



The Consumer Council

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25 July 2011

Ref: PD20010882

Billy Walker  
Northern Ireland Authority for Utility Regulation  
Queens House  
14 Queen Street  
BELFAST  
BT1 6ER

Dear Billy,

**Re: Imperfections Charges for October 2011 - September 2012**

The Consumer Council is a Non-Departmental Public Body set up in legislation to safeguard the interests of all consumers, and particularly the vulnerable and disadvantaged. The Consumer Council is an independent organisation which operates to promote and protect the consumer interest.

We welcome the opportunity to respond to this consultation on imperfections charges for October 2011 - September 2012.

With fuel poverty levels at 44 per cent in Northern Ireland many households are struggling to adequately heat their home, it is important that the regulatory authorities look to minimise the cost of energy to consumers.

Any decision made by the regulatory authorities should take account of consumer interests in both Northern Ireland and the Republic of Ireland equally. Ultimately imperfection charges will be recovered through consumers. It is important that the proposed imperfection charges represent the best possible outcome for all consumers.

Given the large swing in the K-factor to an under-recovery of over €60 million, the regulatory authorities should give consideration to the impact the K-factor has on consumers and whether it still is in best interest of all consumers to continue using this mechanism.

Finance obtained to cover constraint payments above the revenues received from imperfection charges must be obtained competitively and represent the

best outcome (lowest cost option) for consumers. It is also important that when revenue recovered through imperfections charges exceeds the cost of constraints, the full benefit of the over recovery is passed through to consumers.

I hope that these comments are helpful and are given due consideration. Please contact me if you require any clarification.

Yours Sincerely,

Andrew Murray  
Senior Consumer Affairs Officer