



Airtricity Response to

**Proposed Determination of Distribution allowed
Revenues, Use of System Tariffs and Distribution
Loss Adjustment Factors for ESB Networks**

(Consultation CER/08/095)

17 July 2008



Airtricity just wishes to note that the information content of the consultation document is inadequate. In fact the information content level has declined with each successive consultation of the price control period; compared to the similar consultation paper for 2007 (CER/06/158), CER/08/095 provides much less information to properly consider the proposal.

To illustrate, the most significant 'k' factor in the proposal, 'Incentives', with €11.3m earmarked (approx. 44% of the total 'k' factor adjustments) offers no information on the arrival of this determination. We fully understand the methodology agreed as part of the 2006-2010 DSO revenues determination (the Commission refers to "the 2006-2011 revenue determination" – we assume this is a minor oversight as regards the term limits as we are not aware of a different determination). However details on the various aspects of the incentive mechanism – Quality of response from the Customer Contact Centre, Supply interruptions, Customer Charter – have not been provided in the consultation. As such it is very difficult to assess the performance of the DSO to which the 'Incentive' amount relates.

We would argue that greater transparency in the derivation of these socialised costs would enable better assessment of the costs of operations of the DSO. Furthermore we are not aware that we should not be provided with this sort of information. In fact we consider it one of the essentials in the proper and efficient functioning of the market.