

Transmission and Distribution Price Control Review for Bord Gáis Networks, Ireland

Date: 2006 – 2007

Client: Commission for Energy Regulation, Ireland

Country / Region: Ireland

CEPA advised the CER on the setting of allowed revenues for the gas transmission and distribution activities of the network operator (Bord Gáis Networks [BGN]) between 1 October 2007 and 30 September 2012.

Under the Gas (Interim) (Regulation) Act, 2002 the Irish Commission for Energy Regulation (CER) approves charges for the use of the natural gas transmission and distribution systems. The CER is also required to examine the costs underlying such charges and tariffs. As such, sets the allowed revenues for Bord Gáis Networks (BGN) as Transmission and Distribution System Operator for Ireland.

In 2003, and for the first time, CER determined transmission and distribution revenues for the period gas year 2003/04 to 2006/07. CER then commissioned a consortium led by CEPA to provide comprehensive economic, technical and financial advice in regard to the second regulatory review of allowed revenues that applies from 2007/08 to 2011/12.

Advice provided included:

- evaluating the theoretical, financial and technical assumptions underpinning the current revenue controls;
- reviewing the capital and operational expenditure of BGN during the current control period against allowed revenues;
- benchmarking BGN service provision, operating and capital investment activities;
- advising on cost of capital issues;
- designing BGN transmission and distribution revenue controls for 2007/08 - 2011/12 period; and
- advising on maximum allowed revenues throughout the review period.

Links:

- Commission for Energy Regulation
- Bord Gáis Networks
- CER Bord Gáis Networks Revenue Review 2007/08- 2011/12: Transmission Decision Paper
- CER Bord Gáis Networks Revenue Review 2007/08- 2011/12: Distribution Decision Paper