



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

### **Information Note**

**28<sup>th</sup> May 2010**

## 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 first of the five updates and sets out the forecast demand and hedges purchased for the contracting period up to and including 20<sup>th</sup> May 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 20<sup>th</sup> May 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	9%	1,162	18%
Q1 2011	1,617	9%	1,181	19%
Q2 2011	1,299	12%	723	29%
Q3 2011	1,207	11%	677	29%
Total - 2010/11	5,818	10%	3,743	22%
2011/12		0		0

*Table 1- Aggregated Demand & Hedge Volumes Purchased up to 20<sup>th</sup> May 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 assumes a further phase of deregulation from October 2010, as discussed in the price control consultation.

### 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.

Retail Tariff Timetable 2010		
Contracting in the SEM	Date	
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	Tuesday 1 <sup>st</sup> June – Friday 4 <sup>th</sup> June	
ROI Tariff Inputs		
<b>CER publications</b> ESBCS Allowed Revenue PSO Levy  Transmission Use of System Charges (incl. Capacity Margin Charge)  Distribution Use of System Charges (incl. DLAFs)	<b>Consultation Date</b> June '10 Beg June'10  NA  NA	<b>Decision Date</b> July'10 Beg July'10  June'10 <sup>5</sup>  June'10
<b>SEM publications</b> Market Operator Charges Imperfections Charges Capacity Charges	<b>Consultation Date</b> End June'10 Mid June'10 End May'10	<b>Decision Date</b> Wk Commencing 6th Sept Wk Commencing 2nd Aug 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> All PSO Auction dates are provisional

<sup>5</sup> The CER is currently reviewing the final approach for setting the Transmission and Distribution tariffs, for the tariff period Oct 2010- Sept 2011, under PR3.

NI Tariff Inputs		
<b>UR publications</b> DUoS Tariffs: Supplier TUoS Tariffs: PSO Tariffs: SSS Tariffs:	<b>Consultation Date</b> N/A N/A N/A N/A	<b>Decision Date</b> Wk Commencing 2nd Aug Wk Commencing 2nd Aug Wk Commencing 2nd Aug Wk Commencing 2nd Aug
<b>SEM publications</b> Market Operator Charges Imperfections Charges Capacity Charges	<b>Consultation Date</b> End June'10 Mid June'10 End May'10	<b>Decision Date</b> Wk Commencing 6th Sept Wk Commencing 2nd Aug 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- First Update on Retail Tariff Timetable up to 20<sup>th</sup> May*

#### 4 Next Steps

The second hedging and timetable update is due to be published on **Friday 25<sup>th</sup> June**.