



**RETAIL TARIFFS 2011/12
SECOND UPDATE ON NIEES HEDGING & WORKPLANS**

Information Note

1st July 2011

1 Introduction

This note provides the hedging information that the Regulatory Authorities (RAs) have published in the last two years and is in line with information provided in the 'run up' to the Tariff announcement last year. It also provides an update on the progress of items in the tariff timetable. However, following the deregulation of ESBCS and the removal of tariff regulation in Ireland this note is not a joint RAs paper. This is specifically a Utility Regulator (UR) paper which refers only to the hedged position of NIE Energy supply and the tariff timetable for Northern Ireland.

2 Hedging Update

The UR considers that transparency represents a key founding principle for any effective competitive market and we are proposing to publish five contracting updates showing the hedged position of the regulated supplier NIE Energy Supply (NIEES), the last being published 9th June 2011. This information note is the second of the five updates and sets out the forecast demand and hedges purchased for the contracting period up to and including 28th June for regulated tariffs in Northern Ireland.

Table 1 below shows the total forecast demand and hedges purchased up to and including the 28th June 2011 by NIEES for each quarter of the 2011/12 tariff year as well as any hedges purchased for beyond the tariff year if relevant. The total percentage hedged cover represents the total hedges purchased for the year as a percentage over the total anticipated forecast demand.

Total Demand & Hedged Volumes (GWh) 2011/12		
Time Period	NIEES	
	Forecast Demand^{1[1]}	Hedges Purchased
Q4 2011	1,100	15%
Q1 2012	1,127	12%
Q2 2012	816	11%
Q3 2012	783	11%
Total - 2011/12	3,826	12%
2012/13	0	0

Table 1- Aggregated Demand & Hedge Volumes Purchased up to 28th June 2011

^{1[1]} The demand forecast represents NIEES' current best estimate of the trading point demand relating to Regulated Customers.

3 Utility Regulator Tariff Timetable 2011 – Second Update.

Table 2 below provides an update on the progress of items outlined in the retail tariff timetable.

Retail Tariff Timetable 2011		
Contracting in the SEM		Date
Non-Directed Contract Auctions (Multilateral Trading Facility)		Ongoing ²
PSO Auctions – Quarterly Products		1 st Sept'11, 1 st Dec'11, 1 st Mar'12 & 31 st May'12
Directed Contract Auctions		Completed
Supplemental Directed Contract Auctions		DC Supplemental Subscription window 18th July - 22nd July
NI Tariff Inputs		
UR publications	Consultation Date	Decision Date
DUoS Tariffs:	N/A	Wk Commencing 1 st Aug
Supplier TUoS Tariffs:	N/A	Wk Commencing 1 st Aug
PSO Tariffs:	N/A	Wk Commencing 8 th Aug
SSS Tariffs:	N/A	Wk Commencing 1 st Aug
SEM publications	Consultation Date	Decision Date
Market Operator Charges	Early May'11	5 th August
Imperfections Charges	Mid June'11	5 th August
Capacity Charges	Early May'11	Wk Commencing 1 st Aug
NIEES Submits Draft Tariffs for Approval	Wk Commencing 8 th August	
UR Approves NIEES Tariffs	Wk Commencing 15 th Aug	
NIEES Retail Tariffs Published	Wk Commencing 22 nd August	
New Retail tariffs come into effect	Friday 1 st October	

Table 2- Second Update on Retail Tariff Timetable up to 1st July 2011

4 Next Steps

The third hedging and timetable update is due to be published on **Friday 29th July**.