

ERRA Tariff Database

Glossary

2020

Quarterly data on energy prices

ERRA presently collects data on energy prices which is reported on a quarterly basis, covering both the electricity and natural gas services. Some of the definitions of these data indicators are provided in this document.

Electricity

Electricity data examples refer to certain formulae which should reference to the typical electricity sector organization prescribed in the following diagram, making the following assumptions:

And make the following assumptions:

(o) is the Weighted Average Price of Reg Gen

(p) is the Weighted Average Price of RES Gen

(q) is the Weighted Average Price of Imports

(dg) is the weighted average price of distributed generation

(r) is the allocation factor of costs to residential customers (0-1)

(nr) is the allocation factor of costs to non-residential customers (0-1)

Producer price (€/MWh)

Definition:

(1) official average producer price (including RES generators) for the given quarter or (2) revenue for the given quarter incurred from the total cost of electricity transferred to the grid "at the power plant's gates" and costs of electricity imports, divided by the quantities of electricity transferred to the grid

Wholesale price (€/MWh)

Definition:

(1) official average wholesale price for the given quarter or (2) revenue incurred from sales by wholesaler(s) to retailers, divided by the quantity sold or (3) the weighted average wholesale price for the given quarter resulting in an organized market. Both costs and volumes include any imports necessary to meet demand and exclude any transmission and distribution costs.

End-user price (€/MWh)

Definition:

(1) official average end-user price for the given quarter or (2) revenue incurred from sales to end-users for the given quarter, divided by the quantity sold.

Residential End-user price (€/MWh)

Definition:

(1) official average residential end-user price for the given quarter or (2) revenue incurred from sales to residential consumers, divided by the quantity sold

Non-residential end-user price (€/MWh)

Definition:

(1) official average non-residential end-user price for the given quarter or (2) revenue incurred from sales to non-residential consumers, divided by the quantity sold

Natural Gas

ERRA will continue to collect the following natural gas data, consistently with previous practice, although – in the new database – users have the opportunity to enter data in GJ or in MWh units and convert them between one another.

Line item	Definition
Wholesale price	<i>(1) official average wholesale price for the given quarter or (2) revenue incurred from sales by wholesaler(s) to retailers, divided by the quantity sold</i>
End-user price	<i>(1) official average end-user price for the given quarter or (2) revenue incurred from sales to end-users for the given quarter, divided by the quantity sold</i>
Residential end-user price	<i>(1) official average residential end-user price for the given quarter or (2) revenue incurred from sales to residential consumers, divided by the quantity sold</i>

Non-residential end-user price *(1) official average non-residential end-user price for the given quarter or (2) revenue incurred from sales to non-residential consumers, divided by the quantity sold*

Annual data on revenue determinants and network tariffs

The ultimate objective of ERRA’s collection of data on revenue determinants and network tariffs is to improve the ability of member organizations to compare their regulatory determinations against those of their peers operating under similar conditions. For this reason it is very important that the data requirements are understood and submitted in the same manner from all member organizations. This section of the report provides definitions and examples of all required information.

Data on network tariffs

Average Transmission, System and Market Operator Charge

Definition:

Revenue incurred from the volumes transmitted through the transmission grid, including market operator and system operator revenues, divided by the transmitted volumes, excluding transit volumes and revenues

Average Transmission and System Operator Charge

Definition:

Revenue incurred from the volumes transmitted through the transmission grid and system operator, divided by the transmitted volumes, excluding transit volumes and revenues

Average Market Operator Charge

Definition:

Revenue incurred from the market operator activity, divided by the transmitted volumes, excluding transit volumes and revenues

Average Distribution Use of System (DUOS) Charge

Definition:

Revenue incurred from the volumes distributed through the distribution system divided by the distributed volumes, including losses

Data on revenue determinants

ERRA collects data on member organizations' revenue requirements in order to help members' ability to compare their regulatory determinations against those of comparable peers operating under a similar regulatory environment. Thus far ERRA has generally been collecting information on energy prices at various levels of electricity and gas supply. However ERRA recognizes that it is in the interest of the members to have more data on the factors driving these prices, namely determinations on important tariff elements such as WACC, efficiency factors and allowed losses.

The Tariff database revision process identified the following revenue determinant data which should be collected on a systematic basis from all member organizations:

Country Credit Rating

Definition:

The country credit rating for the year when the reported WACC was calculated (Standard and Poor's)

Weighted Average Cost of Capital

Definition:

The allowed weighted average cost of capital on a real, pre-tax basis

WACC year

Definition:

Year in which the WACC reported in this year was calculated

Gearing ratio

Definition:

The proposed gearing ratio in the determination of the allowed weighted average cost of capital

Return on debt

Definition:

The allowed return on debt in the determination of the allowed weighted average cost of capital

Risk-free rate

Definition:

The assumed risk-free rate in the determination of the allowed weighted average cost of capital

Beta (Equity)

Definition:

The assumed covariance between the return of the individual stock of the regulated company with the return of the market in the determination of the allowed weighted average cost of capital

Equity Risk Premium (ERP)

Definition:

The assumed Equity Risk Premium, representing the additional risk that investors face in holding equity shares, in the determination of the allowed weighted average cost of capital

Corporate tax rate (t)

Definition:

The assumed corporate tax rate in the determination of the allowed weighted average cost of capital

Efficiency factor

Definition:

The percentage annual rate of expected efficiency improvements of the regulated companies applied to all operating expenditures

Average Actual Transmission Losses

Definition:

The average rate of the total volume of electricity lost calculated from the volume of electricity entering the transmission system. This data is provided as an unweighted average of all the transmission systems (if more than one).

Average Allowed Transmission Losses

Definition:

The average rate of the total volume of electricity lost calculated from the volume of electricity entering the transmission system that the regulated companies are allowed to recover through regulated charges. This data is provided as an unweighted average of all the transmission systems (if more than one).

Average Actual Distribution Losses

Definition:

The average rate of the total volume of electricity lost calculated from the volume of electricity entering the distribution system. This data is provided as an unweighted average of all the distribution systems (if more than one).

Average Allowed Distribution Losses

Definition:

The average rate of the total volume of electricity lost calculated from the volume of electricity entering the distribution system that the regulated companies are allowed to recover through regulated charges. This data is provided as an unweighted average of all the distribution systems (if more than one).

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