



Commission for Energy Regulation
An Coimisiún um Rialáil Fuinnimh

**BILL IMPACTS OF CUSTOMER REBATES
TO APPLY FROM THE 1ST JANUARY 2009**

Information Note

CER/09/002

22nd January 2009

Introduction

On the 1st of December the Commission for Energy Regulation published a paper on ESB PES Tariffs to apply from 1st January 2009 to 30th September 2009¹. The Commission's decision results in an average decrease of less than 1% in ESB Customer Supply customer bills².

In finalising its decision the Commission had secured a number of measures which off-set the need for a price increase. Were it not for these measures, it was estimated that there would be a requirement for a price increase of approximately 12%. These measures are set out below:-

- ESB Customer Credit

A customer credit of 1.5003c/ kWh at the transmission trading boundary which is forecast to equate to an amount of €315.4M which the Commission agreed with ESB was announced on 11th July 2008³. This exceptional credit off-sets the requirement for price increases by approximately 8 – 10%. This credit applies to all electricity customers for consumption from 1st January 2009.

- PSO Related Rebate

Monies from the sale of some ESB power stations under the CER-ESB Asset Strategy agreement will be rebated to all customers. Some of these generation stations received support through the Public Service Obligation (PSO) mechanism and following their sale a rebate can be given to all electricity customers in 2009. The value of the PSO related rebate varies by customer category and is shown in Annex I.

While the above contributions have offset price increases for ESB Customer Supply customers, they also benefit customers of all Independent Suppliers. Both rebates will be passed from ESB through the networks companies, EirGrid and ESB Networks Ltd. to suppliers who will distribute them to their customers.

Billing Impacts for Suppliers

- (i) ESB Customer Credit

The ESB customer credit will be paid to all suppliers utilising the same data provided under the Transmission Use of System Charges

¹ [Decision Paper, CER/08/246](#)

² While the majority of customers will either incur no increase or a small decrease in their final electricity bill, some high consumption customers may incur an increase.

³ [Information Note, CER/08/215](#)

mechanism as advised by EirGrid.⁴ The first payment to suppliers, which relates to January 2009, will be made in March 2009.

(ii) PSO related Rebate

The PSO related rebate information will be prepared by Distribution System Operator (DSO) and Transmission System Operator (TSO) using contracted MIC values valid on the last day of month. The first payment to suppliers, which relates to January 2009, will be made in late February 2009.

- For distribution connected customers suppliers will receive payment directly from the DSO.
- For transmission connected customers suppliers will receive payment directly from the TSO.

All licensed suppliers are required to ensure that customers are credited with the full value of the rebates.

Billing Impacts for Customers

(i) ESB Customer Credit

The ESB customer credit will be applied based on customer consumption. For domestic and most small business customers the ESB customer credit will be incorporated into the energy charges to apply from 1st January 2009 to 30th September 2009. For larger business customers and Large Energy Users (LEUs) the customer credit will be either incorporated into the energy charges or identified on the bill as a separate line item.

(ii) PSO related Rebate

For domestic customers the PSO related rebate is applied as a monthly credit of €1.91 from month end. Domestic customers will see this rebate applied to their next bill post January 2009.

For small and medium business customers (<30kVA) the PSO related rebate is applied as a monthly credit of €5.98 from month end. Small and medium business customers will see this rebate applied to their next bill post January 2009.

⁴ EirGrid is to issue a note shortly to all TUoS customers informing them of the Customer Credit time-table.

For large energy customers ($\geq 30\text{kVA}$) and unmetered supplies the PSO related rebate is applied as a credit of €0.96 / kVA of contracted capacity at month end. They will see this rebate applied to their next bill post January 2009.

Annex I

Allocation of 2008 PSO related Rebate to apply 1st January - 30th September 2009

Customer Category	€/ customer	€/ kVA	Monthly Rebate €
Domestic	17.20		1.91
Small and Medium Profile (i.e. non-domestic <30kVA)	53.83		5.98
Large Energy Profile & Unmetered		8.63	0.96