

Indicative BGE Transmission Tariffs for Gas Year 2003/04

This file details the information used by BGE Transmission in calculating the tariffs for use of the BGE Transmission network from 1st October 2003 to 30th September 2004.

Sheets:

[Tariffs] Contains the 2003/4 Tariffs.

[Onshore Tariff] Calculates the 2003/4 Onshore Tariff

[Inch Tariff] Calculates the 2003/4 Inch Tariff

[IC Tariff] Calculates the 2003/4 Interconnector Tariff

[Bookings & Demand] The projected capacity bookings and annual demand used in the calculations

[RAB] The value of the BGE Transmission Opening Regulated Asset Base

Indicative BGE Transmission Tariffs for Gas Year 2003/2004

Inflation 2002/3 to 03/04 **3.0%** To be Agreed

	€	
<u>Onshore Network</u>		
capacity	422.11	per peak day MWh
commodity	0.22	per MWh
<u>Interconnectors</u>		
capacity	347.41	per peak day MWh
commodity	0.16	per MWh
<u>Inch</u>		
capacity	37.40	per peak day MWh
commodity	0.02	per MWh

Published Tariffs 2002/3	Increase/Decrease 02/03-03/04
€	
318.207	33%
0.1601	37%
367.265	-5%
0.2087	-22%
25.205	48%
0.0121	103%
685.471	12%
0.3688	4%
343.412	34%
0.1722	41%

Illustrative Transmission Transportation Costs

	€	
<u>Transmission Transportation Cost of UK Gas</u>		
capacity	769.52	per peak day MWh
commodity	0.38	per MWh
<u>Transmission Transportation Cost of Inch Gas</u>		
capacity	459.51	per peak day MWh
commodity	0.24	per MWh

Cost/Therm Comparisons

Annual Consumption 365
Load Factor 1.1

Gas Year 03/04 (03/04 Monies)

<u>Moffat</u>	€	<u>Inch</u>	€
Capacity	855.02	Capacity	510.56
Commodity	139.42	Commodity	88.76
Total	994.44	Total	599.32
Cost (€/MWh)	2.72	Cost (€/MWh)	1.64

Gas Year 02/03 (02/03 Monies)

Cost (€/MWh)	2.46	1.22
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% Increase 11% 35%

Onshore Exit Charges

Rate of Return	5.75%	2002/03	2003/04	2004/05	2005/06	2006/07	Closing Assets
		€m	€m	€m	€m	€m	€m
Opening Asset Value			780.9	-	-	-	787.4
Under Recovery			12.1	3.3	3.3	3.3	
Additions	pipeline	83.1	41.7	11.1	10.8	10.8	
	compressor	-	-	-	-	-	
	equipment	7.2	6.2	2.8	2.7	2.3	
	property	0.3	-	-	-	-	
Total Capex			<u>47.9</u>	<u>13.9</u>	<u>13.5</u>	<u>13.2</u>	
Operating Costs			<u>30.9</u>	<u>31.3</u>	<u>31.8</u>	<u>31.6</u>	
Total Costs			<u>78.9</u>	<u>45.2</u>	<u>45.4</u>	<u>44.8</u>	
NPV Assets		151.26					
NPV Costs		214.74					
Revenue Requirement		<u>366.0</u>					
Demand							
peak days GWh			194.5	214.7	243.4	250.0	
commodity GWh			45706	47081	49091	51101	
capacity - c per peak day kWh	40.9816						
commodity - c per kWh	0.02122						
Revenue - Levelised							
capacity			79.7	88.0	99.7	102.5	
commodity			9.7	10.0	10.4	10.8	
Total	366.0		<u>89.4</u>	<u>98.0</u>	<u>110.2</u>	<u>113.3</u>	

Note: All figures are in 2002/2003 monies

Inch Entry Charges

Rate of Return	5.75%	2002/03	2003/04	2004/05	2005/06	2006/07	Closing Assets
		€m	€m	€m	€m	€m	€m
Opening Asset Value			11.5	-	-	-	13.4
Additions	pipeline	-	-	2.5	-	-	
	compressor	9.6	0.4	0.4	0.4	-	
	equipment	-	0.6	0.2	0.2	0.2	
Total Capex			<u>0.9</u>	<u>3.1</u>	<u>0.6</u>	<u>0.2</u>	
Operating Costs			1.1	1.4	1.5	1.5	
Total Costs			<u>2.0</u>	<u>4.5</u>	<u>2.0</u>	<u>1.7</u>	
NPV Assets	0.81						
NPV Costs	9.24						
Revenue Requirement	<u>10.1</u>						
<u>Demand</u>							
peak days GWh			69.0	71.0	70.1	67.9	
commodity GWh			10243	12846	12149	11933	
capacity - p per peak day kWh	3.6308						
commodity - p per kWh	0.00238						
Revenue - Levelised							
capacity			2.5	2.6	2.5	2.5	
commodity			0.2	0.3	0.3	0.3	
Total	10.1		<u>2.7</u>	<u>2.9</u>	<u>2.8</u>	<u>2.7</u>	

Note:

All figures are in 2002/2003 monies

Assets		30.09.02	2002/03	2003/04	2004/05	2005/06	2006/07
Cost		6.7	16.3	17.2	20.3	20.9	21.1
Acc Dep		- 4.1	- 4.8	- 5.4	- 6.1	- 6.9	- 7.7
NBV		<u>2.6</u>	<u>11.5</u>	<u>11.8</u>	<u>14.2</u>	<u>14.0</u>	<u>13.4</u>
Pipeline	Cost	6.7	6.7	6.7	9.2	9.2	9.2
	Acc Dep	- 4.1	- 4.3	- 4.4	- 4.6	- 4.7	- 4.9
	NBV	<u>2.6</u>	<u>2.4</u>	<u>2.3</u>	<u>4.7</u>	<u>4.5</u>	<u>4.4</u>
Compressor	Cost	-	9.6	10.0	10.3	10.7	10.7
	Acc Dep	- -	0.5	0.9	1.3	1.7	2.1
	NBV	<u>-</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>9.0</u>	<u>8.5</u>
Equipment	Cost	-	-	0.6	0.8	1.0	1.2
	Acc Dep	-	-	0.1	0.3	0.5	0.7
	NBV	<u>-</u>	<u>-</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

Depreciation							
Total Charge	pipeline	-	0.2	- 0.1	- 0.1	- 0.1	- 0.1
	compressor	-	0.5	- 0.4	- 0.4	- 0.4	- 0.4
	equipment	-	-	0.1	0.2	0.2	0.2
Total Charge		<u>-</u>	<u>0.6</u>	<u>- 0.6</u>	<u>- 0.7</u>	<u>- 0.8</u>	<u>- 0.8</u>
Pipeline	opening assets	-	0.2	- 0.10	- 0.10	- 0.10	- 0.10
	additions	-	-	-	0.05	0.05	0.05
		<u>-</u>	<u>0.2</u>	<u>- 0.1</u>	<u>- 0.1</u>	<u>- 0.1</u>	<u>- 0.1</u>
Compressor	opening assets	-	-	-	-	-	-
	additions	-	0.48	- 0.40	- 0.41	- 0.43	- 0.43
		<u>-</u>	<u>0.5</u>	<u>- 0.4</u>	<u>- 0.4</u>	<u>- 0.4</u>	<u>- 0.4</u>
Equipment	opening assets	-	-	-	-	-	-
	additions	-	-	0.1	0.15	0.19	0.2
		<u>-</u>	<u>-</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

Interconnector Entry Charges

Rate of Return	5.75%	2002/03	2003/04	2004/05	2005/06	2006/07	Closing Assets
		€m	€m	€m	€m	€m	€m
Opening Asset Value			581.9	-	-	-	540.8
Additions	pipeline	43.8	-	-	-	-	
	compressor	0.1	2.8	1.8	3.7	-	
	equipment	1.5	1.7	0.8	0.6	0.4	
Total Capex			<u>4.5</u>	<u>2.6</u>	<u>4.3</u>	<u>0.4</u>	
Operating Costs			<u>11.4</u>	<u>12.8</u>	<u>13.3</u>	<u>13.4</u>	
Total Costs			<u>15.9</u>	<u>15.4</u>	<u>17.6</u>	<u>13.8</u>	
NPV Assets	149.41						
NPV Costs	55.37						
Revenue Requirement	<u>204.8</u>						
<u>Demand</u>							
peak days GWh			130.8	150.0	181.7	149.8	
commodity GWh			36832	36016	39347	31581	
capacity - p per peak day kWh	33.7291						
commodity - p per kWh	0.01586						
Revenue - Levelised							
capacity			44.1	50.6	61.3	50.5	
commodity			5.8	5.7	6.2	5.0	
Total	204.8		<u>50.0</u>	<u>56.3</u>	<u>67.5</u>	<u>55.5</u>	

Note:

All figures are in 2002/2003 monies

Assets		30.9.02	2002/03	2003/04	2004/05	2005/06	2006/07
Cost		637.6	683.0	687.5	690.1	694.5	694.9
Acc Dep		- 81.0 -	- 101.1 -	- 114.0 -	- 127.2 -	- 140.6 -	- 154.0
NBV		556.7	581.9	573.5	563.0	553.9	540.8
Pipeline	Cost	529.0	572.8	572.8	572.8	572.8	572.8
	Acc Dep	- 61.3 -	- 75.7 -	- 83.7 -	- 91.7 -	- 99.7 -	- 107.7
	NBV	467.6	497.1	489.1	481.1	473.1	465.0
Compressor	Cost	108.3	108.4	111.1	113.0	116.7	116.7
	Acc Dep	- 19.6 -	- 25.1 -	- 29.2 -	- 33.5 -	- 37.9 -	- 42.3
	NBV	88.6	83.3	81.9	79.5	78.8	74.4
Equipment	Cost	0.4	1.9	3.6	4.4	5.0	5.4
	Acc Dep	- -	- 0.4 -	- 1.1 -	- 2.0 -	- 3.0 -	- 4.0
	NBV	0.4	1.5	2.5	2.4	2.0	1.3

Depreciation							
Charge	pipeline	-	14.4 -	- 8.0 -	- 8.0 -	- 8.0 -	8.0
	compressor	-	5.4 -	- 4.2 -	- 4.3 -	- 4.4 -	4.4
	equipment	-	0.4 -	- 0.7 -	- 0.9 -	- 1.0 -	1.1
Total Charge		-	20.15 -	- 12.89 -	- 13.13 -	- 13.40 -	13.48
Pipeline	Opening assets	-	13.3 -	- 7.6 -	- 7.6 -	- 7.6 -	7.6
	Additions	-	1.1 -	- 0.44 -	- 0.44 -	- 0.44 -	0.44
	Charge	-	14.4 -	- 8.0 -	- 8.0 -	- 8.0 -	8.0
Compressor	Opening assets	-	5.4 -	- 4.1 -	- 4.1 -	- 4.1 -	4.1
	Additions	-	0.0 -	- 0.1 -	- 0.2 -	- 0.3 -	0.3
	Charge	-	5.4 -	- 4.2 -	- 4.3 -	- 4.4 -	4.4
Equipment	Opening assets	-	0.1 -	- 0.1 -	- 0.1 -	- 0.1 -	0.1
	Additions	-	0.3 -	- 0.6 -	- 0.8 -	- 0.9 -	1.0
	Charge	-	0.4 -	- 0.7 -	- 0.9 -	- 1.0 -	1.1

Projected Capacity and Annual Demand BGE Transmission 2003/04 - 2010/11

	2003/04 GWh	2004/05 GWh	2005/06 GWh	2006/07 GWh	2007/08 GWh	2008/09 GWh	2009/10 GWh	2010/11 GWh
Capacity Bookings GWh per peak day								
National Demand	194.5	214.7	243.4	250.0	269.1	276.7	288.8	300.4
Sources:								
Corrib	-	-	-	40.8	93.3	77.8	72.6	59.5
Inch	69.0	71.0	70.1	67.9	65.0	61.6	59.4	69.5
Imported gas	125.6	143.7	173.3	141.3	110.8	137.3	156.8	171.4
Isle of Man	5.3	6.3	8.5	8.5	8.5	10.6	10.6	10.6
	-	-	-	-	-	-	-	-
Annual Demand GWh								
Onshore demand	45,706	47,081	49,091	51,101	53,323	55,862	58,097	60,421
Sources:								
Corrib gas	-	-	-	9,992	33,151	29,859	27,038	22,806
Inch gas	10,243	12,846	12,149	11,933	11,717	11,501	11,393	11,393
Imported gas	35,462	34,235	36,942	29,176	8,455	14,502	19,666	26,222
Isle of Man	1,370	1,781	2,405	2,405	2,405	2,983	2,921	2,921

BGE TRANSMISSION REGULATORY ASSET BASE 30th September 2002

	Indexed Historical Cost	SL Dep	Indexed Historical net of sl dep	Depreciation										NBV
	30/09/2002 €m	30/09/2002 €m	30/09/2002 €m	2002/03 €m	2003/04 €m	2004/05 €m	2005/06 €m	2006/07 €m	2007/08 €m	2008/09 €m	2009/10 €m	2010/11 €m	2011/12 €m	30/09/2012 €m
<u>Onshore System</u>														
Pipelines	904.942	208.126	696.815	22.618	13.183	13.183	13.183	13.183	13.183	13.183	13.183	13.183	13.183	555.548
Buildings	16.154	1.496	14.658	0.420	0.420	0.420	0.420	0.420	0.405	0.400	0.400	0.400	0.400	10.550
Compressors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	21.376	14.027	7.348	2.878	2.634	1.240	0.497	0.099	-	0.000	-	-	-	-
Total	942.471	223.649	718.821	25.916	16.237	14.844	14.101	13.703	13.589	13.584	13.584	13.584	13.584	566.097
<u>Interconnector 1</u>														
Pipelines	265.186	61.341	203.845	6.670	4.989	4.989	4.989	4.989	4.989	4.989	4.989	4.989	4.989	152.273
Compressors	108.288	19.640	88.648	5.414	4.062	4.062	4.062	4.062	4.062	4.062	4.062	4.062	4.062	46.675
Equipment	0.371	-	0.371	0.074	0.074	0.074	0.074	0.074	0.000	-	-	-	-	-
<u>Interconnector 2</u>														
Pipelines	263.797	-	263.797	6.595	2.572	2.572	2.572	2.572	2.572	2.572	2.572	2.572	2.572	234.054
Compressors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	637.642	80.981	556.661	18.754	11.697	11.697	11.697	11.697	11.623	11.623	11.623	11.623	11.623	433.002
<u>Inch</u>														
Pipelines	6.702	4.147	2.555	0.168	0.098	0.098	0.098	0.098	0.098	0.098	0.098	0.098	0.098	1.501
Compressors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6.702	4.147	2.555	0.168	0.098	0.098	0.098	0.098	0.098	0.098	0.098	0.098	0.098	1.501
TOTAL	1,586.815	308.777	1,278.038	44.837	28.033	26.640	25.897	25.499	25.310	25.305	25.305	25.305	25.305	1,000.600