



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

Information Note

10TH July 2009

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 is our second update, and 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 three contracting updates, two during the contracting window and one after it has completed. This information note provides the second 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 3rd of July 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 3rd July		
	ESBCS	NIEES
Hedges purchased for the first six months of 2009/10 tariff year	3,654	1,924
Hedges purchased for second six months of 2009/10 tariff year	3,444	1,410
Total hedges purchased for 2009/10 tariff year	7,098	3,334
Hedges purchased for beyond the 2009/10 tariff year	0	438
Total Percentage Hedged cover (%)	60-70%	70-80%

Table 1- Aggregated volume of hedges purchased up to 3rd July

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 – completed on 19/06/09 Began 22/06/09 – completed on 03/07/09
CER elements PSO PES Allowed Revenue DUoS TUoS	Consultation on PSO Levy published 12 th June – the consultation period closed 29 th June. ESB CS PES Allowed Revenue Consultation Paper to be published mid July or as soon as practicable ESB Networks Allowed Revenue Consultation Paper to be published mid July or as soon as practicable EirGrid Allowed Revenue Consultation Paper to be published mid July or as soon as practicable
NIAUR elements DUoS TUoS SSS PSO Inputs	The DUoS tariff was submitted 19 th June, has been reviewed by NIAUR and is now approved. The submission of the TUoS tariff was delayed, and as a result the approval of the tariff will be delayed until later in July. SSS Tariff has been submitted, reviewed and is approved by NIAUR. PSO inputs have been submitted and are currently being reviewed by NIAUR for approval.
Common elements Capacity MO Charges	Indicative capacity pot consultation was published 1 st July ² The MO Charges Price proposals have been delayed due to additional information requests, and are due to be published w/c 13 th July. To ensure that this has minimal impact on the tariff timetable the consultation period will be for four weeks, and

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	end w/c 10 th August. The Decision paper will be confirmed and published w/c 31 st August.
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Table 2- Update on Retail Tariff Timetable up to 10th July

4 – Conclusions and Next Steps

Any known delays from the published retail tariff timetable are detailed in the table above.

The third hedging and work plan update is due to be published on **Friday 31st July**.