



NIE NETWORKS RESPONSE TO THE UR'S CONSULTATION

Improving the Non-domestic
Consumer Experience

December 2024

About NIE Networks

Northern Ireland Electricity Networks (NIE Networks) is the owner of the electricity transmission and distribution networks in Northern Ireland, transporting electricity to 929,000 customers, including homes, businesses and farms. There are 2,300 km of transmission network, 47,000 km of distribution network and 340 major substations, including 60 serving large wind farm sites in Northern Ireland.

Our role is to maintain and extend the electricity infrastructure across Northern Ireland, connect demand and generation customers to the network, and ensure that our equipment is safe and reliable.

We also provide electricity meters and metering data to suppliers and market operators. To do this we directly employ more than 1,500 people and we sustain many hundreds of jobs through our contract and supply chain. Through employment, taxes and supplier contributions, we contribute over £150 million annually to the local economy in Northern Ireland.

NIE Networks does not supply electricity. Customers receive their electricity bill from their chosen electricity supplier.

NIE Networks is a regulated company and our business activities are overseen by the Northern Ireland Authority for Utility Regulation (the UR). Our business plan for delivering our services to customers is approved for a number of years ahead, with the current price control period set to run until 2025. Our next price control period will run from 2025 to 2031.

Comments on the UR's consultation on improving the non-domestic consumer experience

NIE Networks welcomes the opportunity to comment on the UR's consultation 'Improving the Non-domestic Consumer Experience'. Continuously improving our service is one of our core values, with a view to being professional, accountable, helpful and responsive in all our dealings. We appreciate the efforts of the UR to improve the non-domestic customer experience and support the spirit of the proposals. On a practical level we would draw attention to two key points:

- The proposed scope for small business customers (i.e. usage <50MWh per annum).
- The potential for extending keypads to non-domestic customers.

The proposed scope for small business customers

The definition of "Small Business Customer" refers to single entities which may have activities in separate locations. We would flag possible complications around monitoring and enforcing this. One legal entity could have multiple premises registered to different suppliers so it would be impossible for the supplier to know that the customer should be excluded from the scope of small business customers. As the customer relationship is with the supplier, it would not be possible for NIE Networks to determine which customers are within scope.

More importantly perhaps is the need for a clarification on whether the UR would foresee the scope being monitored on an ongoing basis (i.e. based on customers' usage in a 12-month rolling period), or whether there would be one review point per year to reassess which fit within scope. Many customers could be near the threshold but fall in and out of scope regularly as their usage changes.

The proposed scope could also cause confusion for consumers. Where suppliers' non-domestic tariff information is published, customers may not know whether they are in or out of scope and eligible for the published tariffs. This is particularly true for customers with annual usage close to 50MWh who may change between being in scope and then out of scope a few months later.

It is also crucial to note that the proposed eligibility for non-domestic keypad meters doesn't align with NIE Networks' tariffs and the recovery of network and meter costs. NIE Networks' tariffs for each individual connection is based on a customer's connected capacity (measured in kVA) rather than the customer's electricity consumption (measured in kWh).

We would recommend that any future rollout of keypad meters to non-domestic customers is based on the customer's connected capacity rather than consumption as this would alleviate complications around monitoring and enforcing, confusion for customers and misalignment with network tariffs, as described above. In NIE Networks' tariffs, small business customers are defined as those with connected capacity below 70kVA.

The potential for extending keypads to non-domestic customers

Notably, this point has been assessed by the Central Design Authority (CDA) and it was deemed that keypads would not be suitable for businesses.

The change was proposed by Power NI in 2019 to introduce keypad meters for micro-business. However, the following issues were subsequently identified and have not yet been resolved:

- Standardised VAT rates within the keypad system mean that only one VAT rate can be utilised at any time.
- The Climate Change Levy varies depending on usage. A de-minimus level is set at 33kWh per day and the keypad system is unable to apply this logic.

This proposed change was withdrawn in June 2021 as deemed unsuitable.



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