



17 August 2018

Billy Walker
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

Dear Billy

**Ref: Single Electricity Market Committee Imperfections Charges 2018-2019
Forecast consultation**

Thank you for the opportunity to respond to this consultation by the Single Electricity Market Committee.

The evidence shows that imperfections charges can have a significant impact on consumers' bills. For example, when Power NI increased its regulated domestic tariffs in October 2017, 2.1% of the 5.6% overall increase was attributed to the increase in imperfections charges. This added £10 to the average annual domestic electricity bill¹. We welcome the inclusion of table 1 in the consultation paper that helps illustrate what the financial impact of the imperfections charges will be for consumers.

The Consumer Council is concerned that the SONI and Eirgrid forecast of the 2018-

¹ Using an annual consumption of 3,200kWh and Power NI standard tariff.

2019 imperfections revenue requirements is €34m (15%) higher than the Utility Regulator (UR) and the Commission for Regulation of Utilities (CRU) proposal . Such disparity does little to generate consumer trust and highlights how essential it is that UR analyses in detail each element of the electricity price that is under its control to ensure NI consumers pay a fair and cost reflective price.

We note that the UR and the Commission for Regulation of Utilities (CRU) propose to increase the imperfections charges for the period 2018-2019 by 4.40%. We recognise that the UR and CRU will pass any over-recovery to the charges for the 19-20 period.

Yours sincerely

Paulino Garcia
Senior Policy Officer (energy)