

CEER Citizens' Q&A

CEER Guidelines of Good Practice on Distribution Network Tariffs

1 What are distribution network tariffs?

Distribution network tariffs are charges for the use of the electricity distribution system. They are one of the main ways that Distribution System Operators recover the costs of operating, maintaining and building electricity distribution networks. As well as recovering costs, distribution tariffs also need to send, or at least not unduly distort, price signals for investment and use of the network.

2 What does the report propose for distribution network tariffs?

The paper sets out where we are today, the need for change, and the principles of tariff design. The benefits of different approaches to tariff design are considered in the context of the challenges and opportunities facing distribution networks in the future.

3 How does it work?

The paper sets out CEER Guidelines of Good Practice which will aid National Regulatory Authorities (NRAs) in their future design of distribution tariffs. It also provides a CEER common position, which will help us contribute to debate in an area of core NRA competency.

4 Why is this important for energy customers? What is the impact on energy customers?

Work on the changing role and regulation of distribution networks is a priority for CEER. By setting out Guidelines of Good Practice on distribution network tariffs, CEER aims to ensure that DSOs recover costs in ways that promote efficient use and development of the distribution network. This will help to lower bills for all energy consumers.