



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

EirGrid Interconnector Ltd Use of Capacity Revenue

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EIRGRID INTERCONNECTOR LTD USE OF REVENUE

CER is required under Regulation 714/2009:

1. to assess and approve the Use of Revenue Statement provided by a licenced operator of an interconnector in Ireland; and
2. to publish a statement verifying that the operator has used the congestion revenues it has received as operator of the interconnector according to Article 16 (6) of Reg. 714/2009.

Article 16 (6) of EU Regulation 714/2009 requires that any revenue (**Capacity Revenue**) resulting from allocation of inter-connection capacity shall be used for the following purposes:

- a) guaranteeing the actual availability of the allocated capacity; and/or
- b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors

If the Capacity Revenue cannot be efficiently used for the purposes set out in points (a) and/or (b) above, they may be used, subject to approval by the regulatory authorities of the Member States concerned, up to a maximum amount to be decided by those regulatory authorities, as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.

EirGrid Interconnector Ltd (**EIL**) is licenced by CER to operate in Ireland the EastWest Interconnector (**EWIC**) which is subject to EU Reg. 714/2009.

EIL has advised CER that it received net Capacity Revenue of €7,222,409 in the period 01/07/2012 to 30/06/2013.

EIL has advised CER that it spent all of the Capacity Revenue that it received on the servicing of the capital cost of the development of EWIC; that is both interest and principal repayment on debt and return on and principal repayment of equity including any equity or other funding necessary to bridge the debt service covenant requirements.

CER verifies that:

1. EIL's use of Capacity Revenue in the period 01/07/2012 to 30/06/2013 complies with Regulation 714/2009 and its attached Guidelines; and
2. the total amount of Capacity Revenue received by EIL in the period 01/07/2012 to 30/06/2013 has been devoted to the purposes set out in Article 16 (6) (a) and (b) of Regulation 714/2009.

31/07/2013