



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

ESBCS Tariff Proposals for 2008 & 2009

**submitted by ESB PES
(Public Electricity Supplier)**

CONSULTATION PAPER

CER/08/046

27th March, 2008

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1 Introduction and Consultation Process

1.1 Introduction

ESB Customer Supply business unit is licensed as the Public Electricity Supplier ('PES'). PES offers tariffs to customers that do not purchase electricity from other suppliers in the market. These tariffs reflect the costs incurred by PES of supplying electricity to final customers. These include the cost of procuring wholesale energy from the SEM, transmitting and distributing electricity through the networks and PES's own supply business unit costs.

These costs are regulated by the Commission for Energy Regulation ('the Commission'). This involves reviewing submissions from each of ESB's regulated business units and Eirgrid (the independent state-owned body licensed by the Commission to act as the Transmission System Operator ('TSO')) on a level of revenues (made up of allowed operating costs, capital expenditure, depreciation charges and an allowable margin) that can be recovered by each business unit¹ in a particular operating period. After this review, the Commission issues directions to each ESB business unit in relation to their allowable costs. The Commission also issues directions to PES on the level of tariffs charged to final customers, to apply in the following year, necessary to recover the 'allowable' costs of generation, use of the networks and supply business overheads.

ESB Customer Supply, acting as Public Electricity Supplier, is required to obtain the approval of the Commission for any changes it wishes to make to its retail tariffs, including structural changes to existing tariffs. This document presents for consultation seven separate tariff change proposals submitted by ESB PES. The detail of these tariff change proposals is contained within PES's accompanying proposal document.

The next section of this paper summarised the tariff changes proposed by PES.

¹ Power Generation ('PG'), Transmission Asset Owner ('TAO'), Distribution System Operator ('DSO') and Public Electricity Supply ('PES')

1.2 Responding to this Consultation

Interested Parties are invited to comment on the proposals presented in this paper by close of business on 15th April 2008. Prior to the end of this consultation period, the Commission will hold a meeting for interested parties where ESB CS will present their submission.

The Commission requests that respondents structure their comments to address the specific proposals outlined in the document. Where possible, reference to the section number should be made with specific comments. If respondents consider the proposals should be amended or expanded, please provide specific suggestions and set out your reasons so that the Commission can fully consider your position. The Commission regrets that it cannot undertake to provide individual responses to submissions on this paper.

Responses may be published in full on the Commission's website; therefore respondents should include any confidential information in a separate annex.

Submissions on this paper and the PES accompanying tariff proposals should be forwarded, preferably in electronic format, to:

Elizabeth Farrelly,
Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

E-mail: efarrelly@cer.ie

2 PES Tariff Change Proposals

This Section provides a summary of each tariff change proposal submitted by PES. Each Tariff Proposal is described in full detail in ESB PES's Proposal document which accompanies this paper.

2.1 LVMD and LV LLF customers with Quarter Hourly metering.

PES propose to introduce a 7-band Seasonal Time of Day (STOD) tariff structure to Low Voltage Maximum Demand (LVMD) and Low Load Factor (LLF) Customers with Quarter Hourly metering using the same STOD structure as offered by ESBCS to Large Energy Users in 2007.

2.2 General Purpose Tariffs (24 hour & Nightsaver)

PES proposes to amend the structure of the General Purpose (GP) tariff so as to remove the 2-block structure that applies to the day energy rates in this tariff.

2.3 PPPT Tariff for Large Energy Users.

PES proposes to have all Large Energy Users on an individual Pool Price Pass Through (PPPT) tariff.

2.4 'Metered Public Lighting' Tariff

PES proposes to eliminate the metered public lighting tariff and transfer these customers to the General Purpose (GP) rate.

2.5 Nightsaver Tariff.

PES proposes to review the structure of the Nightsaver cost components for the 2008/09 tariff year.

2.6 Green/Renewable Tariff.

PES proposes to review the potential for the introduction of a green tariff.

2.7 Status of MV & 38kV connected customers on the GP tariff.

PES proposes to evaluate the status of 78 customers connected at Medium Voltage (MV) or 38kV but billed on the General Purpose tariff, and assess the appropriateness of PPPT to meet many of these customers demand.