

# Distribution Tariffs for 2009/10

## Tariff Calculation

The allowable recoverable revenue from the 2009/10 Distribution Tariff as determined by the CER and as outlined in the CER decision paper on September 3<sup>rd</sup>, 2009 (CER/09/150), is €190.63m (2009/10 monies).

The 2009/10 tariff charges have been derived by reducing the 2008/09 capacity charges by 1.82% and escalating the 2008/09 commodity charges by 2.29% in order to recover the 2009/10 allowable revenue of €190.63m.

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 2009/10 market capacities and volumes. The tables below illustrate the distribution tariff charges for 2009/10 as they pertain to the various market categories. These charges will apply from October 1<sup>st</sup> 2009, to September 30<sup>th</sup>, 2010.

## Capacity Charges

Category by Annual Quantity	Capacity Charge (c/pk day kWh)
$\leq 73$ MWh	145.9616
$> 73$ MWh - $\leq 14,653$ MWh	$129.2114 - 3.7563 \cdot \ln(\text{MDQ})^*$
$> 14,653$ MWh - $\leq 57,500$ MWh	$322.8165 - 46.3244 \cdot \ln(\text{MDQ})$
$> 57,500$ MWh	39.8090

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

## Commodity Charges

Category by Annual Quantity	Commodity Charge (c/kWh)
$\leq 73$ MWh	0.3118
$> 73$ MWh - $\leq 14,653$ MWh	$0.2490 - 0.0242 \cdot \ln(\text{MDQ})$
$> 14,653$ MWh - $\leq 57,500$ MWh	$0.2902 - 0.0382 \cdot \ln(\text{MDQ})$
$> 57,500$ MWh	0.0567

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: 0.3118 c/kWh

Annual Commodity Revenue:  $50,000 \text{ (kWh)} \times 0.3118 / 100 = \text{€}155.91$

Capacity Charge applicable: 145.9616 c/pk day kWh

Annual Capacity Revenue:  $370 \text{ (kWh)} \times 145.9616 / 100 = \text{€}540.06$

Total Annual Revenue =  $\text{€}695.97$

## Example 2

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

Commodity Charge applicable:  $0.2490 - 0.0242 \times \ln(54.79) = 0.1521$  c/kWh

Annual Commodity Revenue:  $10,000,000$  (kWh)  $\times 0.1521 / 100 = \text{€}15,210$

Capacity Charge applicable:  $129.2114 - 3.7563 \times \ln(54.79) = 114.1730$  c/pk day kWh

Annual Capacity Revenue:  $54,790$  (kWh)  $\times 114.1730 / 100 = \text{€}62,555$

Total Annual Revenue =  $\text{€}77,765$

## Example 3

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

Commodity Charge applicable:  $0.2902 - 0.0382 \times \ln(182.65) = 0.0912$  c/kWh

Annual Commodity Revenue:  $40,000,000$  (kWh)  $\times 0.0912 / 100 = \text{€}36,480$

Capacity Charge applicable:  $322.8165 - 46.3244 \times \ln(182.65) = 81.5788$  c/pk day kWh

Annual Capacity Revenue:  $182,650$  (kWh)  $\times 81.5788 / 100 = \text{€}149,004$

Total Annual Revenue =  $\text{€}185,484$

#### **Example 4**

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

Commodity Charge applicable: 0.0567 c/kWh

Annual Commodity Revenue: 80,000,000 (kWh) x 0.0567 / 100 = €45,360

Capacity Charge applicable: 39.8090 c/pk day kWh

Annual Capacity Revenue: 313,110 (kWh) x 39.8090 / 100 = €124,646

Total Annual Revenue = €170,006