



**RETAIL TARIFFS 2011/12  
FIRST UPDATE ON NIEES HEDGING & WORKPLANS**

**Information Note**

**9<sup>th</sup> June 2011**

## 1 Introduction

This note provides the hedging information that the Regulatory Authorities (RAs) have published in the last two years and is in line with information provided in the 'run up' to the Tariff announcement last year. It also provides an update on the progress of items in the tariff timetable. However, following the deregulation of ESBCS and the removal of tariff regulation in Ireland this note is not a joint RAs paper. This is specifically a Utility Regulator (UR) paper which refers only to the hedged position of NIE Energy supply and the tariff timetable for Northern Ireland.

## 2 Hedging Update

The UR considers that transparency represents a key founding principle for any effective competitive market and we are proposing to publish five contracting updates showing the hedged position of the regulated supplier NIE Energy Supply (NIEES), the last being published in Wk commencing 5<sup>th</sup> September. This information note is the first of the five updates and sets out the forecast demand and hedges purchased for the contracting period up to and including 6<sup>th</sup> June for regulated tariffs in Northern Ireland.

Table 1 below shows the total forecast demand and hedges purchased up to and including the 06<sup>th</sup> June 2011 by NIEES for each quarter of the 2011/12 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.

<b>Total Demand &amp; Hedged Volumes (GWh) 2011/12</b>		
<b>Time Period</b>	<b>NIEES</b>	
	<b>Forecast Demand<sup>1</sup></b>	<b>Hedges Purchased</b>
<b>Q4 2011</b>	1,100	12%
<b>Q1 2012</b>	1,127	10%
<b>Q2 2012</b>	816	10%
<b>Q3 2012</b>	783	10%
<b>Total - 2011/12</b>	<b>3,826</b>	<b>10%</b>
<b>2012/13</b>	0	0

*Table 1- Aggregated Demand & Hedge Volumes Purchased up to 06<sup>th</sup> June 2011*

<sup>1</sup> The demand forecast represents NIEES' current best estimate of the trading point demand relating to Regulated Customers.

### 3 Utility Regulator Tariff Timetable 2011 – First Update.

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

<b>Retail Tariff Timetable 2011</b>		
<b>Contracting in the SEM</b>	<b>Date</b>	
Non-Directed Contract Auctions (Multilateral Trading Facility)	Ongoing <sup>2</sup>	
PSO Auctions – Quarterly Products	1 <sup>st</sup> Sept'11, 1 <sup>st</sup> Dec'11, 1 <sup>st</sup> Mar'12 & 31 <sup>st</sup> May'12	
Directed Contract Auctions	Completed	
Supplemental Directed Contract Auctions	DC Supplemental Subscription window 18th July - 22nd July	
<b>NI Tariff Inputs</b>		
<b>UR publications</b>	<b>Consultation Date</b>	<b>Decision Date</b>
DUoS Tariffs:	N/A	Wk Commencing 1 <sup>st</sup> Aug
Supplier TUoS Tariffs:	N/A	Wk Commencing 1 <sup>st</sup> Aug
PSO Tariffs:	N/A	Wk Commencing 8 <sup>th</sup> Aug
SSS Tariffs:	N/A	Wk Commencing 1 <sup>st</sup> Aug
<b>SEM publications</b>	<b>Consultation Date</b>	<b>Decision Date</b>
Market Operator Charges	Early May'11	Wk Commencing 4 <sup>th</sup> July
Imperfections Charges	Mid June'11	Wk Commencing 11 <sup>th</sup> July
Capacity Charges	Early May'11	Wk Commencing 1 <sup>st</sup> Aug
NIEES Submits Draft Tariffs for Approval	Wk Commencing 15 <sup>th</sup> Aug	
UR Approves NIEES Tariffs	Wk Commencing 29 <sup>th</sup> Aug	
NIEES Retail Tariffs Published	Wk Commencing 5 <sup>th</sup> Sept	
New Retail tariffs come into effect	Friday 1 <sup>st</sup> October	

*Table 2- First Update on Retail Tariff Timetable up to 9<sup>th</sup> June*

### 4 Next Steps

The second hedging and timetable update is due to be published on **Friday 1<sup>st</sup> July**.