



**FIRST UPDATE ON HEDGING & WORKPLAN
OUTLINED IN THE 2009 RETAIL TARIFF TIMETABLE**

Information Note

26TH June 2009

CER 09/096

1 - Introduction

On the 29th May the Commission for Energy Regulation (CER) and the Northern Ireland Authority for Utility Regulation (NIAUR) published the 2009 Retail Tariff Timetable¹, setting out the key milestones in the retail tariff setting process for the SEM.

This note provides the additional hedging information the RA's committed to providing in the Retail Tariff Timetable paper, and also provides an update on the progress of items set out in the tariff timetable.

2 – Hedging Update

The RAs consider that transparency represents a key founding principle for any effective competitive market and following on from that, included in the tariff timetable paper was a commitment to publish 3 contracting updates, two during the contracting window and one after it has completed. This information note provides the first of the three updates and sets out the total aggregated volume of hedges purchased.

Table 1 below shows the total aggregated volume of hedges purchased up to the 19th of June by both ESBCS and NIEES for the first six months of the tariff year, the second six months of the tariff year, and beyond the tariff year if relevant. The total percentage hedged cover represents the total hedges purchased for the year as a percentage over the total anticipated forecast demand. This percentage is within a banding of +/- 5% due to it being based on forecast total demand.

Total Hedged Volumes (GWh) 2009/10 – up to 19th June		
	ESBCS	NIEES
Hedges purchased for the first six months of 2009/10 tariff year	2,070	1,136
Hedges purchased for second six months of 2009/10 tariff year	1,759	1,026
Total hedges purchased for 2009/10 tariff year	3,829	2,161
Hedges purchased for beyond the 2009/10 tariff year	0	131
Total Percentage Hedged cover (%)	25-35%	45-55%

Table 1- Aggregated volume of hedges purchased up to 19th June

¹http://www.niaur.gov.uk/news/view/utility_regulator_publishes_electricity_retail_tariff_timetable/

3- CER & NIAUR Tariff Timetable Update.

Table 2 below provides an update on the progress of items outlined in the retail tariff timetable.

Item	Update
Contracting window Non-Directed Contract Auctions Directed Contract Auctions Supp. DC Auctions PSO Auctions	Began 12/05/09 - currently continues Began 22/05/09 - completed on 12/06/09 Began 15/06/09 – due to complete 26/06/09 Began 22/06/09 – due to complete 03/07/09
CER elements PSO PES Allowed Revenue DUoS TUoS	Consultation on PSO Levy published 12 th June ESB CS PES Allowed Revenue Consultation Paper to be published early July or as soon as practicable ESB Networks Allowed Revenue Consultation Paper to be published early July or as soon as practicable EirGrid Allowed Revenue Consultation Paper to be published early July or as soon as practicable
NIAUR elements DUoS	DUoS entitlement was submitted w/c 18 th May, and was verified by NIAUR. The DUoS tariff was subsequently submitted 19 th June and is currently being reviewed by NIAUR for approval.

Table 2- Update on Retail Tariff Timetable up to 26th June

4 – Conclusions and Next Steps

Delays from the published retail tariff timetable that are known at this point are as follows:

1. MO Charges Price Control Proposals– this was scheduled to be published w/c 29th June. This has been delayed due to additional information requests and is now due to be published on 9th July. It is not envisaged at this stage that this will impact the overall timetable.
2. Indicative Capacity Pot consultation is due to be published w/c 29th June.

The second hedging and workplan update is due to be published on **Friday 10th July**.