



Bord Gáis Networks
Response to CER Consultation Paper (CER 11/221)-
Market Monitoring in The Electricity & Gas Retail Markets



Contents

1. Introduction:..... 3

2. Bord Gáis Networks response to CER 11/221: 4



1. Introduction:

Bord Gáis Networks (BGN) welcomes the opportunity to respond to the consultation “Market Monitoring in The Electricity & Gas Retail Markets” published by the Commission for Energy Regulation (CER) on 16th of December 2011.

2. Bord Gáis Networks response to CER 11/221:

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

No Comment

2 On the three options presented for gas market segments? Respondents are also invited to suggest alternative market categories

The Code of Operations (Part F, Section 2), defines Gas Point Classification (LDM, a DM or a NDM) based on the Annual Quantity of a Gas Point:

Large Daily Metered (LDM) $\geq 57,500,000$ kWh

Daily Metered (DM) $= 5,550,000$ kWh $< 57,500,000$ kWh

Non-Daily Metered (NDM) $< 5,550,000$ kWh

For Gas options 2 & 3 below, Band I3 (highlighted in Red), is not supportable, as the range spans across two IT systems (IUS & GTMS) and two market sectors i.e. NDM and DM.

Any implementation of alternative market segments would have significant implications to both IT and system models both on BGN and Suppliers systems.

Any attempts to add granularity / new criteria / market categories cannot be implemented without significant market / process changes. Changes to the Code of Operations, IT, GTMS, Reporting systems etc, would be required to facilitate these options.

Also, considerations of compatibility with Northern Ireland in a future CAG environment will need to be considered. Similarly, compatibility with GB will also need to be considered.

BGN would suggest a possible split in the current Non-Daily Metered (NDM) category. Possible categories could be :

- Non-Daily Metered (NDM) $< 5,550,000$ kWh
 - NDM Medium Small < 73 kWh
 - NDM Medium Large 73 kWh $< 5,550,000$ kWh

Gas Option 2 – Eurostat Customer Categories

Business Category	Eurostat Code	Annual Consumption (GJ)	Annual Consumption (kWh)
Residential	D1	< 20	<5556
	D2	20 -<200	5556-<55,560
	D3	>=200	>=55,560
Business	Band -I1	<1,000	<277,800
	Band -I2	1,000 -<10,000	277,800-<2,778,000
	Band -I3	10,000 -<100,000	2,778,000-<27780000
	Band -I4	100,000 -<1,000,000	27780000-<277800000
	Band -I5	1,000,000 -<=4,000,000	277800000-<1111200000

Gas Option 3 – Modified Eurostat Customer Categories

Business Category	Eurostat Code	Annual Consumption (GJ)	Annual Consumption (kWh)
Residential	D1	< 20	<5556
	D2a	20 -<80	5556-<22224
	D2b	80 -<140	22224-<38892
	D2c	140 -<200	38892-<55,560
	D3	>=200	>=55,560
Business	Band -I1	<1,000	<277,800
	Band -I2	1,000 -<10,000	277,800-<2,778,000
	Band -I3	10,000 -<100,000	2,778,000-<27780000
	Band -I4	100,000 -<1,000,000	27780000-<277800000
	Band -I5	1,000,000 -<=4,000,000	277800000-<1111200000

3 Whether the indicators outlined for measuring switching rates are sufficient and if not, what other methodology could be used?

Difficulty for GPRO in assessing number of repeat switching versus unique switching sites, not a system configured metric. What impact when a Change of Legal Entity occurs? All GRPO Changes of Shippers are a CoLE in our system. Is it appropriate to group switching statistics together for consumption bands which cater to completely different segments of the market.



4 Whether the indicators outlined for measuring delays in the switching process are sufficient and if not, what other methodology could be used?

Are these suggested indicators appropriate? Any delay in switching can be through various parts of the channel, from time customer signs contract with Supplier/is credit checked, from the time the Change of Shipper is entered on BGE IT systems.

What is proposed statistical standard when an incorrect meter read is provided?

Note that the CoS process is designed to take up to 21 days to switch per the industry agreed processes. Note additional impact of delays due to the Debt Flagging process.

Does the CER track and report on the level of complaints about delays in switching?

5 Whether the indicators outlined for measuring failed switches are sufficient and if not, what other methodology could be used?

The GPRO CoS processes were put in place to comply with European standards, e.g. CoS to be processed within 21 days - the standard BGN meter reading cycle is 60 days. A failed CoS can therefore occur despite all rules being followed.

Proposed statistical standard when failure is due to incorrect meter read being provided?

6 Whether the proposals outlined for measuring renegotiations. Is there any other methodology that could be used?

No Comment

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?


BGN request that “Range of Times to connect” (ref Table 11) are clarified.

Section 5.6 of the consultation states:

“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.”

BGN would like to clarify that there are 3 charter commitments that cover areas of the connection process:

- Siteworks & domestic meter appointments within 5 days (Appointment granting charter)
- Domestic & small commercial quotations issued within 7 days (quotation turnaround charter)
- Domestic lay service appointment within 4 weeks of payment (Appointment granting charter)



There is also a charter commitment around appointment keeping. (i.e. appointments granted which are not kept) BGN currently report on appointment granting & quotations issuing on a monthly basis.

[://www.bordgais.ie/networks/index.jsp?p=103&n=641](http://www.bordgais.ie/networks/index.jsp?p=103&n=641)

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?

BGN currently report in this internally on a monthly basis.

9 Whether the proposals outlined for monitoring disconnections are sufficient. What additional information on disconnections do respondents consider would be worth publishing?

BGN have no reference to reason categories, for requested disconnections (e.g. Non payment of a/c , Tennant leaving premises etc.)

With regard to Table 12: Vacant premises disconnected – BGN cannot determine if a premises was vacant when the meter was disconnected. BGN could potentially tell whether the meter point was de-registered, but that does not confirm vacant.

If this information is required there would be considerable work involved in building a report.

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?

On the BGN systems all Change of Supplier requests are also a Change of Legal Entity, we do not have a way of breaking these out separately.

The GPRO currently reports on Debt Flags Raised and Change of Supplier requests rejected due to Debt Flagging.

Change of Shipper reports clearly indicate that Debt flagging is utilised in less than 1% of Change of Shipper transactions. The GPRO do not see the benefit in applying further resources and effort to a practically unused functionality.

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.

BGN feel that the current level of reporting and granularity is sufficient for Market reporting.

12 Whether the proposal to include a list of active suppliers in each market segment.

[No Comment](#)

13 Whether the two measures of market concentration are the most appropriate for the Irish market. If not, what other approaches should be used?

[No Comment](#)

14 Whether the proposals for retail margins are sufficient. Is the proposal outlined above sufficient? If not, what other approaches should be used?

[No Comment](#)

15 Whether the proposals for monitoring the diversity of tariffs are sufficient. If not, please state what additional measures should be undertaken?

[No Comment](#)

16 Whether the proposals for monitoring end user prices are sufficient. If not, please state what additional measures should be undertaken?

[No Comment](#)

17 Whether the proposals for monitoring the spread price are sufficient. If not, please state what additional measures should be undertaken?

[No Comment](#)

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?

[No Comment](#)

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?

[No Comment](#)

20 Whether the proposals for monitoring customer complaints are sufficient. If not, please state what additional measures should be undertaken?

[No Comment](#)

21 Whether the proposals for monitoring customer enquiries are sufficient. If not, please state what additional measures should be undertaken?

[No Comment](#)

22 Whether any of the potential areas for market monitoring set out in Section 9



would be of particular value.

No Comment

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?

Reporting frequencies as outlined (Monthly / Quarterly / Annual) are sufficient.

It should be noted that reporting is not possible for the previous month, until processes (e.g. Change of Shipper process etc) for the previous month have completed.

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?

No Comment

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?

In general - Consideration of new costs, new resources and new IT system requirements to support new levels of reporting will require more specific detailed requirements.

BGN would kindly request that a detailed workshop is given, before costing impact can be determined.
