

**ESB Networks Ltd**

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

**Re: DSO response to CER Consultation Paper CER11/221 Market Monitoring in the Electricity & Gas Retail Markets.**

Dear James,

DSO welcomes the opportunity to comment on the Commission's proposals for market monitoring in the electricity retail market. While the paper sets out a framework for market monitoring and for the type of information required, DSO currently provides a range of information to CER on market share, change of supplier, disconnections, customer minutes lost and supply interruptions, etc. Many of the indicators proposed for market monitoring are similar to, or are a variant on what is currently provided by DSO.

DSO's comments on specific proposals in the paper are outlined below.

**Section 4.2 Electricity market segments**

Customer DUoS Group is a fundamental classification used in the design of the Central Market Systems for the RoI Retail Market (CMS) and is used as the basis for billing Use of System charges. The DG categories are particularly relevant as they are a good measure of the cost to serve customers. Existing business processes provide for assignment and for maintenance of DUoS Group category at each connection point.

Eurostat customer categories are based on annual consumption levels; however there is no provision in the current design of CMS to capture consumption at MPRN level. Similarly, there is no business process for automatically changing a customer category from one band to another based on a change in consumption. Providing the necessary functionality in CMS would entail a fundamental redesign of the market systems along with associated testing with consequent impact on all ancillary systems. This is not viewed as a feasible option by DSO as the costs and resources required would effectively amount to a system rebuild.

The Eurostat categories provide a means for showing the proportion of customers falling into the different consumption bands and this is clearly useful for comparison with other markets.

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However, knowing the consumption band does not add any significant value to metrics such as the average time to connect, switches completed on time or number of failed switches, particularly as the metrics falling outside regulatory Service Level agreements tend to be negligible. On the other hand, there may be value in providing market indicators such as switching rates and disconnections in terms of Eurostat consumption bands.

An initial analysis of domestic customers indicates that 84% of customers in the RoI fall within bands DC and DD and that the other three bands collectively account for 16% of domestic customers.

Given that neither CMS nor our current business systems support the maintenance of Eurostat consumption bands, the production of these reports would entail secondary processing of CMS reports which in turn would entail considerable manual effort. This would result in delays in the normal monthly report production. Consequently, DSO proposes that monthly reporting would continue to be based on DG Group only, but that supplementary reports on Switching rates and Disconnections could be produced quarterly as per Electricity Option 2 in the paper. Additionally a complete breakdown of all customers by Eurostat band could also be provided annually. Reporting on the other market indicators in the consultation paper will continue to be by DUoS Group. Electricity Option 3, which combines DUoS and Eurostat customer categories provides a level of detail which would entail a significant reporting burden on all participants and is not seen as having any practical value.

**Section 5.2 Switching rates**

Proposals for reporting on switching are adequate and are in line with current reports. As mentioned above, DSO can provide quarterly switching rates in terms of Eurostat bands.

**Section 5.3 Delays in switching rates**

Proposals are adequate.

**Section 5.4 Failure to fulfil the switch**

In the consultation paper, a switch that times out uncompleted for whatever reason is defined as a failed switch. DSO suggests reporting on switches that have timed out, rather than switches that fail to complete. Switches will automatically time out and close if a reading cannot be obtained or are outstanding for a connection agreement. Switches waiting for meter work e.g. re-energisation or removal of a Token Meter will never time out or complete until MRSO prompts the Supplier to contact the customer for access or to cancel the switch. These are not failed switches but rather switches that failed to complete and are outside the control of ESB Networks.

Figures on Objections and Cancellations would also indicate a level of failed switches. Again these are outside the control of DSO but would be more Supplier indicators of failed switches. MRSO currently report on Objections but not on Cancellations where the cancellation comes from the gaining Supplier and without it being the result of an objection or a debt flag raised.

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**Section 5.6 Connections and Section 5.7 Repairs**

Proposals are adequate.

**Section 5.8 Disconnection Rates**

DSO can provide information on de-energisation / disconnection rates as well as figures on pre-payment meters however no data is collected on whether a premise is vacant or occupied and therefore DSO would be unable to report this.

**Section 5.9 Debt flagging**

Proposals are adequate.

**Section 6.2 Suppliers and market share**

DSO currently provides information on market share which includes consumption levels and the number of connections.

**Section 10 Reporting**

Meter reading and billing for NQH customers is processed on a two-monthly cycle. This means that complete consumption data used for reporting market share or in the determination of Eurostat categories will only be available two months after the period to be reported, e.g. data for December will only be available at the start of March. This will affect the alignment of reporting shown in Table 23, Section 10.2. It will also mean that if Eurostat is used to segment particular market indicators, the consumption bands will be based on a snap-shot of consumption taken two months earlier.

Provision of new reports will require considerable information to be extracted from CMS with subsequent reprocessing of these reports. The volume of data and manipulation required is such that further analysis would be needed to identify the impact on overall system performance and storage. Preventative measures and cost implications would also need to be assessed in more detail.

Provided the basis for reporting is confined to the current DUoS Group categories, the delivery of any new reports should be completed within six months of final agreement on requirements. Any requirement to provide reports by Eurostat categories will significantly increase these timelines.

Thank you once again for the opportunity to respond to this consultation, DSO is available at any time to meet with the Commission to discuss these points further.

Yours faithfully,

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John Byrne.  
Distribution Regulation Manager.  
ESB Networks Ltd.