

Distribution Tariffs for 2008/09

Tariff Calculation

The allowable recoverable revenue from the 2008/09 Distribution Tariff as determined by the CER and as outlined in the CER decision paper on August 15th, 2008 (CER/08/152), is €193.27m (2008/09 monies).

The 2008/09 tariff charges have been derived by escalating the 2007/08 tariff by 7.4% for capacity charges and 6.0% for commodity charges in order to recover the 2008/09 allowable revenue of €193.27m.

In order to avoid anomalies between similar type users (i.e. eliminate extreme discrete differences), a set of regression formulae have been developed in order to return the requisite revenue from the 2008/09 market capacities and volumes. The tables below illustrate the distribution tariff charges for 2008/09 as they pertain to the various market categories. These charges will apply from October 1st 2008, to September 30th, 2009.

Capacity Charges

Category by Annual Quantity	Capacity Charge (c/pk day kWh)
≤ 73 MWh	148.6649
> 73 MWh - $\leq 14,653$ MWh	$131.6044 - 3.8259 \cdot \ln(\text{MDQ})^*$
$> 14,653$ MWh - $\leq 57,500$ MWh	$328.7952 - 47.1824 \cdot \ln(\text{MDQ})$
$> 57,500$ MWh	40.5463

* $\ln(\text{MDQ})$ is the natural logarithm of the Max Daily Quantity (measured in MWh)

Commodity Charges

Category by Annual Quantity	Commodity Charge (c/kWh)
≤ 73 MWh	0.3049
> 73 MWh - $\leq 14,653$ MWh	$0.2434 - 0.0237 \cdot \ln(\text{MDQ})$
$> 14,653$ MWh - $\leq 57,500$ MWh	$0.2837 - 0.0374 \cdot \ln(\text{MDQ})$
$> 57,500$ MWh	0.0555

The capacity and commodity unit charges are determined by inserting the Maximum Daily Quantity into the relevant formulae (MDQ measured in MWh). The result of the formulae are in terms of c/peak day kWh and c/kWh respectively.

Worked Examples:

Example 1

Customer Annual Quantity - 50 MWh
Customer Maximum Daily Quantity - 0.37 MWh

Commodity Charge applicable: 0.3049 c/kWh

Annual Commodity Revenue: $50,000 \text{ (kWh)} \times 0.3049 / 100 = \text{€}152.45$

Capacity Charge applicable: 148.6649 c/pk day kWh

Annual Capacity Revenue: $370 \text{ (kWh)} \times 148.6649 / 100 = \text{€}550.06$

Total Annual Revenue = $\text{€}702.51$

Example 2

Customer Annual Quantity	-	10,000 MWh
Customer Maximum Daily Quantity	-	54.79 MWh

Commodity Charge applicable: $0.2434 - 0.0237 \times \ln(54.79) = 0.1485$ c/kWh

Annual Commodity Revenue: $10,000,000$ (kWh) $\times 0.1485 / 100 = \text{€}14,850$

Capacity Charge applicable: $131.6044 - 3.8259 \times \ln(54.79) = 116.2874$ c/pk day kWh

Annual Capacity Revenue: $54,790$ (kWh) $\times 116.2874 / 100 = \text{€}63,714$

Total Annual Revenue = $\text{€}78,564$

Example 3

Customer Annual Quantity	-	40,000 MWh
Customer Maximum Daily Quantity	-	182.65 MWh

Commodity Charge applicable: $0.2837 - 0.0374 \times \ln(182.65) = 0.0889$ c/kWh

Annual Commodity Revenue: $40,000,000$ (kWh) $\times 0.0889 / 100 = \text{€}35,560$

Capacity Charge applicable: $328.7952 - 47.1824 \times \ln(182.65) = 83.0895$ c/pk day kWh

Annual Capacity Revenue: $182,650$ (kWh) $\times 83.0895 / 100 = \text{€}151,763$

Total Annual Revenue = $\text{€}187,323$

Example 4

Customer Annual Quantity	-	80,000 MWh
Customer Maximum Daily Quantity	-	313.11 MWh

Commodity Charge applicable: 0.0555 c/kWh

Annual Commodity Revenue: $80,000,000 \text{ (kWh)} \times 0.0555 / 100 = \text{€}44,400$

Capacity Charge applicable: 40.5463 c/pk day kWh

Annual Capacity Revenue: $313,110 \text{ (kWh)} \times 40.5463 / 100 = \text{€}126,955$

Total Annual Revenue = $\text{€}171,355$