

# **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 2003/04 Tariffs.

[Onshore Tariff] Calculates the 2003/04 Onshore Tariff

[Inch Tariff] Calculates the 2003/04 Inch Tariff

[IC Tariff] Calculates the 2003/04 Interconnector Tariff

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

[Capex] The projected capital expenditure on the BGE Transmission network

[Opex] The projected operating costs of the BGE Transmission network

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

## BGE Transmission Tariffs for Gas Year 2003/2004

**Inflation 2002/3 to 03/04**

4.0%

	€	
<u>Onshore Network</u>		
capacity	<b>413.0189</b>	per peak day MWh
commodity	<b>0.2142</b>	per MWh
<u>Interconnectors</u>		
capacity	<b>340.0020</b>	per peak day MWh
commodity	<b>0.1602</b>	per MWh
<u>Inch</u>		
capacity	<b>36.6393</b>	per peak day MWh
commodity	<b>0.0240</b>	per MWh

### Illustrative Transmission Transportation Costs

	€	
<u>Transmission Transportation Cost of UK Gas</u>		
capacity	<b>753.0209</b>	per peak day MWh
commodity	<b>0.3744</b>	per MWh
<u>Transmission Transportation Cost of Inch Gas</u>		
capacity	<b>449.6582</b>	per peak day MWh
commodity	<b>0.2382</b>	per MWh

## Onshore Exit Charges

Rate of Return	5.74%		2002/03	2003/04	2004/05	2005/06	2006/07	Closing Assets
			€m	€m	€m	€m	€m	€m
<b>Opening Asset Value</b>				779.2	-	-	-	786.98
Under Recovery				22.97	-	-	-	
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	-	-	-	-	
<b>Total Capex</b>			<u>90.6</u>	<u>47.9</u>	<u>13.9</u>	<u>13.5</u>	<u>13.2</u>	
Operating Costs				30.8	31.1	31.6	31.4	
<b>Total Costs</b>				<u>78.8</u>	<u>45.0</u>	<u>45.2</u>	<u>44.5</u>	
NPV Assets		149.70						
NPV Costs		216.12						
<b>Revenue Requirement</b>		<u>365.82</u>						
<b>Demand</b>								
peak days GWh				194.5	214.7	243.4	250.0	
commodity GWh				45706	47081	49091	51101	
<b>Revenue - Tariff Increasing CPI + 2%</b>								
capacity - c per peak day kWh	39.7134	0.00	<b>329.2</b>	77.2	87.0	100.6	105.4	
commodity - c per kWh	0.0206	0.00	<b>36.6</b>	9.4	9.9	10.5	11.2	
<b>Total</b>			<u>365.82</u>	<u>86.65</u>	<u>96.86</u>	<u>111.09</u>	<u>116.53</u>	

**Note:** All figures are in 2002/2003 monies

		30.9.02	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Total Assets</b>							
	Cost	942.0	1,032.3	1,080.2	1,094.1	1,107.6	1,120.8
	Acc Dep	- 223.6 -	- 253.0 -	- 273.6 -	- 293.6 -	- 313.5 -	- 333.8
	<b>NBV</b>	<b>718.4</b>	<b>779.22</b>	<b>806.57</b>	<b>800.51</b>	<b>794.08</b>	<b>786.98</b>
Pipeline	Cost	904.9	987.7	1,029.5	1,040.5	1,051.3	1,062.2
	Acc Dep	- 208.1 -	- 232.8 -	- 247.7 -	- 262.7 -	- 278.0 -	- 293.5
	<b>NBV</b>	<b>696.8</b>	<b>754.9</b>	<b>781.8</b>	<b>777.8</b>	<b>773.4</b>	<b>768.7</b>
Compressor	Cost	-	-	-	-	-	-
	Acc Dep	-	-	-	-	-	-
	<b>NBV</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equipment	Cost	21.4	28.6	34.7	37.6	40.3	42.6
	Acc Dep	- 14.0 -	- 18.3 -	- 23.7 -	- 28.1 -	- 32.4 -	- 36.8
	<b>NBV</b>	<b>7.3</b>	<b>10.2</b>	<b>11.1</b>	<b>9.45</b>	<b>7.88</b>	<b>5.9</b>
Property	Cost	15.7	16.0	16.0	16.0	16.0	16.0
	Acc Dep	- 1.5 -	- 1.9 -	- 2.3 -	- 2.7 -	- 3.1 -	- 3.5
	<b>NBV</b>	<b>14.2</b>	<b>14.1</b>	<b>13.7</b>	<b>13.3</b>	<b>12.8</b>	<b>12.4</b>

		30.9.02	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Depreciation</b>							
Charge	pipeline	- 24.7 -	- 14.8 -	- 15.1 -	- 15.3 -	- 15.5	
	compressor	-	-	-	-	-	
	equipment	- 4.3 -	- 5.3 -	- 4.5 -	- 4.3 -	- 4.3	
	property	- 0.4 -	- 0.4 -	- 0.4 -	- 0.4 -	- 0.4	
<b>Total Charge</b>		<b>- 29.4 -</b>	<b>- 20.6 -</b>	<b>- 20.0 -</b>	<b>- 20.0 -</b>	<b>- 20.3</b>	
Pipeline	Opening Deprec	- 22.62 -	- 13.19 -	- 13.19 -	- 13.19 -	- 13.19	
	Additions	- 2.1 -	- 1.64 -	- 1.86 -	- 2.08 -	- 2.30	
	Charge	- 24.7 -	- 14.8 -	- 15.1 -	- 15.3 -	- 15.5	
Compressor	Opening Deprec	-	-	-	-	-	
	Additions	-	-	-	-	-	
	Charge	-	-	-	-	-	
Equipment	Opening Deprec	- 2.9 -	- 2.6 -	- 1.2 -	- 0.5 -	- 0.1	
	Additions	- 1.4 -	- 2.7 -	- 3.2 -	- 3.8 -	- 4.2	
	Charge	- 4.3 -	- 5.3 -	- 4.5 -	- 4.3 -	- 4.3	
Property	Opening Deprec	- 0.4 -	- 0.4 -	- 0.4 -	- 0.4 -	- 0.4	
	Additions	- 0.0 -	- 0.0 -	- 0.0 -	- 0.0 -	- 0.0	
	Charge	- 0.4 -	- 0.4 -	- 0.4 -	- 0.4 -	- 0.4	

## Inch Entry Charges

Rate of Return		5.74%		2002/03	2003/04	2004/05	2005/06	2006/07	Closing Assets
				€m	€m	€m	€m	€m	€m
<b>Opening Asset Value</b>					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	
<b>Total Capex</b>				<u>9.6</u>	<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	
<b>Total Costs</b>					<u>2.0</u>	<u>4.5</u>	<u>2.0</u>	<u>1.7</u>	
NPV Assets		0.80							
NPV Costs		9.24							
<b>Revenue Requirement</b>		<u>10.0</u>							
<b>Demand</b>									
peak days GWh					69.0	71.0	70.1	67.9	
commodity GWh					10243	12846	12149	11933	
<b>Revenue - Tariff Increasing CPI + 2%</b>									
capacity - c per peak day kWh	3.5230	0.00	9.0	2.4	2.6	2.6	2.5		
commodity - c per kWh	0.0023	0.00	1.0	0.2	0.3	0.3	0.3		
<b>Total</b>			<u>10.0</u>	<u>2.67</u>	<u>2.85</u>	<u>2.86</u>	<u>2.83</u>		

**Note:**

All figures are in 2002/2003 monies

<u>Assets</u>		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
<b>NBV</b>		<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
	<b>NBV</b>	<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
	<b>NBV</b>	<u>-</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>9.0</u>	<u>8.6</u>
Equipment	Cost	-	-	0.6	0.8	1.0	1.2
	Acc Dep	-	-	0.1	0.3	0.5	0.7
	<b>NBV</b>	<u>-</u>	<u>-</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

<u>Depreciation</u>							
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
<b>Total Charge</b>		<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	- 0.39	- 0.41	- 0.42	- 0.42
		<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	-	-	0.11	0.15	0.19	0.23
		<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		5.74%	2002/03	2003/04	2004/05	2005/06	2006/07	Closing Assets
			€m	€m	€m	€m	€m	€m
<b>Opening Asset Value</b>				581.9	-	-	-	540.9
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			45.4	4.5	2.6	4.3	0.4	
Operating Costs				11.4	12.8	13.3	13.4	
<b>Total Costs</b>				<b>15.9</b>	<b>15.4</b>	<b>17.6</b>	<b>13.8</b>	
NPV Assets		149.20						
NPV Costs		55.38						
<b>Revenue Requirement</b>		<b>204.59</b>						
<b>Demand</b>								
peak days GWh				130.8	150.0	181.7	149.8	
commodity GWh				36832	36016	39347	31581	
<b>Revenue - Tariff Increasing CPI + 2%</b>								
capacity - c per peak day kWh		32.6925	0.00	184.1	42.8	50.0	61.8	52.0
commodity - c per kWh		0.0154	0.00	20.5	5.7	5.7	6.3	5.2
<b>Total</b>			<b>204.59</b>	48.45	55.69	68.12	57.14	

**Note:** All figures are in 2002/2003 monies

<b>Assets</b>		<b>30.9.02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Cost		637.6	683.0	687.5	690.1	694.5	694.9
Acc Dep		- 81.0 -	- 101.1 -	- 114.0 -	- 127.1 -	- 140.5 -	- 154.0
<b>NBV</b>		<b>556.7</b>	<b>581.9</b>	<b>573.5</b>	<b>563.0</b>	<b>553.9</b>	<b>540.9</b>
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
	<b>NBV</b>	<b>467.6</b>	<b>497.1</b>	<b>489.1</b>	<b>481.1</b>	<b>473.1</b>	<b>465.1</b>
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
	<b>NBV</b>	<b>88.6</b>	<b>83.3</b>	<b>81.9</b>	<b>79.5</b>	<b>78.8</b>	<b>74.4</b>
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
	<b>NBV</b>	<b>0.4</b>	<b>1.5</b>	<b>2.5</b>	<b>2.4</b>	<b>2.0</b>	<b>1.3</b>

<b>Depreciation</b>							
Charge	pipeline	-	14.4 -	- 8.0 -	- 8.0 -	- 8.0 -	8.0
	compressor	-	5.4 -	- 4.2 -	- 4.2 -	- 4.4 -	4.4
	equipment	-	0.4 -	- 0.7 -	- 0.9 -	- 1.0 -	1.1
<b>Total Charge</b>		-	<b>20.2 -</b>	- <b>12.9 -</b>	- <b>13.1 -</b>	- <b>13.4 -</b>	<b>13.5</b>
Pipeline	Opening assets	-	13.3 -	- 7.6 -	- 7.6 -	- 7.6 -	7.6
	Additions	-	1.1 -	- 0.4 -	- 0.4 -	- 0.4 -	0.4
	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 -	- 4.2 -	- 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 200

Source: Gas Capacity Statement, central demand case and various estimations

	2003/04 GWh	2004/05 GWh	2005/06 GWh	2006/07 GWh
<b>Capacity Bookings GWh per peak day</b>				
National Demand	194.5	214.7	243.4	250.0
<b>Sources:</b>				
Corrib	-	-	-	40.8
Inch	69.0	71.0	70.1	67.9
Imported gas	125.6	143.7	173.3	141.3
Isle of Man Demand	5.3	6.3	8.5	8.5
<b>Sources:</b>				
Imported gas	5.3	6.3	8.5	8.5

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<b>Annual Demand GWh</b>				
Onshore demand	45,706	47,081	49,091	51,101
<b>Sources:</b>				
Corrib gas	-	-	-	9,992
Inch gas	10,243	12,846	12,149	11,933
Imported gas	35,462	34,235	36,942	29,176
Isle of Man Demand	1,370	1,781	2,405	2,405
<b>Sources:</b>				
Imported gas	1,370	1,781	2,405	2,405

National Capacity Demand is as per Gas Capacity Statement (GCS) less 1 GWh per BGE's best estimate  
Onshore annual demand is as per the GCS.

Corrib demand and peak capacity is half of what is on the GCS reflecting BGE's best estimate of the tin

Inch Capacity is a BGE estimation based on scenarios received from Marathon.  
Inch Demand is a BGE estimation based on available information at the time.

Isle of Man is as per GCS.

# Transmission - Projected Capital Expenditure

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<b>Summary - CER Allowed Capex</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
<b><u>Onshore</u></b>					
pipes	83.1	41.7	11.1	10.8	10.8
compressor	-	-	-	-	-
equipment/it	7.2	6.2	2.8	2.7	2.3
property	0.3	-	-	-	-
<b><u>Inch</u></b>					
pipes	-	-	2.5	-	-
compressor	9.6	0.4	0.4	0.4	-
equipment/it	-	0.6	0.2	0.2	0.2
<b><u>Interconnector 1</u></b>					
pipes	0.4	-	-	-	-
compressor	-	2.8	1.8	3.7	-
equipment/it	0.2	1.3	0.4	0.4	0.2
<b><u>Interconnector 2</u></b>					
pipes	43.3	-	-	-	-
compressor	0.1	-	-	-	-
equipment/it	1.3	0.4	0.4	0.2	0.2
<b>Total</b>	<b>145.5</b>	<b>53.3</b>	<b>19.6</b>	<b>18.4</b>	<b>13.8</b>
<b>Check</b>	-	-	-	-	-

<b>Onshore Capex Breakdown</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Pipeline to the West	62.5	21.0	-	-	-
Other Pipes	20.6	20.7	11.1	10.8	10.8
<b>Total Onshore Capex</b>	<b>83.1</b>	<b>41.7</b>	<b>11.1</b>	<b>10.8</b>	<b>10.8</b>
<b>Check</b>	-	-	-	-	-

**Note:**

All figures are in 2002/03 monies

## **BGE Transmission Operating Costs**

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	2003/04	2004/05	2005/06	2006/07
	€m	€m	€m	€m
<b><u>Onshore Costs</u></b>				
Network Costs	22.414	22.041	22.076	21.631
Irish Rates	8.432	9.076	9.544	9.759
<b>Total Onshore Opex</b>	<b>30.8</b>	<b>31.1</b>	<b>31.6</b>	<b>31.4</b>
<b><u>Inch Costs</u></b>				
Network Costs	1.015	1.317	1.386	1.435
Irish Rates	0.060	0.080	0.088	0.098
<b>Total Inch Opex</b>	<b>1.1</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>
<b><u>Interconnector Costs</u></b>				
Network Costs	6.150	7.429	7.894	7.867
UK Rates	5.254	5.357	5.421	5.510
<b>Total IC Opex</b>	<b>11.4</b>	<b>12.8</b>	<b>13.3</b>	<b>13.4</b>
<b>TOTAL OPEX COSTS</b>	<b>43.3</b>	<b>45.3</b>	<b>46.4</b>	<b>46.3</b>

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Note:

All figures are in 2002/03 monies

## BGE TRANSMISSION REGULATORY ASSET BASE 30<sup>th</sup> September 2002

	Indexed Historical Cost	SL Dep	Indexed Historical net of sl dep	Depreciation				
	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
<b><u>Onshore System</u></b>								
Pipelines	904.9	208.1	696.8	22.6	13.2	13.2	13.2	13.2
Buildings	15.7	1.5	14.2	0.4	0.4	0.4	0.4	0.4
Compressors	-	-	-	-	-	-	-	-
Equipment	21.4	14.0	7.3	2.9	2.6	1.2	0.5	0.1
<b>Total</b>	<b>942.0</b>	<b>223.6</b>	<b>718.4</b>	<b>25.9</b>	<b>16.2</b>	<b>14.8</b>	<b>14.1</b>	<b>13.7</b>
<b><u>Interconnector 1</u></b>								
Pipelines	265.2	61.3	203.8	6.7	5.0	5.0	5.0	5.0
Compressors	108.3	19.6	88.6	5.4	4.1	4.1	4.1	4.1
Equipment	0.4	-	0.4	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>637.6</b>	<b>81.0</b>	<b>556.7</b>	<b>18.8</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>
<b><u>Interconnector 2</u></b>								
Pipelines	263.8	-	263.8	6.6	2.6	2.6	2.6	2.6
Compressors	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total</b>	<b>637.6</b>	<b>81.0</b>	<b>556.7</b>	<b>18.8</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>	<b>11.7</b>
<b><u>Inch</u></b>								
Pipelines	6.7	4.1	2.6	0.2	0.1	0.1	0.1	0.1
Compressors	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6.7</b>	<b>4.1</b>	<b>2.6</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>TOTAL</b>	<b>1,586.4</b>	<b>308.8</b>	<b>1,277.6</b>	<b>44.8</b>	<b>28.0</b>	<b>26.6</b>	<b>25.9</b>	<b>25.5</b>