Mr. Seán mac an Bhaird,
Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

17 January 2012.

via e-mail only

Dear Sean,

Re: Review of Natural Gas and Electricity Supply Licences

Vayu welcomes the opportunity to comment on the Commission for Energy Regulation’s (“CER”) proposed decision paper which considers changes to both the gas and electricity supply licences - CER/11/220. The proposed changes are necessary in the light of recent legislative and other market developments and it is appropriate that both licences are aligned in certain key areas, such as consumer protection.

Our comments on specific areas follow:

Codes of Practice

We note and welcome that the proposed decision of the CER in relation to the Supplier Handbook (CER/11/223) takes account of the comments on the previous drafts of the licences by splitting the supplier requirements between household and non-household Customers. This is a logical step and recognises that there are fundamental differences between the two types of end-user.

The explanation and definition of the Customer Charter in both the gas and electricity licences needs to be amended and aligned with the legislative explanation as is outlined in Section 5 of S.I. No. 463 of 2011. There should not be any inconsistency between both. The explanation of a Customer Charter should be better defined in the licences. It is not acceptable for the definition to state that a “Customer Charter means the Customer Charter in relation to Household Customers….”

It would be clearer if the definition in the licences stated “Customer Charter means the charter suppliers must prepare in line with the requirements of Section 5 of S.I. No. 463 of 2011”. Therefore no ambiguity should arise.
**Market Monitoring**

We welcome the alignment of the two licences in connection with provision of information to the CER. However, we concur with the views and concerns of previous commentators in relation to what constitutes confidential information and the sole discretion of the CER as to its determination. Suppliers must have more input into what would be deemed confidential. There should be a mechanism in place to appeal this initial determination.

**Energy Services Directive**

We agree that the wording of the licence condition in the previous version of both the gas and electricity licence in relation to “unnecessary consumption” was unclear. The current wording improves on this; however we would like to try and make it clearer again with the following wording:

*The licensee shall ensure that their tariffs for the supply of natural gas / electricity do not create incentives that may unnecessarily increase the volume of distributed or transmitted energy consumed utilising the Distribution System or the Transmission System.*

**Role of the Public Electricity Supplier**

We agree with the proposals to amend the electricity licence in respect of the circumstances in which a supplier to domestic or small business Customers can refuse to offer supply. However, we believe that the options should be expanded. Suppliers are entitled to ask for a reasonable level of security from end-users to cover future obligations. This is not uncommon in the current environment. If a prospective Customer refuses to provide this security the incoming supplier should be justified in refusing to supply electricity to that end-user.

We would be grateful if the CER considers these views and we are happy to discuss these further.

Yours sincerely,

Bryan Hennessy