



**RETAIL TARIFFS 2011/12  
THIRD UPDATE ON Power NI HEDGING & WORKPLANS**

**Information Note**

**29<sup>th</sup> 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 Power NI 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 Power NI, the last being published 1<sup>st</sup> July 2011. This information note is the third of the five updates and sets out the forecast demand and hedges purchased for the contracting period up to and including 27<sup>th</sup> July for regulated tariffs in Northern Ireland.

Table 1 below shows the total forecast demand and hedges purchased up to and including the 27<sup>th</sup> July 2011 by Power NI 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.

<b>Total Demand &amp; Hedged Volumes (GWh) 2011/12</b>		
<b>Time Period</b>	<b>Power NI</b>	
	<b>Forecast Demand<sup>1</sup></b>	<b>Hedges Purchased</b>
<b>Q4 2011</b>	1,175	46%
<b>Q1 2012</b>	1,140	47%
<b>Q2 2012</b>	869	36%
<b>Q3 2012</b>	860	25%
<b>Total - 2011/12</b>	<b>4,044</b>	<b>40%</b>
<b>2012/13</b>	0	0

*Table 1- Aggregated Demand & Hedge Volumes Purchased up to 27<sup>th</sup> July 2011*

<sup>1</sup> The demand forecast represents Power NI's current best estimate of the trading point demand relating to Regulated Customers.

### 3 Utility Regulator Tariff Timetable 2011 – Third Update.

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

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

*Table 2- Third Update on Retail Tariff Timetable up to 27<sup>th</sup> July 2011*

### 4 Next Steps

The third hedging and timetable update is due to be published on **Friday 26<sup>th</sup> August**.