



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**PES Response to CER 08/088
Proposed changes to
Retail Tariff Structure
to apply from**

1st October 2008

CONSULTATION PAPER

CER/08/091

10th June, 2008

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1 Introduction and Consultation Process

1.1 Introduction

ESB Customer Supply, acting as Public Electricity Supplier, is required to obtain the approval of The Commission for Energy Regulation (“the Commission”) for any changes it wishes to make to its retail tariffs, including structural change to the restriction of existing tariffs. On 27th March 2008, the Commission published a consultation document (CER/08/046) on the proposed changes to electricity retail tariff structures for 2008/09 as submitted by PES (Public Electricity Supplier). On the 11th April 2008 the Commission facilitated an industry presentation where PES set out its proposed structural changes and answered questions from market participants. In its Decision Paper¹, the Commission requested that further detailed information should be provided on a number of the proposals.

This document presents for consultation further information on four of the tariff change proposals submitted by ESB PES. The detail of these tariff change proposals is contained within PES’s accompanying proposal document².

1.2 Responding to this consultation

Interested parties are invited to comment on the proposals presented in this paper by close of business on 25th June 2008. 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. 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 Proposal submission 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

¹ ESB PES (Public Electricity Supplier) Tariff Structures for 2008 & 2009 – CER 08/088

² ESB Customer Supply - Response to CER 08/088.

2 Legislative Basis

The functions of the Commission for Energy Regulation in relation to electricity are set down in section 9 of the Electricity Regulation Act 1999 (“the 1999 Act”), as amended by subsequent Statutory Instruments. National regulatory authorities have been given additional functions under EU Directive 2003/54/EC. Regulation 3 of the recently enacted SI 60 (European Communities (Internal Market in Electricity) Regulations 2005) provides for the amendment of Section 9 of the 1999 Act for the purposes of assigning additional functions to the Commission.

In particular, Regulation 3 of SI 60 requires the Commission to consider proposals from ESB operating as Public Electricity Supplier (PES) in relation to tariffs and their underlying costs. In accordance with Section 3 of Statutory Instrument No.60 of 2005, the Commission may issue directions to ESB (“the Board”) in relation to the charges for electricity (“tariffs”) to final customers who are not being supplied in accordance with a licence issued under paragraph (b), (c), or (d) of Section 16(1) of Statutory Instrument No.60 of 2005.

3 PES Tariff Change Proposals

In CER 08/088, the Commission approved five of PES's tariff structure proposals in principle but required further detailed information prior to implementation in the 2008/2009 tariff year. Further information was required on the following proposals by 6th June:-

- removal of the second block structure in the GP tariff to be implemented over 3 years (transitional arrangements to be agreed, transitional proposal required by 6th June 2008)
- review the Nightsaver tariff (further information required by 6th June 2008)
- transfer all LEU customers onto the Individual PPPT and the justification for the removal of the Group PPPT by 6th June 2008.
- introduction of a PES Green tariff (further information required by 6th June 2008)

Each Tariff Proposal is described in full detail in PES's Proposal document which accompanies this paper.

CER 08/088 also required that PES should provide a detailed customer impact analysis for the following proposals by 14th July:-

- introduction of a STOD tariff for LVMD and LV LLF customers with QH metering contingent on a satisfactory customer impact analysis
- evaluation of the status of customers connected at MV or 38kV but billed on the GP tariff (implementation of outcome of evaluation contingent on a satisfactory customer impact analysis)