduction of the Tullet Prebon Over the Counter platform and
- the increased Directed Contracts resulting from the proposed horizontal integration of ESB's Power Generation with ESB Independent Generation.

The Regulatory Authorities will continue to monitor the levels of liquidity in the wholesale contracts market and the inclusion of liquidity measures in the retail market monitoring may be reviewed again at some point in the future.

## **9.4 Innovation**

One of the intended benefits of the introduction of competition was to unleash the potential for suppliers to offer innovative products. This will be captured to some degree in the diversity of tariffs set out in Section 7.2, however as the market develops we may see a greater range of tariff offerings and as such this is an area may revisit in time.

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<sup>31</sup> Regulatory Authorities Market Power CEPA cover note - [SEM-10-084](#)

<sup>32</sup> CEPA Market Power and Liquidity Consultation Paper - [SEM-10-084a](#)

<sup>33</sup> Market Power and Liquidity Draft Decision – [SEM-11-089](#)

**Question 22** – Respondents are invited to comment on whether any of the potential areas for market monitoring set out in Section 9 would be of particular value.

## 10.0 Reporting

### 10.1 Introduction

This section examines the reporting requirements and processes that will need to be established for the effective functioning of the retail market monitoring framework. The market monitoring process can be broken down into three steps; data collection; data analysis and data reporting.

### 10.2 Data collection

Suppliers and the DSOs will be obliged to report to the CER on all requirements set out for market monitoring purposes. The CER does recognise that suppliers and the DSOs may have to put in place systems to accurately record all the data required. Suppliers are required to make submissions one month after each quarter, with data breaking down into each month for the previous quarter, where specified under each indicator. The DSOs are required to make submissions every month after each month. While the timing of the final decision on the market monitoring framework will dictate timelines, the CER expects to be able to collect comprehensive data from all suppliers for Q1 2012 onwards. As the establishment of the necessary systems may require extra resources, for suppliers in particular, the first and the second submission set of submissions can take place together, one month after Q2 2012.

	Month 1	Month 2	Month 3	Month 4
Data period				
Reporting submission		DSOs (M1)	DSOs (M2)	DSOs (M3) Suppliers (M1-3)

Table 23: Data Submission Timelines

**Question 23** – Respondents are invited to comment on whether the reporting frequency and the requirements for the initial submissions are sufficient, insufficient or excessive? Is there an alternative set of timelines that the CER should consider for collecting data?

### ***10.3 De Minimis threshold for Suppliers***

For small suppliers, the reporting requirements set out in this market monitoring framework may impose a disproportionate regulatory burden on them. Therefore the CER is proposing to exempt those suppliers with a market share of under 1% by demand in the previous quarter from reporting, with the exception of the indicators in section 8 Customer Satisfaction, in each of the follow market segments:

- Electricity Domestic customers
- Electricity Non-domestics/Business customers
- Gas Domestic customers
- Gas Non-domestics/Business customers

**Question 24** – Respondents are invited to comment on whether the de minimis threshold is reasonable. Is there any other approach that the CER should consider for setting the de minimis threshold for reporting?

### ***10.4 Reporting Format***

The reporting format and any IT related requirements will be examined after a final decision is made on the indicators. This will involve a discussions with all the relevant suppliers and networks companies.

### ***10.5 Data Analysis***

Analysis of the data submitted by the DSOs and suppliers will examine trends in the different market segments/ customer categories between all suppliers and on an aggregate level. Over time the collection of this data will offer greater insights into the development of the market across the various categories and suppliers.

In addition to the data submitted from the DSOs and suppliers, data from customer surveys and as well as other sources may also be utilised as part of the analysis of the Irish retail market. These other sources are primarily expected to be other state and European bodies.

**Question 25** – Respondents are invited to comment on whether the reporting form accompanying this document is clear and easy to understand. Is there any other approach that the CER should consider for collecting data?

### ***10.6 Publication***

The CER is of the view that one of the primary means to ensure that competition is fully functioning and that customers benefit from the deregulation of the electricity retails markets is to make the market monitoring process as transparent as possible.

The CER will be collecting regular data from suppliers as well as the DSOs on areas such as switching, disconnections, market share, etc. While CER recognises that some data will be commercially sensitive, wherever possible the CER will endeavour to publish as much information as possible. By creating a high level of transparency we hope to promote competition and ensure consumer confidence.

As discussed, some data that will be collected by the CER will not be suitable for publication due to commercial sensitivity. However CER will collect this data in order to ensure competition is real and is working, that consumers are benefitting from competition and that the CER has a full and comprehensive view of the market. By doing this we will be able to carry out our duties under S.I. 450, which requires that the CER take any actions which, on foot of the monitoring, has determined to be necessary in order to;

- (i) prevent a distortion or restriction of competition in the supply of electricity to final customers, or
- (ii) ensure that final customers are benefitting from competition in the supply of electricity.

The CER intends to publish quarterly reports using the latest data submitted and any historical data available. The final report of each year will also serve as the retail market monitoring report to the Minister for Communications, Energy and Natural Resources, as required by the legislation.

### ***10.7 Future Changes***

The CER final decision on market monitoring will set the areas that suppliers must report on, however the CER will review this on an ongoing basis and will implement any changes necessary in future. This is in order to capture changes, or innovations in the marketplace e.g. smart metering . In addition the CER has set out a number of other criteria which will not be included in the initial market monitoring framework, but which may be incorporated at a later stage.

Where the CER decides to include additional indicators or make any other changes, CER will consult on this in advance.

## 11.0 Conclusions and Next Steps

This document has set out the various indicators the CER's intends to use as part the proposed framework for retail market monitoring. The structure of the monitoring framework is based upon the ERGEG Guidelines of Good Practice on Indicators for Retail Market Monitoring.

Throughout this consultation document the CER has explicitly identified key questions on which we would welcome views and responses from members of the public, the energy industry, consumers and all interested parties in order to help inform and guide our thinking. The consultation period will run until close of business on Friday 10<sup>th</sup> February 2012.

Consultation Process	Date
<b>Publication of Consultation</b>	16 <sup>th</sup> December 2011
<b>Closing Date</b>	10 <sup>th</sup> February 2012
<b>Industry Workshop</b>	January 2012
<b>Publication of Decision</b>	9 <sup>th</sup> March 2012
<b>Submission of first QRs</b>	Q3-2012 for Suppliers
<b>Publication of first report</b>	Q3 -2012

Table 24

A full list of the consultation questions are provided in Annex 1. Following the consultation period the CER will publish a final decision setting out how it intends to implement the market monitoring framework, including the indicators to be used, timelines and reporting requirements for both suppliers and the DSOs.



## Annex 1 – List of Consultation Questions

Respondents are invited to comment on the following questions:

1	On the three options presented for electricity market segments? Respondents are also invited to suggest alternative market categories.
2	On the three options presented for gas market segments? Respondents are also invited to suggest alternative market categories.
3	Whether the indicators outlined for measuring switching rates are sufficient and if not, what other methodology could be used?
4	Whether the indicators outlined for measuring delays in the switching process are sufficient and if not, what other methodology could be used?
5	Whether the indicators outlined for measuring failed switches are sufficient and if not, what other methodology could be used?
6	Whether the proposals outlined for measuring renegotiations. Is there any other methodology that could be used?
7	Whether the proposals to monitor connections as part of the DSO performance report are sufficient. If not, what value would more regular monitoring of connections provide?
8	Whether the proposals to monitor repairs through the annual reporting of CMLs and CIs for electricity and supply restoration for gas are sufficient. If not, what value would more regular monitoring provide?
9	Whether the proposals outlined for monitoring disconnections are sufficient. What additional information on disconnections do respondents consider would be worth publishing?
10	Whether the proposals outlined for measuring debt flagging are sufficient. Is there any other related information that the CER should consider including in its monitoring framework?
11	Whether the level of detail on market share currently shown in the CER's quarterly reports is sufficient. If not, please state what additional information should be provided.
12	Whether the proposal to include a list of active suppliers in each market

	segment.
13	Whether the two measures of market concentration are the most appropriate for the Irish market. If not, what other approaches should be used?
14	Whether the proposals for retail margins are sufficient. Is the proposal outlined above sufficient? If not, what other approaches should be used?
15	Whether the proposals for monitoring the diversity of tariffs are sufficient. If not, please state what additional measures should be undertaken?
16	Whether the proposals for monitoring end user prices are sufficient. If not, please state what additional measures should be undertaken?
17	Whether the proposals for monitoring the spread price are sufficient. If not, please state what additional measures should be undertaken?
18	Whether the proposals outlined for measuring arrears are sufficient. Is there any other related information that the CER should consider including in its monitoring framework?
19	Whether the proposals outlined for measuring penalty clauses are sufficient. Is there any other related information that the CER should consider including in its monitoring framework?
20	Whether the proposals for monitoring customer complaints are sufficient. If not, please state what additional measures should be undertaken?
21	Whether the proposals for monitoring customer enquiries are sufficient. If not, please state what additional measures should be undertaken?
22	Whether any of the potential areas for market monitoring set out in Section 9 would be of particular value.
23	Whether the reporting frequency and the requirements for the initial submissions are sufficient, insufficient or excessive? Is there an alternative set of timelines that the CER should consider for collecting data?
24	Whether the de minimis threshold is reasonable. Is there any other approach that the CER should consider for setting the de minimis threshold for reporting?

25	Whether the reporting form accompanying this document is clear and easy to understand. Is there any other approach that the CER should consider for collecting data?
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## Annex 2 – Customer Complaint Categories

Main Categories -	*Sub Categories	Total complaints received	Total number of complaints escalated to 2nd stage of process	Total number of complaints resolved
Billing	Bill Clarity			
	Bill Frequency			
Payment	Payment			
	Direct Debits			
	Missing Payments			
	Tariffs/Price			
	Refunds			
Marketing/Sales/ Customer Service	Marketing practices			
	Sales staff			
	Sign up process			
	Website			
Credit control	Credit control (correspondence, procedures etc)			
	Deenergisation/ locking			
	Debt			
Prepayment Metering	Ease of use of ppm system			
	Access to top up facilities			
Account Issues	General usage complaint - too high			
	Change of address/tenancy			
	Account details incorrect			
	Landlord/tenant problem			
	Account incorrectly opened/closed			
Other				
Customer Charter	Guarantee	Complaints received	Payment Made	
	Guarantee1			
	Guarantee 2			
Main Categories -	Sub Categories	Total complaints received	Total number referred directly to networks	
Networks Related Complaints	Meter Reading/ estimated meter reading			
	Meter function			
	Time switch fault (electricity only)			
	Meter Installation			
	Quality of supply/ interruption to supply			
	Damage to property			
	Sewerage charges			
	Multiplier problem			

\*The sub categories listings are given as a guide only. They may be changed to suit a suppliers own requirements.