

**NIE Energy Limited  
Power Procurement Business (PPB)**

**Imperfections Charges  
For  
October 2010 – September 2011**

**Consultation Paper**

**Response by NIE Energy (PPB)**

28<sup>th</sup> July 2010.



## **Introduction**

NIE Energy – Power Procurement Business (“PPB”) welcomes the opportunity to respond to the consultation paper on Imperfections Charges for October 2010 – September 2011.

## **Comments**

PPB cannot comment on the derivation of estimated amounts and therefore can only comment on the principles. We agree that the estimated Dispatch Balancing costs and Make Whole Payment be recovered in full through the Imperfections charge in the coming tariff period. However, PPB notes that the input data freeze for the PLEXOS modelling occurred in January 2010, five months before this consultation period. PPB believes that this data freeze should occur as close to the tariff year as possible.

PPB agrees that the current K Factor mechanism be continued in the new tariff period.

PPB is surprised to see cost elements relating to Capacity, Market Interest and Foreign exchange over/under recovery in the K Factor Mechanism for Imperfection Charges. Section 3 of the consultation paper correctly sets out the various elements that make up imperfection charges which are as specified in Section 4.155 of the Trading and Settlement Code. It is therefore not clear what the basis is for including additional elements that are not accordance with the costs allowed.