



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**BILL IMPACTS OF LEU CUSTOMER CREDITS
TO APPLY FROM THE 1ST OCTOBER 2011**

Information Note

CER/11/814

28th September 2011

Introduction

In 2009 the Large Energy User (LEU) Customer Credits were introduced as a result of Government concern about the impact of energy prices on LEUs competitiveness given their substantial contribution to employment. In 2009 and 2010 the Commission for Energy Regulation (The CER) published information notes^{1,2} setting out the LEU Customer Credits for the period 1st October 2009 to 30th of September 2010 and 1st October 2010 to 30th of September 2011, respectively.

The Government has taken the decision to continue the LEU customer Credits in 2011/12. The credits are structured in two parts; a kWh and a kVA element, and both elements will be proportionally reduced to a lower level than the current credits which expire on the 30th September.

The LEU Customer Credits for the 2011/12 period will be financed primarily using funds raised by the carbon revenue levy, as introduced under the Electricity Regulation (Amendment)(Carbon Revenue Levy) Act 2010³.

Both credits will benefit all LEU customers i.e. those connected at Distribution Groups 7 and above and all Transmission connected customers, irrespective of supplier. The monthly value of the credit is calculated using approved rates by the networks companies, EirGrid and ESB Networks Ltd. who will issue statements to all suppliers whose customers are connected to the Transmission and Distribution Systems.

Billing Impacts for Suppliers

(i) LEU Credit 2011/12 – kWh Element

The LEU Credit 2011/12 – kWh Element has been calculated by Eirgrid, as Transmission System Operator (TSO), based on Transmission Use of System data, as per the mechanism for the current LEU credit.

- This is in accordance with the TUoS billing cycle with the first payment relating to October 2011 being made in December 2011. A note will be issued to all suppliers advising of the timelines for payment.
- Suppliers will receive payments from the TSO in respect of both transmission and distribution connected customers.

¹ Information Note on Bill Impacts of LEU Customers Credits to apply from 1st October 2009 - [CER09141](#)

² Information Note on Bill Impacts of LEU Customers Credits to apply from 1st October 2010 – [CER10155](#)

³ The LEU Customer credits for 2011/12 are set on the basis of sufficient funding being available. The CER may at any time reduce or cease payment of LEU Customer Credits during the period in the event that expected funding does not materialise.

LEU Credit 2011/12 – kVA Element

The LEU Credit 2011/12 – kVA Element will be calculated by both ESB Networks, as the Distribution System Operator (DSO) and Eirgrid, using contracted MIC values valid on the last day of each month. Payments to suppliers will be as per the current LEU Credit with the first payment to suppliers, which relates to October 2011, being made in November 2011.

- For distribution connected customers suppliers will receive payment directly from the DSO.
- For transmission connected customers suppliers will receive payment directly from the TSO.

All licensed suppliers are required to ensure that customers are credited with the full value of the credits.

Billing Impacts for Customers

LEU customers will receive credits directly from suppliers.

(i) LEU Credit 2011/12 – kWh Element

The LEU Credit 2011/12 – kWh Element will be calculated and applied based on customer consumption. Suppliers must clearly identify the value of the credit for LEU customers. Preferably this should be done by identifying it as a separate line item on the bill, but suppliers may do so in another manner deemed satisfactory by the CER.

(ii) LEU Credit 2011/12 – kVA Element

The LEU Credit 2011/12 – kVA Element is applied as a credit of €0.3487 / kVA of contracted capacity at month end. Suppliers must clearly identify the value of the credit for LEU customers. Preferably this should be done by identifying it as a separate line item on the bill, but suppliers may do so in another manner deemed satisfactory by the CER.

Rates to apply 1st October 2011 – 30th September 2012

Large Energy Profile	€ / kWh	€ / kVA	Monthly Credit €
LEU Credit 2011/12 – kWh Element	€ 0.005457	-	-
LEU Credit 2011/12 – kVA Element	-	€ 4.18	€ 0.3487