



**RETAIL TARIFFS 2010/11  
SECOND UPDATE ON ESBCS/NIEES HEDGING & WORKPLANS**

**Information Note**

**25<sup>th</sup> June 2010**

**CER 10/097**

## 1 Introduction

On 10<sup>th</sup> May the Commission for Energy Regulation (CER) and the Utility Regulator (UR) published the 2010 Retail Tariff Timetable<sup>1</sup>, setting out the key milestones in the regulated retail tariff setting process for the SEM.

This note provides the hedging information that the Regulatory Authorities (RAs) 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 the tariff timetable paper committed to publishing five contracting updates for the regulated suppliers ESB Customer Supply (ESBCS) and NIE Energy Supply (NIEES). This information note is the second of the five updates and sets out the forecast demand and hedges purchased for the contracting period up to and including 18<sup>th</sup> June for regulated tariffs in the Republic of Ireland and Northern Ireland.

Table 1 below shows the total forecast demand and hedges purchased up to and including the 18<sup>th</sup> June by both ESBCS and NIEES for each quarter of the 2010/11 tariff year as well as any hedges purchased for 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.

Total Demand & Hedged Volumes (GWh) 2010/11				
Time Period	ESBCS		NIEES	
	Forecast Demand	Hedges Purchased	Forecast Demand <sup>2</sup>	Hedges Purchased
Q4 2010	1,695	30%	1,114	39%
Q1 2011	1,617	32%	1,122	41%
Q2 2011	1,299	37%	811	44%
Q3 2011	1,207	37%	754	48%
<b>Total - 2010/11</b>	<b>5,818</b>	<b>34%</b>	<b>3,801</b>	<b>42%</b>
<b>2011/12</b>		<b>0</b>		<b>0</b>

*Table 1- Aggregated Demand & Hedge Volumes Purchased up to 18th June 2010*

<sup>1</sup>Retail Tariff Timetable 2010-Information Note CER10070

<sup>2</sup> The demand forecast represents NIEES' current best estimate of the trading point demand relating to Regulated Customers. The demand forecast has been updated to reflect a level of domestic competition and now assumes only one further phase of deregulation, being deregulation of group customers and any remaining monthly billed customers, from October 2010.

### 3 CER & UR Tariff Timetable 2010 – First Update.

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

<b>Retail Tariff Timetable 2010</b>		
<b>Contracting in the SEM</b>	<b>Date</b>	
Non-Directed Contract Auctions (Multilateral Trading Facility)	Ongoing <sup>3</sup>	
PSO Auctions – Annual Products	15 <sup>th</sup> , 22 <sup>nd</sup> & 30 <sup>th</sup> June <sup>4</sup>	
PSO Auctions – Bi-Annual Products	2 <sup>nd</sup> , 7 <sup>th</sup> & 10 <sup>th</sup> September 1 <sup>st</sup> , 3 <sup>rd</sup> & 8 <sup>th</sup> March	
PSO Auctions – Quarterly Products	14 <sup>th</sup> Sept'10, 7 <sup>th</sup> Dec'10, 15 <sup>th</sup> Mar'11 & 7 <sup>th</sup> June'11	
Directed Contract Auctions	Completed	
Supplemental Directed Contract Auctions	Completed	
<b>ROI Tariff Inputs</b>		
<b>CER publications</b>	<b>Consultation Date</b>	<b>Decision Date</b>
ESBCS Allowed Revenue	Beg July '10	Beg Aug'10
PSO Levy	Closes 28 <sup>th</sup> June'10	July'10
Transmission Use of System Charges (incl. Capacity Margin Charge)	Beg Jul'10	July'10
Distribution Use of System Charges (incl. DLAFs)	Beg Jul'10	July'10
<b>SEM publications</b>	<b>Consultation Date</b>	<b>Decision Date</b>
Market Operator Charges	Beg July'10	Wk Commencing 6th Sept
Imperfections Charges	Beg July '10	Wk Commencing 2nd Aug
Capacity Charges	Closes 30 <sup>th</sup> June'10	Wk Commencing 2nd Aug
ESBCS submit proposed 2010/11 tariffs	Friday 20 <sup>th</sup> Aug '10	
ROI Retail Tariffs Published	Friday 3 <sup>rd</sup> Sept '10	
New ROI Retail Tariffs come into effect	Friday 1 <sup>st</sup> October '10	

<sup>3</sup> Contracts for Differences in the SEM - An information note has been published on the AIP website providing more specific details on NDC Auctions for 2010/11– [www.allislandproject.org](http://www.allislandproject.org)

<sup>4</sup> See - Contracts for Differences (CfDs) in the SEM - An Information Paper – [SEM-10-040](#)

<b>NI Tariff Inputs</b>		
<b>UR publications</b>	<b>Consultation Date</b>	<b>Decision Date</b>
DUoS Tariffs:	N/A	Wk Commencing 2nd Aug
Supplier TUoS Tariffs:	N/A	Wk Commencing 2nd Aug
PSO Tariffs:	N/A	Wk Commencing 2nd Aug
SSS Tariffs:	N/A	Wk Commencing 2nd Aug
<b>SEM publications</b>	<b>Consultation Date</b>	<b>Decision Date</b>
Market Operator Charges	Beg July '10	Wk Commencing 6th Sept
Imperfections Charges	Beg July '10	Wk Commencing 2nd Aug
Capacity Charges	Closes 30 <sup>th</sup> June'10	Wk Commencing 2nd Aug
NIEES Submits Draft Tariffs for Approval	Wk Commencing 16 <sup>th</sup> Aug	
UR Approves NIEES Tariffs	Wk Commencing 30 <sup>th</sup> Aug	
NIEES Retail Tariffs Published	Wk Commencing 6 <sup>th</sup> Sept	
New Retail tariffs come into effect	Friday 1 <sup>st</sup> October	

*Table 2-Second Update on Retail Tariff Timetable*

#### **4 Next Steps**

The third hedging and timetable update is due to be published on **Friday 30<sup>th</sup> July**.