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Cancellation of the Public Electricity Transmission System User Tariff (TURPE3)

After more than three years of proceedings, the State Council has cancelled the Public Electricity Transmission System User Tariff (TURPE 3) which had been approved on 5 May 2009 by energy and economy ministers on a proposal by the CRE.

Discussions mainly concerned the methodology used by the CRE to determine the returns on ERDF capital (the public distribution system's operator) and how it included specific public service concessions characteristics.

The State Council considered that the methodology used by the CRE was not relevant due to the treatment it applied to the specific accounting characteristics of electricity distribution concessions.

The State Council's decision will be effective from 1 June 2013. During this period, a new version of TURPE 3 that will retroactively apply to 2009-2013 and will replace the cancelled tariff could be proposed by the CRE to the competent ministers to cover the full costs incurred by ERDF.

The CRE will be immediately starting work on developing a new methodology to determine returns on capital that will include the specificities of concession assets in a manner that complies with the State Council's decision. The implementation of this new method and the retroactive determination of tariff levels must be done within the framework defined by this decision.

The CRE will be launching a consultation on the new version of TURPE 3 in the next few weeks. It will also include the consequences of the State Council's in its current development of the electricity tariff for 2013-2017 (TURPE 4).

Founded on 24 March 2000, the French Energy Regulatory Commission (CRE) is an independent administrative body. CRE works to guarantee smooth and efficient operation of the electricity and natural gas markets for the benefit of the end-user. It also works to guarantee the absence of discriminatory practices, cross-subsidies or restrictions on competition.

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