

3<sup>rd</sup> February 2012

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

PHOENIX ENERGY LTD  
197 AIRPORT ROAD WEST  
BELFAST  
CO. DOWN  
BT3 9ED

24 hour gas escape  
number 1850 20 50 50

## Market Monitoring in the Electricity and Gas Retail Markets

Dear James

Thank you for the opportunity to comment on the Commission for Energy Regulation's (**Commission**) consultation on the proposals for market monitoring in the electricity and gas retail markets.

While we note the requirement to comply with the European Union's Third Energy Package (**Third Package**) it is our view that some of the proposals go beyond what is required to implement the Third Package. It is not in the interests of the energy industry or customers to impose measures which result in increased costs.

Our comments in respect of specific proposals are summarised below:

- It is not efficient to request the same or similar information from suppliers and DSO's. Therefore, we believe the following information should be obtained from DSO's only:
  - Market shares by number of customers and consumption;
  - Number of switches for household customers as a percentage of customer numbers; and
  - Number of failures in relation to the total switching rate.
- Phoenix Energy favours the use of Gas Option 1 – Historical BGE tariff categories for segmentation of the gas market.
- We agree that it would be useful to include a list of actual suppliers in each market segment as part of the Commission's quarterly reports.
- In respect of the proposals for monitoring retail margin contained in section 6.4 of the consultation paper we believe these go beyond the requirements of the Third Package and the reporting of volume of gas supplied together with margin is sufficient. Reporting should be annual and not quarterly in order to reduce the administrative burden on suppliers. Furthermore we strongly object



to the suggestion that information in respect of individual suppliers would be published.



- The Commission should consider carefully the impact of publishing individual supplier data where that data only relates to a small number of customers and may lead to the identification of a specific customer. It may be useful to consider a higher minimum threshold for reporting purposes that would allow a supplier to opt out of reporting arrangements if they supply less than, say 5% market share or fewer than 5 customers in the previous quarter.
- The proposals in respect of monitoring customer enquiries are unduly onerous and should be applied to domestic customers only. Phoenix Energy strongly objects to the application of these market monitoring measures to business customers. Fundamental to the service we offer large industrial customers is the development of effective and open relationships through continuous communication. It is not uncommon for communication to take place with large industrial customers on a daily basis and therefore we believe the Commission's proposals are not conducive to building effective relationships. These proposals are bureaucratic and administratively burdensome and should be dropped.
- Given the sensitivity of the information being collected by the Commission the revised quarterly report should be circulated to suppliers for comment in advance of publication.

Once again thank you for the opportunity to comment on the Commission's proposal and should you wish to discuss any aspect of our response in further detail please do not hesitate to contact me.

Yours sincerely

**Stephen English**  
**Gas Trading Manager**

