



Review of Typical Domestic Consumption Values for Electricity and Gas Customers CER/17003

Response from ESB Networks

ESB Networks welcomes the opportunity to comment on the Commission's proposals for typical domestic consumption values for electricity as set out in Consultation Paper CER/17003.

ESB Networks has worked with CER on the methodology and on producing the different metrics which are documented in the Paper. These comments are directed more at informing future refinements and on the merits of using a single measure for typical consumption versus using separate measures for each customer segment.

The proposal to use the median, lower and upper quartiles as estimates for typical, low and high consumption respectively is based on the complete population of domestic customers, i.e. not segmented. The Table on page 13 shows average consumption for the different customer segments. The annual consumption value for rural domestic double tariff customers is over three times the annual consumption for both single tariff urban customers and rural customers. This contributes to 'skewness' in the distribution of consumption values and consequently the wider spread observed between the values for low and high consumption.

The similarity between the population median and average consumption for single tariff urban/rural customers would suggest tariff class as being a more efficient grouping which has minimum spread around the typical consumption value. Furthermore, this grouping would account for over 88% of domestic customers. Likewise the remaining 12% of customers would be grouped under double tariff urban/rural. Segmenting by tariff class would be an option worth considering for future refinement of the current proposals.

10th February 2017