

## **NIE Energy MV Monthly Billed Tariffs - Final Proposals**

### **Context**

This paper follows on from the consultation exercise recently<sup>1</sup> undertaken on a proposed change to the structure of NIE Energy Supply's current MV<sup>2</sup> monthly billed tariffs.

Consequently, the paper outlines a final NIEES proposal which has been developed following full consideration of 2TS responses and a further interaction with NIAUR on 21 March 2008.

### **Overview of New Arrangement**

- The current MV non-domestic customer class will be divided into two new Energy Price Adjustment classes.
  - “Large MV” (LMV)
  - “Small MV” (SMV)
- The relevant dividing threshold will be based on an annual consumption of 150 MWh. In the case of new customers a related MIC<sup>3</sup> will be used as an alternative method to determine which EPA class is suitable.
- LMV customers will nominally have an EPA set at 100% pass-through.
- SMV customers will have an EPA set at 50% pass-through.
- Any customer returning to NIEES after the Relevant Date (ie 31 March 2008) will be allocated to the appropriate MV EPA tariff class.
- All existing NIEES MV customers, as of the Relevant Date, will remain on the SMV EPA class, regardless of size, until the end of the existing tariff year. As of October 2008 tariff review date, these customers will be allocated to the appropriate MV EPA class based on the above principles.
- NIEES will aim to implement the supporting billing system changes as soon as possible. However, notwithstanding any delay in system implementation, NIEES will retrospectively apply, where relevant, the new arrangement so that in essence the 100% pass-through would apply to any new customers returning (who meet the LMV criteria), from the formal registration date<sup>4</sup>.
- NIEES will update the Tariff Methodology Statement accordingly at the next scheduled review.
- NIEES will fully acquaint relevant front-line Business Energy staff of the new arrangement, no later than 31 March 2008.
- NIEES will make all necessary changes to the relevant Business Energy tariff information publications as soon as practically possible.

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<sup>1</sup> Proposal originally outlined at Suppliers' Forum on 12 March 2008, further clarified in Consultation paper issued on 13 March 2008. Responses to consultation paper were collated on 20 March 2008.

<sup>2</sup> The NIEES monthly billed MV (0.4 kV) tariffs are; MV multirate and MV maximum demand

<sup>3</sup> Further analysis is required to finalise an appropriate MIC threshold, however, at this stage a provisional figure of 100 kVA will be used.

<sup>4</sup> Provided that this is later than the Relevant Date

