

NSW Electricity Distribution Pricing 2004/05 to 2008/09

1. Final Determination
2. Regulation of Excluded Distribution Services
Rule 2004
3. Departure from the Price Limits Rule 2004

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1 Background

1.1 Outline of this Prescribed Distribution Services Determination

Under this Determination, the Tribunal:

- (a) establishes the "regulatory control period" during which this Determination will apply, for the purposes of clause 6.10.5(c) of the Code (see clause 1.4);
- (b) determines which Distribution Services will be "prescribed distribution services", for the purposes of clause 6.10.4(a) of the Code (see clause 2); and
- (c) regulates the pricing of those "prescribed distribution services", in accordance with the Code provisions referred to in clause 1.3 (see clauses 3 to 15).

1.2 Separate Rule for Excluded Distribution Services

On the same date as this Determination, the Tribunal has separately made the Regulation of Excluded Distribution Services Rule 2004 under clause 6.10.1(f) of the Code for the purpose of determining the form of light handed regulation to apply to Excluded Distribution Services under clause 6.10.4(b) of the Code.

1.3 Power to make this Determination

- (a) The Tribunal, as the Jurisdictional Regulator under the Code, is responsible for the regulation of Distribution Service pricing in New South Wales (Code clauses 6.10.1(b) and 9.16.3(b)).
- (b) Specifically, the Tribunal is responsible for:
 - (1) formulating guidelines and rules to apply to Distribution Service pricing (Code clause 6.10.1(f));
 - (2) determining which Distribution Services should be deemed to be "prescribed distribution services" (Code clause 6.10.4(a));
 - (3) determining in respect of "prescribed distribution services":
 - (A) the "regulatory control period" (Code clause 6.10.5(c));
 - (B) whether a revenue cap, weighted average price cap, or a combination of them, should apply to DNSPs (Code clause 6.10.5(b));
 - (C) the calculation of that regulatory cap, including the "X-factor" to apply in the "CPI-X" formula (Code clause 6.10.5(a) and(b));
 - (D) if the Tribunal wishes to depart from the pricing methodology in Part E of Chapter 6 of the Code, an alternative pricing methodology (Code clause 6.11(e)); and

- (4) placing any limits on the annual variation in published Distribution Service prices (Code clause 6.14.4).
- (c) This Determination is made by the Tribunal pursuant to its powers under the Code referred to in clauses 1.3(b)(1) to(4).

1.4 Regulatory Control Period and commencement of this Determination

- (a) For the purposes of clause 6.10.5(c) of the Code, this Determination applies to prices for Prescribed Distribution Services for the regulatory control period from 1 July 2004 until 30 June 2009 inclusive ("**the Regulatory Control Period**").
- (b) This Determination commences on the date of its publication as a Final Determination by the Tribunal.

1.5 Application of Determination

This Determination applies to the following DNSPs:

- (a) EnergyAustralia;
- (b) Integral Energy Australia;
- (c) Country Energy; and
- (d) Australian Inland Energy Water Infrastructure.

1.6 Repeals

- (a) The following instruments are repealed on and from 1 July 2004:
 - (1) the Tribunal's determination entitled "Regulation of New South Wales Electricity Distribution Networks: Determination and Rules under the National Electricity Code" (December 1999);
 - (2) the Tribunal's determination entitled "Regulation of New South Wales Electricity Distribution Networks: Pricing Principles and Methodologies for Prescribed Electricity Distribution Services" (March 2001) ("**the PPM**");
 - (3) the Tribunal's rule entitled "Charges for monopoly services" Rule 2000/1;
 - (4) the Tribunal's rule entitled "Charges for miscellaneous services provided by distribution network service providers" Rule 2001/2; and
 - (5) the Tribunal's rule entitled "Rule 2001/3 Unders and Overs Account".
- (b) Despite clause 1.6(a)(2), clauses 4, 5, 6 and 7 of the PPM (regarding price notification, review, and information disclosure) cease to apply upon the commencement of this Determination.

- (c) Nothing in this Determination affects the Tribunal's determination entitled "Capital Contributions and Repayments for Connections to Electricity Distribution Networks in New South Wales" Determination No. 1 of 2002, April 2002 ("**Tribunal's Capital Contributions Determination**").

1.7 Definitions and interpretation

- (a) Definitions of words and expressions used in this Determination are set out in **Annexure 1**.
- (b) Rules of interpretation which apply to this Determination are also set out in **Annexure 1**.

1.8 Prices exclude GST

In this Determination, all references to prices (or weighted average prices) that are or may be charged by a DNSP for any Prescribed Distribution Services, are references to those prices exclusive of GST.

1.9 Clarification notice

The Tribunal may publish a notice (a "**Clarification Notice**") for the purpose of correcting any manifest error in this Determination or in a rule made under Code clause 6.10.1(f). The Clarification Notice will have effect as if the matters to which it refers were part of this Determination (or a rule as the case may be) and this Determination (or rule) will be read together with the matters in that Clarification Notice.

2 Prescribed Distribution Services

2.1 The Tribunal's determination of Prescribed Distribution Services

For the purposes of clause 6.10.4(a) of the Code, the Tribunal determines that all Distribution Services are Prescribed Distribution Services, except for the following:

- (a) Customer Funded Connections;
- (b) Customer Specific Services;
- (c) Type 1 to 4 Metering Services; and
- (d) the construction and maintenance of Public Lighting Infrastructure.

2.2 Distribution Services included in the Tribunal's Determination

Without limiting the generality of clause 2.1, Prescribed Distribution Services include:

- (a) Distribution Use of System Services;
- (b) Private Power Line Inspections and Customer Installation Inspections;
- (c) Monopoly Services (being the services identified under that heading in **Annexure 2**);

- (d) Miscellaneous Services (being the services identified under that heading in **Annexure 2**); and
- (e) Emergency Recoverable Works (being the works identified under that heading in **Annexure 2**).

3 Types of Charges allowed for Prescribed Distribution Services

3.1 Types of charges

DNSPs may only charge the following Prescribed Distribution Service Charges (for providing the following Prescribed Distribution Services) to Distribution Customers:

- (a) **Monopoly Service Charges** (for providing Monopoly Services);
- (b) **Miscellaneous Service Charges** (for providing Miscellaneous Services);
- (c) **Emergency Recoverable Works Charges** (for providing Emergency Recoverable Works); and
- (d) **Network Tariffs** (for providing Distribution Use of System Services or any other Prescribed Distribution Services except for Monopoly Services, Miscellaneous Services or Emergency Recoverable Works).

3.2 Network Tariffs (structure)

Each Network Tariff charged by a DNSP to a Distribution Customer must comprise 2 separate tariffs, namely:

- (a) a **DUOS Tariff**; and
- (b) a **Transmission Cost Recovery Tariff**.

3.3 DUOS Tariff (explanation)

A DUOS Tariff is a charge, tariff or fee charged (or rebate allowed) by a DNSP to a Distribution Customer (as part of a Network Tariff):

- (a) in relation to the provision of Distribution Use of System Services, or any other Prescribed Distribution Services (other than Monopoly Services, Miscellaneous Services or Emergency Recoverable Works) to or for that Distribution Customer; and
- (b) which excludes any allowance or amount for the recovery of the DNSP's costs relating to any Transmission Related Payments made by the DNSP (as described in clause 3.4).

3.4 Transmission Cost Recovery Tariff (explanation)

- (a) A Transmission Cost Recovery Tariff is an amount charged by a DNSP to a Distribution Customer (as part of a Network Tariff) to recover the cost of the following Transmission Related Payments made by the DNSP:
 - (1) payment of TUOS Charges to TNSPs (for Transmission Services provided by TNSPs);

- (2) payment of Avoided TUOS Charges to Embedded Generators and MNSPs connected to the DNSP's Distribution System (as required by the Code); and
 - (3) inter-distributor transfer payments made to other DNSPs (for Distribution Services provided by those DNSPs).
- (b) For the avoidance of doubt, this Determination:
- (1) does **not** regulate the pricing of TUOS Charges set by TNSPs for the provision of Transmission Services (as this is the task of the ACCC under Chapter 6 of the Code); but
 - (2) **does** regulate DNSPs' passing through (to Distribution Customers) the DNSPs' costs of meeting TUOS Charges.

4 Prices for Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges

4.1 Prices for the Regulatory Control Period

The only Charges which each DNSP may charge for Monopoly Services, Miscellaneous Services and Emergency Recoverable Works throughout the Regulatory Control Period are the Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges set out in **Annexure 3**.

4.2 Price limits

The prices charged by each DNSP for Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges must not be increased above the prices specified in **Annexure 3** during the Regulatory Control Period and the methods of charging for those services (including the circumstances in which the charges may be levied) must not be changed from the methods set out in that annexure during the same period.

5 Prices subject to a weighted average price cap

5.1 Charges covered by this clause

This clause 5 applies to the following Prescribed Distribution Service Charges charged by DNSPs:

- (a) DUOS Tariffs;
- (b) Monopoly Service Charges;
- (c) Miscellaneous Service Charges; and
- (d) Emergency Recoverable Works Charges.

5.2 Weighted average price cap

Subject to clauses 5.3 to 5.8, for each Year of the Regulatory Control Period (Year $t+1$, for the purposes of this clause 5) the weighted average price of all Relevant Prescribed Distribution Service Charges (as defined below) charged by a DNSP must comply with the following weighted average price control formula:

$$\frac{\sum_{i=1}^n \sum_{j=1}^m p_{ij}^{t+1} * q_{ij}^{t-1}}{\sum_{i=1}^n \sum_{j=1}^m p_{ij}^t * q_{ij}^{t-1}} \leq 1 + \Delta CPI + X_{t+1} + D_{t+1} \quad i=1, \dots, n \text{ and } j=1, \dots, m.$$

where:

Relevant Prescribed Distribution Service Charges means all of the Prescribed Distribution Service Charges referred to in clause 5.1;

the DNSP has n Relevant Prescribed Distribution Service Charges which each have m components;

p_{ij}^{t+1} is the proposed price for component j of Relevant Prescribed Distribution Service Charge i for the Year $t+1$;

p_{ij}^t is the price charged by the DNSP for component j of Relevant Prescribed Distribution Service Charge i in Year t (being the Year immediately preceding Year $t+1$);

q_{ij}^{t-1} is the Audited quantity of component j of Relevant Prescribed Distribution Service Charge i that was charged by the DNSP in Year $t-1$ (being the Year immediately preceding Year t);

D_{t+1} is determined for the DNSP (for the Year $t+1$) in accordance with clause 11;

X_{t+1} is the value of "X" specified for the DNSP (for the Year $t+1$) in **Annexure 4**; and

ΔCPI has the meaning set out in **Annexure 1**.

An illustrated example of the application of the formula is set out in **Annexure 5**.

5.3 Treatment of Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges under the weighted average price cap

(a) Subject to clause 5.3(b), a DNSP's Audited revenues received from all Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges charged in the Year $t-1$ may be taken as the

value of $\sum_{i=1}^n \sum_{j=1}^m p_{ij}^{t+1} * q_{ij}^{t-1}$ and the value of $\sum_{i=1}^n \sum_{j=1}^m p_{ij}^t * q_{ij}^{t-1}$ when applying the

formula in clause 5.2 to all Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges charged by the DNSP in Year $t+1$.

- (b) Where the Year $t+1$ is the first or second Year of the Regulatory Control Period, the DNSPs Audited revenues in the Year $t-1$ for the purposes of clause 5.3(a) will be taken to be the Audited revenues (received in that Year from all of the Charges referred to in that clause) adjusted so as to reflect the increased prices for those Charges during the Regulatory Control Period, as set out in **Annexure 3**.

5.4 Value of p_{ij}^t for components of DUOS Tariffs (where Year $t+1$ is the first Year of the Regulatory Control Period)

For the purposes of applying the formula in clause 5.2 when Year $t+1$ is the first Year of the Regulatory Control Period, the price charged (p_{ij}^t) by a DNSP for each component of each of its DUOS Tariffs in Year t will be taken to be the price set out for that component of that DUOS Tariff:

- (a) in the second last column of the table set out for that DNSP in **Annexure 6** (where the DUOS Tariff appears in that annexure); or
- (b) for that DNSP referred to in **Annexure 6A** (where the DUOS Tariff appears in that annexure).

5.5 New Tariff Components introduced in Year $t+1$

For the purposes of applying the formula in clause 5.2 where any New Tariff Component is being introduced in Year $t+1$ (as part of a new or existing DUOS Tariff) in accordance with clause 8:

- (a) the price charged (p_{ij}^t) for that New Tariff Component in Year t will be taken to be:
 - (1) the price charged for the Origin Tariff Component (as defined in clause 8.2) for Year t ; or
 - (2) zero, if there is no Origin Tariff Component (or if it is not measured in the same units of measurement as the New Tariff Component);
- (b) the Audited quantity (q_{ij}^{t-1}) of that New Tariff Component in Year $t-1$ will be taken to be the Estimated New Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c); and
- (c) the Audited quantity (q_{ij}^{t-1}) of the Origin Tariff Component in Year $t-1$ will be taken to be the Estimated Origin Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c).

5.6 Existing Distribution Customers reassigned to another existing DUOS Tariff in Year $t+1$

For the purposes of applying the formula in clause 5.2 where any existing Distribution Customers are being reassigned to another existing DUOS Tariff in Year $t+1$ in accordance with clause 9 ("**the Replacement Tariff**"):

- (a) the price charged (p_{ij}^t) for each component of that Replacement Tariff in Year t will be taken to be:
 - (1) the price charged for the corresponding component of the Origin Tariff (as defined in clause 9.3) for Year t ; or
 - (2) zero, if there is no such corresponding component of the Origin Tariff (or if it is not measured in the same units of measurement as the component of the Replacement Tariff to which it corresponds);
- (b) the Audited quantity (q_{ij}^{t-1}) of each component of that Replacement Tariff in Year $t-1$ will be taken to be the Estimated Replacement Tariff Quantity for that component referred to in the Tribunal's verification notice under clause 9.3(e); and
- (c) the Audited quantity (q_{ij}^{t-1}) of each component of the Origin Tariff (as defined in clause 9) in Year $t-1$ will be taken to be the Estimated Origin Tariff Quantity for that component referred to in the Tribunal's verification notice under clause 9.3(e).

5.7 New Tariff Components introduced in Year t

For the purposes of applying the formula in clause 5.2 where any DUOS Tariff component for the Year $t+1$ is introduced as a New Tariff Component in Year t :

- (a) the Audited quantity (q_{ij}^{t-1}) of that New Tariff Component in Year $t-1$ will be taken to be the Estimated New Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c) (when the Year t was the Year $t+1$, for the purposes of clause 8); and
- (b) the Audited quantity (q_{ij}^{t-1}) of the Origin Tariff Component (as defined in clause 8.2) in Year $t-1$ will be taken to be the Estimated Origin Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c) (when the Year t was the Year $t+1$, for the purposes of clause 8).

5.8 Existing Distribution Customers reassigned to another existing DUOS Tariff in Year t

For the purposes of applying the formula in clause 5.2 where any existing Distribution Customers are reassigned to another existing DUOS Tariff in Year t ("**the Replacement Tariff**"):

- (a) the Audited quantity (q_{ij}^{t-1}) of each component of that Replacement Tariff in Year $t-1$ will be taken to be the Estimated Replacement Tariff Quantity for that component referred to in the Tribunal's verification notice under clause 9.3(e)(when the Year t was the Year $t+1$, for the purposes of clause 9); and
- (b) the Audited quantity (q_{ij}^{t-1}) of each component of the Origin Tariff (as defined in clause 9) in Year $t-1$ will be taken to be the estimated quantity

for that component referred to in the Tribunal's verification notice under clause 9.3(e) (when the Year t was the Year $t+1$, for the purposes of clause 9).

6 Transmission Cost Recovery Tariffs

6.1 Transmission Cost Recovery Tariffs

Unless otherwise approved by the Tribunal for the first Year of the Regulatory Control Period, for each Year during the Regulatory Control Period (Year $t+1$, for the purposes of this clause 6) the total amount for all Transmission Cost Recovery Tariffs charged to Distribution Customers by each DNSP must not be more than:

- (a) the Forecasted Transmission Related Payments for that DNSP for that Year; plus
- (b) any Transmission Recovery Amount for that DNSP for that Year approved by the Tribunal under clause 6.4.

6.2 Transmission Overs and Unders Account

- (a) Each DNSP must maintain an account entitled "Transmission Overs and Unders Account" in which it cumulatively records the difference between:

- (1) actual Transmission Related Payments made by the DNSP; and
- (2) actual revenue received from all Transmission Cost Recovery Tariffs charged by the DNSP to its Distribution Customers,

in respect of each Year during the Regulatory Control Period in the manner set out in **Annexure 7**.

- (b) The opening balance of the Transmission Overs and Unders Account for each DNSP for the first Year of the Regulatory Control Period will be the amount (positive or negative) equal to the difference between:
 - (1) the DNSP's Audited closing balance of its Distribution Unders and Overs Account as at 30 June 2004; and
 - (2) the forecast closing balance of its Distribution Unders and Overs Account as at 30 June 2004 as set out in **Annexure 8**.

6.3 Transmission Overs and Unders Account balance

- (a) On or before submitting its Annual Pricing Proposal to the Tribunal for the Year $t+1$, each DNSP must also submit to the Tribunal its Audited closing balance of the DNSP's Transmission Overs and Unders Account for the Year $t-1$ (the Year immediately preceding Year t) calculated in accordance with **Annexure 7**.
- (b) By the date for the Tribunal to notify a DNSP under clause 12.5(c) whether it is satisfied with a DNSP's Annual Pricing Proposal, the Tribunal will also notify the DNSP whether the Tribunal considers the Audited closing balance of the DNSP's Transmission Overs and Unders Account for the Year $t-1$ complies with **Annexure 7**, the Tribunal's Audit Procedure and any Audit Procedure Notice issued by the Tribunal.

- (c) If the Tribunal notifies the DNSP that it considers the Audited closing balance is not compliant with the matters referred to in clause 6.3(b), then the Tribunal may (at its own discretion) specify an alternative closing balance for the DNSP's Transmission Overs and Unders Account for the Year $t-1$ (and that alternative closing balance will be taken as the actual closing balance of the DNSP's Transmission Overs and Unders Account for the Year $t-1$ and will be taken to comply with **Annexure 7**, the Tribunal's Audit Procedure and any Audit Procedure Notice issued by the Tribunal).

6.4 Transmission Recovery Amount

- (a) At the same time as notifying a DNSP in relation to its Annual Pricing Proposal for the Year $t+1$ under clause 12.5(c), the Tribunal will also notify the DNSP whether the Tribunal approves any Transmission Recovery Amount included in the Annual Pricing Proposal for that Year, subject to clause 6.4(d).
- (b) If the Tribunal does not approve a Transmission Recovery Amount under clause 6.4(a) for a DNSP for the Year $t+1$, the Tribunal may approve (at its own discretion) an alternative Transmission Recovery Amount for that DNSP for that Year.
- (c) The Tribunal may approve a Transmission Recovery Amount under this clause 6.4 for a DNSP for the Year $t+1$ regardless of whether the DNSP has included any Transmission Recovery Amount in its Annual Pricing Proposal for that Year.
- (d) When exercising its approval powers under this clause 6.4 for a DNSP for the Year $t+1$, the Tribunal will approve an amount which (in the Tribunal's opinion) should bring the DNSP's Forecasted Transmission Overs and Unders Account closing balance for the Year $t+1$ as close as reasonably possible to zero, after taking into account the following (in accordance with any criteria developed and published by the Tribunal from time to time):
 - (1) the need to ensure the DNSP does not breach the price limit formula referred to in clause 7.1 (unless the Tribunal authorises a departure from that clause in accordance with clause 7.9);
 - (2) the need to maintain a reasonable degree of price stability in Network Tariffs;
 - (3) the principles and objectives in the Code (particularly the principles and objectives in Chapter 6, Part D); and
 - (4) any other factors determined to be appropriate by the Tribunal from time to time.

7 Price limits for Network Tariffs

7.1 Price limit formula

Subject to clauses 7.2 to 7.9, for each Year of the Regulatory Control Period (Year $t+1$, for the purposes of this clause) each Network Tariff charged by a DNSP (except for the Network Tariffs referred to in **Annexure 6A**) must comply with the following price limit formula:

$$\frac{\sum_{j=1}^m r_j^{t+1} * q_j^{t-1}}{\sum_{j=1}^m r_j^t * q_j^{t-1}} \leq 1 + \Delta CPI + L_{t+1} \quad j=1, \dots, m$$

where:

the Network Tariff has up to m aggregate components;

an aggregate component of a Network Tariff means the aggregate of any DUOS Tariff component and its corresponding Transmission Cost Recovery Tariff component (if any), in accordance with clause 7.2;

r_j^{t+1} is the proposed price for aggregate component j of the Network Tariff for Year $t+1$;

r_j^t is the price charged by the DNSP for aggregate component j of the Network Tariff in Year t (being the Year immediately preceding Year $t+1$);

q_j^{t-1} is the Audited quantity of aggregate component j of the Network Tariff that was charged by the DNSP in Year $t-1$ (being the Year immediately preceding Year t);

L_{t+1} is the value of "L" specified for the DNSP (for the Year $t+1$) in **Annexure 9**; and

ΔCPI has the meaning set out in **Annexure 1**.

7.2 Aggregation of corresponding components of DUOS Tariffs and Transmission Cost Recovery Tariffs

For the purposes of applying the price limit formula in clause 7.1 in respect of any Network Tariff to which clause 7.1 applies:

- (a) each separate component of the DUOS Tariff must be aggregated with its corresponding component of the Transmission Cost Recovery Tariff (if any), with the resulting aggregate to be treated as a single aggregate component of the Network Tariff; and
- (b) neither the DUOS Tariff (as a whole) nor the Transmission Cost Recovery Tariff (as a whole) may itself be treated as a separate component of the Network Tariff.

7.3 Value of r_j^t for aggregate components of Network Tariffs (where Year $t+1$ is the first Year of the Regulatory Control Period)

- (a) For the purposes of applying the formula in clause 7.1 when the Year $t+1$ is the first Year of the Regulatory Control Period, the price charged (r_j^t) by a DNSP for each aggregate component of each of its Network Tariffs (aggregated in accordance with clause 7.2) in Year t will be taken to be the

price set out for that aggregate component of that Network Tariff in the last column of the table set out for that DNSP in **Annexure 6**.

7.4 New Tariff Components introduced in Year $t+1$

For the purposes of applying the formula in clause 7.1 where any New Tariff Component is being introduced in Year $t+1$ in accordance with clause 8:

- (a) the price charged (r_j^t) for that New Tariff Component in Year t will be taken to be:
 - (1) the price charged for the Origin Tariff Component (as defined in clause 8.2) for Year t ; or
 - (2) zero, if there is no Origin Tariff Component (or if it is not measured in the same units of measurement as the New Tariff Component);
- (b) the Audited quantity (q_j^{t-1}) of that New Tariff Component in Year $t-1$ will be taken to be the Estimated New Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c); and
- (c) the Audited quantity (q_j^{t-1}) of the Origin Tariff Component in Year $t-1$ will be taken to be the Estimated Origin Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c).

7.5 Existing Distribution Customers reassigned to another existing Network Tariff in Year $t+1$

For the purposes of applying the formula in clause 7.1 where any existing Distribution Customers are being reassigned to another existing Network Tariff in Year $t+1$ in accordance with clause 9 ("**the Replacement Tariff**"):

- (a) the price charged (r_j^t) for each component of that Replacement Tariff in Year t will be taken to be:
 - (1) the price charged for the corresponding component of the Origin Tariff (as defined in clause 9.3) for Year t ; or
 - (2) zero, if there is no such corresponding component of the Origin Tariff (or if it is not measured in the same units of measurement as the component of the Replacement Tariff to which it corresponds);
- (b) the Audited quantity (q_j^{t-1}) of each component of that Replacement Tariff in Year $t-1$ will be taken to be the Estimated Replacement Tariff Quantity approved by the Tribunal for that component under clause 9; and
- (c) the Audited quantity (q_j^{t-1}) of each component of the Origin Tariff (as defined in clause 9) in Year $t-1$ will be taken to be the estimated quantity for that component referred to in the Tribunal's verification notice under clause 9.3(e).

7.6 New Tariff Components introduced in Year t

For the purposes of applying the formula in clause 7.1 where any New Tariff Component is introduced in Year t :

- (a) the Audited quantity (q_j^{t-1}) of that New Tariff Component in Year $t-1$ will be taken to be the Estimated New Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c) (when the Year t was the Year $t+1$, for the purposes of clause 8); and
- (b) the Audited quantity (q_j^{t-1}) of the Origin Tariff Component (as defined in clause 8.2) in Year $t-1$ will be taken to be the Estimated Origin Tariff Component Quantity for that component referred to in the Tribunal's verification notice under clause 8.3(c) (when the Year t was the Year $t+1$, for the purposes of clause 8).

7.7 Existing Distribution Customers reassigned to another existing Network Tariff in Year t

For the purposes of applying the formula in clause 7.1 where any existing Distribution Customers are reassigned to another existing Network Tariff in Year t ("**the Replacement Tariff**"):

- (a) the Audited quantity (q_j^{t-1}) of each component of that Replacement Tariff in Year $t-1$ will be taken to be the Estimated Replacement Tariff Quantity for that component referred to in the Tribunal's verification notice under clause 9.3(e) (when the Year t was the Year $t+1$, for the purposes of clause 9); and
- (b) the Audited quantity (q_j^{t-1}) of each component of the Origin Tariff (as defined in clause 9) in Year $t-1$ will be taken to be the estimated quantity for that component referred to in the Tribunal's verification notice under clause 9.3(e) (when the Year t was the Year $t+1$, for the purposes of clause 9).

7.8 Upper Limit on increases in aggregate fixed charge components

- (a) Subject to this clause 7.8, the aggregate fixed charge component of any Network Tariff for residential customers set by any DNSP for the Year $t+1$ must not increase by more than \$30 more than the amount charged for the same aggregate fixed charge component in the Year t .
- (b) Where the aggregate fixed charge component referred to in clause 7.8(a) incorporates a New Tariff Component being introduced during the Year $t+1$ in accordance with clause 8, the amount charged for that New Tariff Component in the Year t will be taken to be:
 - (1) the amount charged for the Origin Tariff Component (as defined in clause 8.2) in the Year t ; or
 - (2) zero, if there is no Origin Tariff Component (or if it is not measured in the same units of measurement as the New Tariff Component).

- (c) Where the aggregate fixed charge component referred to in clause 7.8(a) incorporates a component of an existing Network Tariff to which existing Distribution Customers are being reassigned during the Year $t+1$ in accordance with clause 9 ("**the Replacement Tariff**"), the amount charged for that component of the Replacement Tariff in the Year t will be taken to be:
- (1) the amount charged for the corresponding component of the Origin Tariff (as defined in clause 9.3) for the Year t ; or
 - (2) zero, if there is no such corresponding component of the Origin Tariff (or if it is not measured in the same units of measurement as the component of the Replacement Tariff to which it corresponds).

7.9 Tribunal may authorise departure from clause 7.1

The Tribunal may authorise the DNSP to depart from the requirements of clause 7.1 in setting its Network Tariffs for any Year during the Regulatory Control Period, to the extent considered appropriate by the Tribunal to enable the DNSP to recover the Transmission Recovery Amount being approved by the Tribunal under clause 6.4(a) for the DNSP for that Year (in accordance with the Departure from the Price Limits Rule 2004 made by the Tribunal under clause 6.10.1(f) of the Code).

8 Introducing New Tariff Components

8.1 Date for introducing New Tariff Components

- (a) Subject to clause 8.1(b) and unless otherwise approved by the Tribunal, a DNSP may only introduce a New Tariff Component for any Year during the Regulatory Control Period:
- (1) on 1 July of that Year or on any other date in that Year determined by the Tribunal;
 - (2) after undertaking public consultation on the New Tariff Component in accordance with the DNSP Public Consultation Procedures set out in **Annexure 10** (except where the New Tariff Component is being introduced in the first Year of the Regulatory Control Period); and
 - (3) if the Tribunal has:
 - (A) issued a written notice to the DNSP under clause 8.3(c) for the Estimated New Tariff Component Quantity; and
 - (B) notified the DNSP in writing that it is satisfied of the matters referred to in clause 8.4.
- (b) A DNSP may introduce a New Tariff Component for a Site Specific Tariff at any time during any Year of the Regulatory Control Period, but only in accordance with any rule or guideline issued by the Tribunal from time to time.

8.2 DNSPs proposal to introduce New Tariff Components

- (a) Where a DNSP proposes to introduce a New Tariff Component for any Year during the Regulatory Control Period (Year $t+1$, for the purposes of this

clause 8.2), the DNSP must submit the following information to the Tribunal as part of its Annual Pricing Proposal for that Year under clause 12 (or at such other time as determined by the Tribunal):

- (1) details of the proposed New Tariff Component;
 - (2) details of the Network Tariff component or components applying in Year t (being the Year immediately preceding Year $t+1$) ("**the Origin Tariff Component**") which will no longer apply (or will apply to a reduced or modified extent) to any Distribution Customers who are expected to become subject to the New Tariff Component proposed for Year $t+1$;
 - (3) subject to clause 8.2(b), reasonable estimates of the quantities of electricity that would have been sold in Year $t-1$ at:
 - (i) the New Tariff Component ("**the Estimated New Tariff Component Quantity**"); and
 - (ii) the Origin Tariff Component ("**the Estimated Origin Tariff Component Quantity**"),
if the New Tariff Component had existed in that Year; and
 - (4) details of the basis for the above estimates.
- (b) A DNSP must make the reasonable estimates required under clause 8.2(a)(3) based on the following assumptions:
- (1) the only Distribution Customers who would have become subject to the New Tariff Component in the Year $t-1$ are those who would have been compulsorily assigned to the New Tariff Component by the DNSP (in accordance with the DNSP's customer connection contracts with those Distribution Customers); and
 - (2) those Distribution Customers would have had the same consumption and load profiles on the New Tariff Component in the Year $t-1$ as they had on the Origin Tariff Component in that Year $t-1$.

8.3 Assessment and verification of estimates by the Tribunal

- (a) The Tribunal will assess whether estimates submitted by a DNSP under this clause 8 are reasonable and comply with the requirements of this Determination, having regard (without limitation) to the information provided by the DNSP under this clause 8 and to the matters referred to in **Annexure 11**.
- (b) If the Tribunal considers that an estimate submitted by a DNSP under this clause 8 is incomplete, inconsistent or unsubstantiated in any way, then the Tribunal may request additional information or request that the DNSP revise and resubmit that estimate.
- (c) If the Tribunal considers that an estimate submitted by a DNSP under this clause 8 is reasonable and complies with the requirements of this Determination, then the Tribunal will issue a written notice to the DNSP verifying that the estimate complies with this Determination.

8.4 Tribunal to be satisfied of compliance with this Determination

Before any proposed New Tariff Component may be introduced by a DNSP for any Year of the Regulatory Control Period (Year $t+1$, for the purposes of this clause 8.4) the Tribunal must be satisfied that the DNSP complies with:

- (a) the weighted average price control formula in clause 5.2 as applied for that Year $t+1$, where the New Tariff Component is a new DUOS Tariff Component and is taken into account in accordance with clause 5.5; and
- (b) the price limit formula in clause 7.1 as applied for that Year $t+1$, when the New Tariff Component is taken into account in accordance with clause 7.4.

9 Assigning Distribution Customers to Network Tariffs

9.1 Assignment of existing Distribution Customers to Network Tariffs at commencement of Regulatory Control Period

Each person who was a Distribution Customer of a DNSP immediately prior to 1 July 2004, and who continues to be a Distribution Customer of the DNSP as at 1 July 2004, will be taken to be "assigned" to the Network Tariff which the DNSP was charging that Distribution Customer immediately prior to 1 July 2004.

9.2 Assignment of new Distribution Customers to Network Tariffs during Regulatory Control Period

If, after 1 July 2004, a DNSP becomes aware that a person will become a Distribution Customer of that DNSP, then the DNSP must, subject to any applicable law, determine the Network Tariff to which the new Distribution Customer will be assigned.

9.3 Reassignment of existing Distribution Customers to another existing Network Tariff during Regulatory Control Period

- (a) Unless otherwise approved by the Tribunal, where a DNSP proposes to reassign existing Distribution Customers to another existing Network Tariff for or during any Year of the Regulatory Control Period (Year $t+1$, for the purposes of this clause 9), the DNSP must submit the following information to the Tribunal as part of its Annual Pricing Proposal for that Year under clause 12 (or at such other time as determined by the Tribunal):
 - (1) details of the existing Network Tariff to which the DNSP proposes to reassign those existing Distribution Customers ("**the Replacement Tariff**");
 - (2) details of the existing Network Tariff or Network Tariffs applying in Year t ("**the Origin Tariff**") to those Distribution Customers;
 - (3) subject to clause 9.3(b), reasonable estimates of the quantities of electricity that would have been billed in Year $t-1$ at:
 - (i) the Replacement Tariff and for each of its components ("**the Estimated Replacement Tariff Quantities**"); and
 - (ii) the Origin Tariff and each of its components ("**the Estimated Origin Tariff Quantities**"),

if those existing Distribution Customers had been assigned to the Replacement Tariff in that Year $t-1$.

- (b) A DNSP must make the reasonable estimates required under clause 9.3(a)(3) based on the following assumptions:
 - (1) the only Distribution Customers who would have become subject to the Replacement Tariff in the Year $t-1$ are those who would have been compulsorily assigned to the Replacement Tariff by the DNSP (in accordance with the DNSP's customer connection contracts with those Distribution Customers); and
 - (2) those Distribution Customers would have had the same consumption and load profiles on the Replacement Tariff in the Year $t-1$ as they had on the Origin Tariff in that Year $t-1$.
- (c) The Tribunal will assess whether estimates submitted by a DNSP under this clause 9 are reasonable and comply with the requirements of this Determination, having regard (without limitation) to the information provided by the DNSP under this clause 9 and to the matters referred to in **Annexure 11**.
- (d) If the Tribunal considers that an estimate submitted by a DNSP under this clause 9 is incomplete, inconsistent or unsubstantiated in any way, then the Tribunal may request additional information or request that the DNSP revise and resubmit that estimate.
- (e) If the Tribunal considers that an estimate submitted by a DNSP under this clause 9 is reasonable and complies with the requirements of this Determination, then the Tribunal will issue a written notice to the DNSP verifying that the estimate complies with this Determination.

10 Prescribed Distribution Services which become contestable

If any Prescribed Distribution Service becomes a Contestable Service at any time during the Regulatory Control Period, then each DNSP providing that service must unbundle its charging for that service from its then existing Prescribed Distribution Service Charges by:

- (a) introducing a separate New Tariff (with New Tariff Components) for that service in accordance with clause 8; and
- (b) making all necessary adjustments to the existing Prescribed Distribution Service Charge (under which the provision of that service was previously recovered by the DNSP) so as to ensure that the cost (and any profit margin) associated with the provision of that service is no longer recovered through that existing Prescribed Distribution Service Charge, but through the New Tariff.

11 Demand management reporting and the setting of "D" factors

11.1 Annual submission of demand management information

On or before the first of February immediately prior to submitting its Annual Pricing Proposal to the Tribunal for each Year of the Regulatory Control Period under clause 12 (the Year $t+1$ for the purposes of this clause 11), each DNSP must submit to the Tribunal the following information:

- (a) a detailed description of any Non-Tariff Demand Management Measures, undertaken by the DNSP during the Year $t-1$ including (for each measure) its characteristics, the capital expenditure and operating costs to be deferred as a result of the measure and any reasonable alternatives to the measure;
- (b) the DNSP's Non-Tariff Demand Management Costs for the Year $t-1$;
- (c) a detailed description of any Tariff Demand Management Measures undertaken by the DNSP during the Year $t-1$, demonstrating (for each measure) that the objective of the Network Tariff change (for that measure) is to affect the behaviour of end use Distribution Customers;
- (d) the DNSP's Tariff Demand Management Costs for the Year $t-1$, demonstrating:
 - (1) the nature of those costs and their efficiency;
 - (2) that the expenditure of those costs is necessary to achieve the objective of the Network Tariff change;
- (e) reasonable estimates of each of the following:
 - (1) the DNSP's Foregone Revenue for the Year $t-1$, resulting from the Non-Tariff Demand Management Measures referred to in clause 11.1(a) and from any such measures occurring in any prior Years of the Regulatory Control Period; and
 - (2) the DNSP's Avoided Distribution Costs resulting from each of those measures;
- (f) details of the basis for those estimates (including any assumptions underlying them) and demonstrating that the methodology used to calculate Foregone Revenue does give rise to a reasonable estimate of the actual amount of Foregone Revenue and is consistent with any guideline published by the Tribunal from time to time;
- (g) an estimated amount to reflect the time value of money, calculated by multiplying the following:
 - (1) the sum of the costs and foregone revenue referred to in clauses 11.1(b), (d) and (e)(1);
 - (2) the Nominal Rate of Return; and
 - (3) the number of years (or part thereof) between the incurring of those amounts and the commencement of the Year $t+1$; and

- (h) any other information the Tribunal may require in relation to the matters referred to in this clause 11.1.

11.2 Assessment and approval by the Tribunal

- (a) The Tribunal will assess whether the Non-Tariff Demand Management Costs and the Tariff Demand Management Costs submitted by a DNSP under this clause 11 are reasonable, having regard (without limitation) to:
 - (1) the information provided by the DNSP under this clause 11; and
 - (2) whether the Tribunal considers the expenditure of those costs was efficient.
- (b) The Tribunal will assess whether the estimates of Foregone Revenue and Avoided Distribution Costs submitted by a DNSP under this clause 11 and the estimated amount submitted under clause 11.1(g) are reasonable, having regard (without limitation) to the information provided by the DNSP under this clause 11.
- (c) If the Tribunal considers that a cost or estimate provided under this clause 11 is incomplete, inconsistent or unsubstantiated in any way, then the Tribunal may request additional information or request that the DNSP revise and resubmit that cost or estimate.
- (d) If the Tribunal considers that the costs and estimates provided under this clause 11 are reasonable it will approve them by notice in writing issued to the DNSP.
- (e) If the Tribunal considers that any of the costs or estimates provided under this clause 11 are unreasonable then the Tribunal may approve (at its own discretion) alternative costs or alternative estimates (as the case may be) for the purposes of this clause 11.2.

11.3 Calculation of D-factors

For the purposes of complying with the weighted average price control formula in clause 5.2, each DNSP must calculate D_{t+1} (for the Year $t+1$) referred to in that formula as follows (rounded to 3 decimal places):

$$D_{t+1} = \frac{\text{DM Cost Pass Through Amount}_{t+1}}{\text{SRR}_{t-1}\text{-AF Revenue}_{t-1}} - \frac{\text{DM Cost Pass Through Amount}_t}{\text{SRR}_{t-1}\text{-AF Revenue}_{t-2}}$$

where:

DM Cost Pass Through Amount $_{t+1}$ is the DM Cost Pass Through Amount for the DNSP for the Year $t+1$, calculated in accordance with clause 11.4;

DM Cost Pass Through Amount $_t$ is the DM Cost Pass Through Amount for the DNSP for the Year t , calculated in accordance with clause 11.4 (when the Year t was the Year $t+1$ for the purposes of clause 11.4);

SRR _t	is the smoothed revenue requirement for the DNSP for the Year <i>t</i> , as set out in Annexure 12 ;
SRR _{t-1}	is the smoothed revenue requirement for the DNSP for the Year <i>t-1</i> , as set out in Annexure 12 ;
AF Revenue _{t-1}	is the estimate of the DNSP's Foregone Revenue for the Year <i>t-1</i> approved by the Tribunal under clause 11.2;
AF Revenue _{t-2}	is the estimate of the DNSP's Foregone Revenue for the Year <i>t-2</i> approved by the Tribunal under clause 11.2 (when the Year <i>t-2</i> was the Year <i>t-1</i> , for the purposes of clauses 11.1 and 11.2).

11.4 Calculation of DM Cost Pass Through Amounts

Subject to clause 11.5, the DM Cost Pass Through Amount for the Year *t+1* for each DNSP (for the purposes of clause 11.3) will be calculated by adding together each of the following amounts (provided that the Year *t-1*, wherever referred to below, must be a Year falling within the Regulatory Control Period):

- the amount of the DNSP's Non-Tariff Demand Management Costs for the Year *t-1* as approved by the Tribunal under clause 11.2;
- the amount of the DNSP's Tariff Demand Management Costs for the Year *t-1* as approved by the Tribunal under clause 11.2;
- the amount of the estimate of the DNSP's Foregone Revenue for the Year *t-1* as approved by the Tribunal under clause 11.2;
- the estimated amount for the purposes of clause 11.1(g) for the Year *t-1* as approved by the Tribunal under clause 11.2; and
- any DM Cost Pass Through Amount for the Year *t* deferred to the Year *t+1* under clause 11.5 (when the Year *t* was the Year *t+1* for the purposes of clause 11.5).

11.5 Deferral of Cost Pass Through Amounts

- Subject to an adjustment under clause 11.5(b) and except where the Year *t+1* is the last Year of the Regulatory Control Period, a DNSP may defer its DM Cost Pass Through Amount for the Year *t+1* (as calculated under clause 11.4) to the immediately following Year, if:

$$\frac{\text{DM Cost Pass Through Amount}_{t+1}}{\text{SRR}_t - \text{AF Revenue}_{t-1}} < 0.001$$

Where:

DM Cost Pass Through Amount _{t+1} is the DM Cost Pass Through Amount for the DNSP for the Year *t+1*, calculated in accordance with clause 11.4;

SRR_t is the smoothed revenue requirement for the DNSP for the Year *t*, as set out in **Annexure 12**;

AF Revenue $t-1$ is the estimate of the DNSP's Foregone Revenue for the Year $t-1$ approved by the Tribunal under 11.2.

- (b) The amount of any DM Cost Pass Through Amount for the Year $t+1$ that is deferred to the immediately following Year under clause 11.5(a) must be adjusted by multiplying it by the sum of:

1 + the Nominal Rate of Return.

- (c) If a DNSP does defer its DM Cost Pass Through Amount for the Year $t+1$ in accordance with this clause, then when calculating D_{t+1} for the DNSP for the Year $t+1$ under clause 11.3, the value of "DM Cost Pass Through Amount $_{t+1}$ " must be taken to be zero.

12 Methodology and process for setting annual prices for Network Tariffs

12.1 Alternative methodology under the Code

- (a) The methodologies and processes set out in clause 6, and in this clause 12:
- (1) have been developed as an alternative pricing methodology to apply instead of clauses 6.11 to 6.14.3 of Part E of the Code; and
 - (2) have been formulated by the Tribunal as rules to apply to the pricing of Network Tariffs in accordance with clause 6.10.1(f) of Chapter 6 of the Code.
- (b) Clause 12.1(a) does not affect the operation of clause 6.11(e), clauses 6.14.4 to 6.18.2 or Part EA of the Code, all of which continue to apply with full force and effect.

12.2 Pricing Principles

In setting prices for Network Tariffs for each Year during the Regulatory Control Period, each DNSP must use reasonable endeavours to comply with the Pricing Principles set out in **Annexure 13**.

12.3 Network Strategy Statement for Regulatory Control Period

- (a) By no later than 30 September 2004, each DNSP must make available for public comment a Draft Network Strategy Statement for the Regulatory Control Period, which must contain all of the information set out in **Annexure 14**.
- (b) The DNSP must undertake public consultation on the Draft Network Strategy Statement in accordance with the DNSP Public Consultation Procedures set out in **Annexure 10**.
- (c) Following public consultation under this clause, each DNSP must submit a Final Network Strategy Statement to the Tribunal by no later than 30 October 2004.

- (d) A DNSP may amend its Final Network Strategy Statement during the Regulatory Control Period, provided:
 - (1) the DNSP first undertakes public consultation on the amendment in accordance with the DNSP Public Consultation Procedures set out in **Annexure 10**; and
 - (2) the DNSP submits the amendment to the Tribunal prior to, or with, its next Annual Pricing Proposal.

12.4 Date of price changes

- (a) Subject to clause 12.4(b), a DNSP may only change its prices for Network Tariffs for any Year during the Regulatory Control Period:
 - (1) With effect from 1 July of that Year (or any other date determined by the Tribunal); and
 - (2) in accordance with the procedures set out in this clause 12.
- (b) Nothing in this clause 12.4 prevents a DNSP from:
 - (1) introducing New Tariff Components in accordance with clause 8 or from assigning Distribution Customers to Network Tariffs in accordance with clause 9; or
 - (2) introducing any New Tariff Component for a Site Specific Tariff at any time during any Year of the Regulatory Control Period, in accordance with any rule or guideline issued by the Tribunal from time to time.

12.5 Annual Pricing Proposal and Annual Prices Report: submission and assessment

- (a) For each Year of the Regulatory Control Period (the Year $t+1$ for the purposes of this clause 12.5) each DNSP must submit to the Tribunal:
 - (1) an Annual Pricing Proposal for that Year containing all of the information set out in **Annexure 16** (and any information required under clause 8.2 or clause 9.3) and in accordance with any form or template issued by the Tribunal; and
 - (2) an Annual Prices Report for that Year, containing all of the information set out in **Annexure 17** and in accordance with any form or template issued by the Tribunal.

Those documents must be submitted to the Tribunal by no later than the date specified in item 1 of the timetable in **Annexure 15** (except where the Year $t+1$ is the first Year of the Regulatory Control Period).

- (b) The Tribunal may request each DNSP to make its Annual Pricing Proposal and its Annual Prices Report available on the DNSP's website, or available to Distribution Customers in hard copy at the time of submission to the Tribunal.

- (c) By the date specified in item 2 of the timetable in **Annexure 15**, the Tribunal will notify the DNSP whether or not the Tribunal is satisfied that:
 - (1) each of those documents complies with the requirements of this clause 12;
 - (2) each of those documents (for each Year of the Regulatory Control Period except for the first) is consistent with the DNSP's Final Network Strategy Statement; and
 - (3) the Network Tariff prices set out in those documents comply with all applicable requirements of this Determination.
- (d) If the Tribunal notifies the DNSP that it is satisfied about each of the matters referred to in clause 12.5(c), then:
 - (1) the Network Tariff prices set out in the Annual Pricing Proposal and Annual Prices Report will be the applicable prices for those Network Tariffs for the Year to which those documents relate; and
 - (2) the DNSP must:
 - (i) notify all Distribution Customers of those prices; and
 - (ii) publish its Compliant Annual Prices Report,
 in the manner (and by the date) set out in clause 12.5(e).
- (e) A DNSP must notify its prices and publish its Compliant Annual Prices Report by:
 - (1) publishing notice of the prices and a copy of the report on the DNSP's web site by no later than the date specified in item 5 of **Annexure 15**); and
 - (2) making hard copies of the notice and report available to Distribution Customers upon request from that date.

12.6 Alternative Pricing Proposal

- (a) If the Tribunal notifies the DNSP that it is not satisfied about any of the matters referred to in clause 12.5(c), then the DNSP must submit to the Tribunal an alternative Annual Pricing Proposal and/or Annual Prices Report (as required by the Tribunal) by the date specified in item 3 of the timetable in **Annexure 15**.
- (b) If the DNSP has submitted an alternative Annual Pricing Proposal and/or Annual Prices Report under clause 12.6(a), the Tribunal will notify the DNSP whether or not the Tribunal is satisfied about each of the matters referred to in clause 12.5(c) in respect of the DNSP's alternative Annual Pricing Proposal and/or Annual Prices Report (as the case may be), by the date specified in item 4 of the timetable in **Annexure 15**.
- (c) If the Tribunal notifies the DNSP that it is so satisfied, then clauses 12.5(d) and (e) will apply in respect of the DNSP's alternative Annual Pricing Proposal and/or Annual Prices Report (as the case may be).

12.7 Default arrangements

- (a) Subject to clause 12.7(b), if for any Year of the Regulatory Control Period (Year $t+1$, for the purposes of this clause 12.7) the Tribunal has not received from a DNSP a Compliant Annual Pricing Proposal and a Compliant Annual Prices Report for that Year by:
- (1) 1 July 2004 (where that Year $t+1$ is the first Year of the Regulatory Control Period); or
 - (2) the date specified in item 4 of the timetable in **Annexure 15** (where that Year $t+1$ is any other Year of the Regulatory Control Period),

then the DNSP's Network Tariff prices for that Year $t+1$ will be the same as those for the immediately preceding Year t .

- (b) If clause 12.7(a) applies to a DNSP for any Year during the Regulatory Control Period, then the Tribunal may allow (on a date set by the Tribunal) the DNSP to change its Network Tariff prices during that Year so as to reflect the Network Tariff prices set out in any Compliant Annual Pricing Proposal and any Compliant Annual Prices Report subsequently submitted by the DNSP.

13 Demand Management Levy pass through

If any Demand Management Levy (or any obligation to collect it) is imposed upon any DNSP after the date of this Determination, then (subject to any legal or regulatory requirements applying to that levy or its imposition):

- (a) that levy will be taken as falling outside the scope of this Determination;
- (b) the DNSP will therefore not be obliged by this Determination to incorporate or accommodate that levy within any prices for Prescribed Distribution Service Charges established under this Determination; and
- (c) the DNSP may separately pass the levy through to its Distribution Customers.

14 General cost pass throughs

14.1 Pass Through Event

- (a) If a DNSP reasonably considers that a Positive Change Event for that DNSP is likely to have occurred, the DNSP may seek the Tribunal's approval to pass through to Distribution Customers an amount (***Positive Pass Through Amount***) that is not greater than the Eligible Pass Through Amount (as calculated by the DNSP) in respect of that Positive Change Event.
- (b) If a DNSP reasonably considers that a Negative Change Event for that DNSP is likely to have occurred, the Tribunal may require the DNSP to pass through to Distribution Customers an amount (***Negative Pass Through***

Amount) that is not greater than the Required Pass Through Amount (as determined by the Tribunal) in respect of that Negative Change Event.

14.2 Positive Change Event

- (a) To seek the Tribunal's approval to pass through a Positive Pass Through Amount under clause 14.1(a), a DNSP must give the Tribunal, within 90 Working Days of the relevant Positive Change Event occurring, a written statement which specifies:
- (1) the details of the Positive Change Event concerned;
 - (2) the date the Positive Change Event occurred;
 - (3) the increase in costs in the provision of Passthrough Distribution Services that the DNSP has incurred since 1 July 2004 and is likely to incur until the end of the Regulatory Control Period as a result of the Positive Change Event (ie the Eligible Pass Through Amount (as calculated by the DNSP) in respect of that Positive Change Event);
 - (4) the Positive Pass Through Amount the DNSP proposes in relation to the Positive Change Event; and
 - (5) the amount of that Positive Pass Through Amount that the DNSP proposes should be passed through to Distribution Customers in each Year during the Regulatory Control Period,
- and which is accompanied by evidence:
- (6) of the actual and likely increase in costs referred to in clause 14.2(a)(3); and
 - (7) that such costs occur solely as a consequence of the Positive Change Event.
- (b) If the Tribunal receives a statement under clause 14.2(a) in relation to a Positive Change Event:
- (1) the Tribunal will determine whether that Positive Change Event occurred; and
 - (2) if the Tribunal determines that the Positive Change Event occurred, the Tribunal, taking into account the matters referred to in clause 14.4(b), will determine:
 - (i) how much of the Eligible Pass Through Amount (as calculated by the DNSP) in respect of the Positive Change Event should be passed through to Distribution Customers (the **Approved Pass Through Amount** in respect of that Positive Change Event for the DNSP); and
 - (ii) the amount of that Approved Pass Through Amount that should be passed through to Distribution Customers in each Year during the Regulatory Control Period.
- (c) If the Tribunal does not make the determinations referred to in clause 14.2(b) within the Assessment Period in respect of the relevant Positive Change Event then, on the expiry of that Assessment Period, the Tribunal is deemed to have determined that:
- (1) the Positive Pass Through Amount proposed by the DNSP in relation to that Positive Change Event in the DNSP's statement under clause 14.2(a) is the Approved Pass Through Amount in respect of that Positive Change Event; and

- (2) the amount of that Positive Pass Through Amount that the DNSP proposes in its statement under clause 14.2(a) should be passed through to Distribution Customers in each Year during the Regulatory Control Period is the amount that should be so passed through in each such Year.

14.3 Negative Change Event

- (a) A DNSP must give the Tribunal, within 90 Working Days of becoming aware of the occurrence of a Negative Change Event for the DNSP, a written statement which specifies:
 - (1) the details of the Negative Change Event concerned;
 - (2) the date the Negative Change Event occurred;
 - (3) the costs in the provision of Passthrough Distribution Services that the DNSP has saved since 1 July 2004 and is likely to save until the end of the Regulatory Control Period as a result of the Negative Change Event;
 - (4) the aggregate amount of those saved costs that the DNSP proposes should be passed through to Distribution Customers; and
 - (5) the amount of the costs referred to in clause 14.3(a)(4) the DNSP proposes should be passed through to Distribution Customers in each Year during the Regulatory Control Period.
- (b) If a Negative Change Event for a DNSP occurs (whether or not the occurrence of that Negative Change Event is notified by the DNSP to the Tribunal under clause 14.3(a)) and the Tribunal determines to impose a requirement on the DNSP in relation to that Negative Change Event as described in clause 14.1(b), the Tribunal will determine:
 - (1) the Required Pass Through Amount in respect of that Negative Change Event for the DNSP; and
 - (2) taking into account the matters referred to in clause 14.4(b):
 - (i) how much of that Required Pass Through Amount should be passed through to Distribution Customers (the Negative Pass Through Amount in respect of that Negative Change Event for the DNSP); and
 - (ii) the amount of that Negative Pass Through Amount that should be passed through to Distribution Customers in each Year during the Regulatory Control Period.
- (c) A DNSP must provide the Tribunal with such information as the Tribunal requires for the purpose of making a determination under clause 14.3(b) within the time specified by the Tribunal in a notice provided to the DNSP by the Tribunal for that purpose.

14.4 Consultation and factors to be taken into account in determination

- (a) Prior to making a determination under clause 14.2(b) or clause 14.3(b), the Tribunal will consult on such matters arising out of the relevant General Pass Through Event as the Tribunal considers appropriate with the relevant DNSP and such other persons as the Tribunal considers appropriate.
- (b) In making a determination under clause 14.2(b) or clause 14.3(b), the Tribunal will take into account:

- (1) the matters and proposals set out in any statement given to the Tribunal by the relevant DNSP under clause 14.2(a) or clause 14.3(a) (as the case may be);
- (2) in the case of a Positive Change Event, the increase in costs in the provision of Passthrough Distribution Services that the DNSP has incurred since 1 July 2004 and is likely to incur until the end of the Regulatory Control Period as a result of the Positive Change Event;
- (3) the implications for efficient costs of the DNSP's decisions and actions, including whether (in the case of a Positive Change Event) the DNSP has failed to take any action that could reasonably be taken to reduce the magnitude of the Eligible Pass Through Amount in respect of that Positive Change Event and whether the DNSP has taken or omitted to take any action where such action or omission has increased the magnitude of the Eligible Pass Through Amount in respect of that Positive Change Event;
- (4) the time cost of money based on the Rate of Return on capital of the DNSP;
- (5) the need to ensure that the DNSP does not recover costs under this clause 14 to the extent provision for such costs has already been made or otherwise taken into account for the purposes of this Determination;
- (6) the need to ensure that the DNSP only recovers any actual or likely increment in costs under this clause 14 to the extent that such increment is solely as a consequence of a General Pass Through Event;
- (7) in the case of a Regulatory Change Event that is a Positive Change Event, any costs that the DNSP has incurred prior to, but in preparation for, the occurrence of that Regulatory Change Event;
- (8) in the case of a Tax Change Event, any change in the way another Tax is calculated, or the removal or imposition of another Tax, which, in the Tribunal's opinion, is complementary to the Tax Change Event concerned; and
- (9) any other factors the Tribunal considers relevant.

14.5 Pass Through

- (a) The pass through by a DNSP to Distribution Customers of amounts relating to General Pass Through Events, as contemplated by this clause 14, must (and must only) be effected in accordance with the following provisions of this clause 14.5.
- (b) Not later than 80 Working Days prior to the beginning of each Year (other than the first Year of the Regulatory Control Period) the Tribunal will notify the DNSP of:
 - (1) where the Total Annual General Pass Through Amount for the DNSP in respect of that Year (if any) is a positive amount, the quantum of that amount and the fact that it is positive; and
 - (2) where the Total Annual General Pass Through Amount for the DNSP in respect of that Year (if any) is a negative amount, the quantum of that amount and the fact that it is negative.
- (c) Subject to clause 7.8, clause 14.5(d) and clause 14.5(g), if the Tribunal gives a notice to the DNSP:

- (1) under clause 14.5(b)(1) – the prices that the DNSP, in compliance with the other requirements of this Determination, is otherwise entitled to charge for Passthrough Distribution Services for the relevant Year will be increased such that the increase in forecasted revenue for that DNSP for that Year as a result of that increase in prices is equal to the quantum of the Total Annual General Pass Through Amount for the DNSP in respect of that Year as specified in that notice; or
- (2) under clause 14.5(b)(2) – the prices that the DNSP, in compliance with the other requirements of this Determination, is otherwise entitled to charge for Passthrough Distribution Services for the relevant Year will be decreased such that the decrease in forecasted revenue for that DNSP for that Year as a result of that decrease in prices is equal to the quantum of the Total Annual General Pass Through Amount for the DNSP in respect of that Year as specified in that notice.

For these purposes, the change in forecasted revenue for the DNSP for a Year (and the forecasted volumes on which that forecasted revenue is based) must be determined in a manner approved by the Tribunal.

- (d) To the extent that the proposed prices set out in the DNSP's Annual Pricing Proposal for a Year incorporate any increase or decrease referred to in clause 14.5(c), they must:
 - (1) comply with the requirement that such increases or decreases be cost-reflective; and
 - (2) comply with such other requirements (if any) as the Tribunal may specify for that purpose in any guidelines issued by it from time to time.
- (e) The DNSP must include in its Annual Pricing Proposal for each Year details of how its proposed prices as set out in that Annual Pricing Proposal:
 - (1) incorporate any increase or decrease referred to in clause 14.5(c);
 - (2) comply with the requirement that such increases or decreases be cost-reflective; and
 - (3) comply with such other requirements (if any) as the Tribunal may specify for that purpose in any guidelines issued by it from time to time.
- (f) The amount of any increase or decrease referred to in clause 14.5(c), as actually incorporated in the prices that the DNSP charges for Passthrough Distribution Services in a Year, will be disregarded:
 - (1) in assessing compliance for a subsequent Year with the weighted average price cap under clause 5 and the price limits under clause 7; and
 - (2) for the purposes of the application of clause 12.7(a) in respect of a subsequent Year.
- (g) Clause 14.5(c) does not apply in respect of prices that apply by virtue of the operation of clause 12.7(a).

14.6 Compliance with materiality threshold

For the avoidance of doubt, a DNSP is not entitled, under this clause 14, to pass through to Distribution Customers any amount relating to a Positive Change Event if the average annual change in costs in respect of that event (as calculated in

accordance with clause 2.2 of Annexure 1) does not exceed 1% of the average annual smoothed revenue requirement for the DNSP as set out in Annexure 12.

14.7 Anti-overlap

This clause 14 does not apply in respect of any Regulatory Change Event or Tax Change Event to the extent it is also a Specific Pass Through Event.

15 Specific cost pass throughs

15.1 Application for Specific Pass Through Amount

If a Specific Pass Through Event occurs, a DNSP may seek the Tribunal's approval to pass through to Distribution Customers an amount (***Specific Pass Through Amount***) that is not greater than the Eligible Pass Through Amount (as calculated by the DNSP) in respect of that Specific Pass Through Event for that DNSP.

15.2 Specific Pass Through Event

- (a) To seek the Tribunal's approval to pass through a Specific Pass Through Amount under clause 15.1, a DNSP must give the Tribunal, within 90 Working Days of the relevant Specific Pass Through Event occurring, a written statement which specifies:
- (1) the details of the Specific Pass Through Event concerned;
 - (2) the date the Specific Pass Through Event occurred;
 - (3) the increase in costs in the provision of Passthrough Distribution Services that the DNSP has incurred since 1 July 2004 and is likely to incur until the end of the Regulatory Control Period as a result of the Specific Pass Through Event (i.e. the Eligible Pass Through Amount (as calculated by the DNSP) in respect of that Specific Pass Through Event);
 - (4) the Specific Pass Through Amount the DNSP proposes in relation to the Specific Pass Through Event; and
 - (5) the amount of that Specific Pass Through Amount that the DNSP proposes should be passed through to Distribution Customers in each Year during the Regulatory Control Period,
- and which is accompanied by evidence:
- (6) of the actual and likely increase in costs referred to in clause 15.2(a)(3); and
 - (7) that such costs occur solely as a consequence of the Specific Pass Through Event.
- (b) If the Tribunal receives a statement under clause 15.2(a) in relation to a Specific Pass Through Event:
- (1) the Tribunal will determine whether that Specific Pass Through Event occurred; and
 - (2) if the Tribunal determines that the Specific Pass Through Event occurred, the Tribunal, taking into account the matters referred to in clause 15.3(b), will determine:
 - (i) how much of the Eligible Pass Through Amount (as calculated by the DNSP) in respect of the Specific Pass Through Event should be passed through to Distribution Customers (the

Approved Pass Through Amount in respect of that Specific Pass Through Event for the DNSP); and

- (ii) the amount of that Approved Pass Through Amount that should be passed through to Distribution Customers in each Year during the Regulatory Control Period.
- (c) If the Tribunal does not make the determinations referred to in clause 15.2(b) within the Assessment Period in respect of the relevant Specific Pass Through Event then, on the expiry of that Assessment Period, the Tribunal is deemed to have determined that:
- (1) the Specific Pass Through Amount proposed by the DNSP in relation to that Specific Pass Through Event in the DNSP's statement under clause 15.2(a) is the Approved Pass Through Amount in respect of that Specific Pass Through Event; and
 - (2) the amount of that Specific Pass Through Amount that the DNSP proposes in its statement under clause 15.2(a) should be passed through to Distribution Customers in each Year during the Regulatory Control Period is the amount that should be so passed through in each such Year.

15.3 Consultation and factors to be taken into account in determination

- (a) Prior to making a determination under clause 15.2(b), the Tribunal will consult on such matters arising out of the relevant Specific Pass Through Event as the Tribunal considers appropriate with the relevant DNSP and such other persons as the Tribunal considers appropriate.
- (b) In making a determination under clause 15.2(b), the Tribunal will take into account:
 - (1) the matters and proposals set out in any statement given to the Tribunal by the relevant DNSP under clause 15.2(a);
 - (2) the increase in costs in the provision of Passthrough Distribution Services that the DNSP has incurred since 1 July 2004 and is likely to incur until the end of the Regulatory Control Period as a result of the Specific Pass Through Event
 - (3) the implications for efficient costs of the DNSP's decisions and actions, including whether the DNSP has failed to take any action that could reasonably be taken to reduce the magnitude of the Eligible Pass Through Amount in respect of that Specific Pass Through Event and whether the DNSP has taken or omitted to take any action where such action or omission has increased the magnitude of the Eligible Pass Through Amount in respect of that Specific Pass Through Event;
 - (4) the time cost of money based on the Rate of Return on capital of the DNSP;
 - (5) the need to ensure that the DNSP does not recover costs under this clause 15 to the extent provision for such costs has already been made or otherwise taken into account for the purposes of this Determination;
 - (6) the need to ensure that the DNSP only recovers any actual or likely increment in costs under this clause 15 to the extent that such increment is solely as a consequence of a Specific Pass Through Event;

- (7) any costs that the DNSP has incurred prior to, but in preparation for, the occurrence of the Specific Pass Through Event; and
- (8) any other factors the Tribunal considers relevant.

15.4 Pass Through

- (a) The pass through by a DNSP to Distribution Customers of amounts relating to Specific Pass Through Events, as contemplated by this clause 15, must (and must only) be effected in accordance with the following provisions of this clause 15.4.
- (b) Not later than 80 Working Days prior to the beginning of each Year (other than the first Year of the Regulatory Control Period) the Tribunal will notify the DNSP the quantum of the Total Annual Specific Pass Through Amount for the DNSP in respect of that Year (if any).
- (c) Subject to clause 7.8, clause 15.4(d) and clause 15.4(g), if the Tribunal gives a notice to the DNSP under clause 15.4(b), the prices that the DNSP, in compliance with the other requirements of this Determination, is otherwise entitled to charge for Passthrough Distribution Services for the relevant Year will be increased such that the increase in forecasted revenue for that DNSP for that Year as a result of that increase in prices is equal to the quantum of the Total Annual Specific Pass Through Amount for the DNSP in respect of that Year as specified in that notice.

For these purposes, the increase in forecasted revenue for the DNSP for a Year (and the forecasted volumes on which that forecasted revenue is based) must be determined in a manner approved by the Tribunal.

- (d) To the extent that the proposed prices set out in the DNSP's Annual Pricing Proposal for a Year incorporate any increase referred to in clause 15.4(c), they must:
 - (1) comply with the requirement that such increases be cost-reflective; and
 - (2) comply with such other requirements (if any) as the Tribunal may specify for that purpose in any guidelines issued by it from time to time.
- (e) The DNSP must include in its Annual Pricing Proposal for each Year details of how its proposed prices as set out in that Annual Pricing Proposal:
 - (1) incorporate any increase referred to in clause 15.4(c);
 - (2) comply with the requirement that such increases be cost-reflective; and
 - (3) comply with such other requirements (if any) as the Tribunal may specify for that purpose in any guidelines issued by it from time to time.
- (f) The amount of any increase referred to in clause 15.4(c), as actually incorporated in the prices that the DNSP charges for Passthrough Distribution Services in a Year, will be disregarded:
 - (1) in assessing compliance for a subsequent Year with the weighted average price cap under clause 5 and the price limits under clause 7; and
 - (2) for the purposes of the application of clause 12.7(a) in respect of a subsequent Year.
- (g) Clause 15.4(c) does not apply in respect of prices that apply by virtue of the operation of clause 12.7(a).

Annexure 1 Definitions and interpretation

1. Definitions

In this Determination, the following words and expressions have the following meanings, unless the context requires otherwise:

ACCC means the Australian Competition and Consumer Commission.

Annual General Pass Through Amount for a DNSP in respect of a General Pass Through Event for a Year, means:

- (1) where the General Pass Through Event is a Positive Change Event for the DNSP, the amount (if any) which the Tribunal determines, or is deemed to have determined, should be passed through to Distribution Customers in that Year, as a consequence of that Positive Change Event, under clause 14.2(b)(2)(ii) or clause 14.2(c)(2), as the case may be; and
- (2) where the General Pass Through Event is a Negative Change Event for the DNSP, the amount (if any) which the Tribunal determines should be passed through to Distribution Customers in that Year, as a consequence of that Negative Change Event, under clause 14.3(b)(2)(ii).

Annual Prices Report means an Annual Prices Report submitted by a DNSP in accordance with clause 12.

Annual Pricing Proposal means an Annual Pricing Proposal submitted by a DNSP in accordance with clause 12.

Annual Specific Pass Through Amount for a DNSP in respect of a Specific Pass Through Event for a Year, means the amount (if any) which the Tribunal determines or is deemed to have determined, should be passed through to Distribution Customers in that Year, as a consequence of that Specific Pass Through Event, under clause 15.2(b)(2)(ii) or clause 15.2(c)(2), as the case may be.

Applicable Regulation means:

- (1) any legislation of the Commonwealth Parliament or the Parliament of New South Wales, and any regulation, order, rule or other instrument made under such legislation;
- (2) any Licence; and
- (3) any code (including the Code), any rules (including rules made under section 63C of the Electricity Supply Act) and any guidelines which is or are binding on a DNSP.

Approved Pass Through Amount in respect of a Positive Change Event or a Specific Pass Through Event for a DNSP, means:

- (1) the amount which the Tribunal determines should be passed through to Distribution Customers in respect of that Positive Change Event or Specific Pass Through Event under clause 14.2(b)(2)(i) or clause 15.2(b)(2)(i) respectively; or

- (2) the amount which the Tribunal is deemed to have determined to be the Approved Pass Through Amount in respect of that Positive Change Event or Specific Pass Through Event under clause 14.2(c)(1) or clause 15.2(c)(1) respectively,

as the case may be.

Assessment Period in respect of a Positive Change Event or a Specific Pass Through Event, means 120 Working Days from the Initial Assessment Date in respect of that Positive Change Event or Specific Pass Through Event, or as such period may be extended from time to time by the Tribunal, each such extension being:

- (1) for a period of up to 30 Working Days; and
- (2) notified by the Tribunal to the relevant DNSP prior to the expiry of the then-current Assessment Period in respect of that Positive Change Event or Specific Pass Through Event.

For the avoidance of doubt, there is no limit on the number of extensions that the Tribunal may make to an Assessment Period in respect of a particular Positive Change Event or Specific Pass Through Event.

Audited (for any quantity, amount, or other matter before which the word "Audited" appears in this Determination) means that quantity, amount, or matter as audited, in accordance with:

- (1) the Tribunal's Audit Procedure; and
- (2) all conditions set out in any Audit Procedure Notice issued by the Tribunal in relation to that quantity, amount or matter.

Audit Procedure Notice means a notice issued by the Tribunal to a DNSP under the Tribunal's Audit Procedure setting out conditions to be complied with by the DNSP in undertaking any matters required of the DNSP under the Tribunal's Audit Procedure.

Authority means:

- (1) any Government or any Minister, agency, department, instrumentality or other authority of a Government; and
- (2) the Tribunal, the ACCC, National Electricity Code Administrator Limited, NEMMCO and any body which succeeds to any of their responsibilities,

but does not mean a state owned corporation as that expression is defined in the *State Owned Corporations Act 1989*.

Avoided Distribution Costs resulting from a DNSP's Non-Tariff Demand Management Measures for a Year means the expected change in the Present Value of the DNSP's operating costs and capital expenditure resulting from the deferral or postponement (temporarily or indefinitely) of expenditure on the DNSP's Distribution System as a result of those measures.

Avoided TUOS Charge means an amount passed through to an Embedded Generator in accordance with clause 5.5(h) of the Code or to an MNSP in accordance with clause 5.5A(i) of the Code.

Capital Related Cost means any cost or expenditure in relation to an item or asset which is capital in nature.

Charge means any charge, tariff or fee.

Clarification Notice means the notice described in clause 1.9.

Code means the National Electricity Code established under the *National Electricity (NSW) Law*.

Compliant Annual Pricing Proposal means a DNSP's Annual Pricing Proposal for which the Tribunal has notified the DNSP that the Tribunal is satisfied of each of the matters referred to in clause 12.5(c).

Compliant Annual Prices Report means a DNSP's Annual Prices Report for which the Tribunal has notified the DNSP that the Tribunal is satisfied of each of the matters referred to in clause 12.5(c).

Connection Works has the meaning given to that term in the Tribunal's Capital Contributions Determination.

Consumer Price Index (CPI) means the All Groups index number for the weighted average of eight capital cities as published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index which the Tribunal considers is the best estimate of the index.

Contestable Service means a service which may legally be provided by persons other than the DNSP in whose distribution district the services are provided.

Δ **CPI** means the number derived from the application of the following formula:

$$\Delta CPI = \left(\frac{CPI_{Mar, t-1} + CPI_{June, t-1} + CPI_{Sept, t} + CPI_{Dec, t}}{CPI_{Mar, t-2} + CPI_{June, t-2} + CPI_{Sept, t-1} + CPI_{Dec, t-1}} - 1 \right)$$

where:

CPI is as defined above;

t refers to a Year (where Year is defined below); and

the corresponding subtext (for example, $_{June, t-1}$, means the CPI for the quarter and of the Year indicated (in the example, the quarter ending in June of the Year immediately before the Year t).

Customer Funded Connections, means:

- (1) design and construction of generator funded or customer funded Connection Works; and
- (2) design and construction of generator funded or customer funded Network Augmentations.

Customer Installation has the same meaning as the expression "electrical installation" has in the *Electricity (Consumer Safety) Act 2004*.

Customer Installation Inspections means the inspection of Customer Installations as required by any Applicable Regulation.

Customer Specific Services means any of the following undertaken at the request of a Distribution Customer:

- (1) asset relocation works;
- (2) conversion to aerial bundled cable; and
- (3) any other services relating to the connection of the Distribution Customer to a DNSP's Distribution System,

but excludes Private Power Line Inspections, Monopoly Services, Miscellaneous Services and Emergency Recoverable Works.

Demand Management Levy means any levy, tariff, fee, charge, duty, tax or impost of any kind imposed by the Government of New South Wales or the Commonwealth Government in connection with or relating to the supply of electricity to, or the consumption of electricity by, any Distribution Customer.

Determination means this determination.

Distribution Customer means a *Customer, Network Service Provider, Non-Registered Customer or a franchise customer* having a *connection point* with a *distribution network*, as defined in the Code.

Distribution District has the meaning given to that term under the Electricity Supply Act.

Distribution Service has the meaning given to that term in the Code.

Distribution System has the meaning given to that term in the Code.

Distribution Unders and Overs Account for a DNSP means the Unders and Overs Account established by the DNSP under The Tribunal's Rule entitled "Rule 2001/3 Unders and Overs Account " (as in force immediately prior to its repeal under this Determination).

Distribution Use of System Services has the meaning given to that term in the Code.

DNSP means Distribution Network Service Provider, as defined in the Code.

Draft Network Strategy Statement means a Draft Network Strategy Statement submitted by a DNSP under clause 12, containing all of the information set out in **Annexure 14**.

DUOS Tariff has the meaning given to that term in clause 3.3.

Electricity Supply Act means the *Electricity Supply Act 1995 (NSW)*.

Eligible Pass Through Amount in respect of a Positive Change Event or a Specific Pass Through Event for a DNSP, means the increase in costs in the provision of

Passthrough Distribution Services that the DNSP has incurred since 1 July 2004 and is likely to incur until the end of the Regulatory Control Period as a result of that Positive Change Event or Specific Pass Through Event respectively.

Embedded Generator has the meaning given to that term in the Code.

Emergency Recoverable Works Charges means the Emergency Recoverable Works Charges (for the provision of Emergency Recoverable Works) set out in **Annexure 3**.

Emergency Recoverable Works means each of the works identified under that heading in **Annexure 2**.

Estimated New Tariff Component Quantity has the meaning given to that term in clause 8.2.

Estimated Origin Tariff Component Quantity has the meaning given to that term in clause 8.2.

Estimated Replacement Tariff Quantity has the meaning given to that term in clause 9.3.

Excluded Distribution Services means the Distribution Services referred to in clauses 2.1(a) to (d) (namely Customer Funded Connections, Customer Specific Services, Type 1 to 4 Metering Services and the construction and maintenance of Public Lighting Infrastructure) which are deemed to be excluded distribution services under clause 6.10.4(b) of the Code.

Existing Tariff means any existing Network Tariff, DUOS Tariff or existing Transmission Cost Recovery Tariff.

Final Network Strategy Statement means a Final Network Strategy Statement submitted to the Tribunal under clause 12 (subject to any amendments in accordance with clause 12).

Forecasted Transmission Overs and Unders Account Closing Balance for a DNSP for any Year during the Regulatory Control Period, means the DNSP's reasonable forecast of the balance of its Transmission Overs and Unders Account as at 30 June of that Year, as set out in the DNSP's Annual Pricing Proposal submitted under clause 12 for that Year.

Forecasted Transmission Related Payments for a DNSP for any Year during the Regulatory Control Period, means the DNSP's forecast of all Transmission Related Payments the DNSP reasonably expects to make in that Year, as set out in the DNSP's Annual Pricing Proposal submitted under clause 12 for that Year.

Foregone Revenue of a DNSP for any Year means any revenue (from Prescribed Distribution Services provided by the DNSP) which:

- (1) has not been recovered by the DNSP in that Year; and
- (2) would in all likelihood have been recovered by the DNSP in that Year, but for the Non-Tariff Demand Management Measures undertaken by or on behalf of that DNSP.

General Pass Through Event means a Regulatory Change Event or a Tax Change Event.

Government means the Commonwealth Government, the Government of New South Wales or a local government in New South Wales.

GST has the meaning given in *A New Tax System (Goods and Services) Act 1999 (Cth)*

Incremental Costs incurred by a DNSP in relation to any Tariff Demand Management Measure or Non-Tariff Demand Management Measure means any additional operating costs or Capital Related Costs incurred by the DNSP (based on Audited expenditure data) as the sole consequence of that measure and which have not already been taken into account by the Tribunal in the setting of the X-factors for the DNSP as set out in **Annexure 4**.

Initial Assessment Date in respect of a Positive Change Event or a Specific Pass Through Event, means the date the Tribunal receives a statement under clause 14.2(a) or clause 15.2(a) in relation to that Positive Change Event or Specific Pass Through Event (as the case may be) from the relevant DNSP.

Licence means any licence that authorises the operation of a Distribution System (including any distribution network service provider's licence granted under the Electricity Supply Act).

Metering Data has the meaning given to that term in the Code.

Metering Installation has the meaning given to that term in the Code.

Metering Installation Types 1 to 4 means Metering Installation Types 1, 2, 3 and 4 as referred to in Chapter 7 of the Code.

Miscellaneous Service Charges means the Miscellaneous Service Charges (for the provision of Miscellaneous Services) set out in **Annexure 3**.

Miscellaneous Services means each of the services identified under that heading in **Annexure 2**.

MNSP means Market Network Service Provider as defined in the Code.

Monopoly Service Charges means the Monopoly Service Charges (for the provision of Monopoly Services) set out in **Annexure 3**.

Monopoly Services means each of the services identified under that heading in **Annexure 2**.

Negative Change Event for a DNSP, means a General Pass Through Event which entails the DNSP incurring Materially lower costs in providing Passthrough Distribution Services than it would have incurred but for that event.

Negative Pass Through Amount, in respect of a Negative Change Event for a DNSP, means an amount that is not greater than a Required Pass Through Amount as referred to in clause 14.1(b) and determined by the Tribunal under clause 14.3(b)(1).

NEMMCO means the National Electricity Market Management Company Limited.

Network Augmentations has the meaning given to that term in the Tribunal's Capital Contributions Determination.

Network Tariff means a charge, tariff or fee charged (or rebate allowed) by a DNSP to a Distribution Customer in relation to providing Distribution Use of System Services or any other Prescribed Distribution Services (other than Monopoly Services, Miscellaneous Services or Emergency Recoverable Works) to or for that customer and which, in accordance with clause 3.2, comprises two separate tariffs, namely:

- (1) a DUOS Tariff; and
- (2) a Transmission Cost Recovery Tariff.

New Tariff means any new Network Tariff, DUOS Tariff or new Transmission Cost Recovery Tariff introduced in addition to (or in replacement of) any Existing Tariff.

New Tariff Component means any:

- (1) component of a New Tariff; or
- (2) new component introduced to an Existing Tariff in addition to the existing components (or in replacement of an existing component or components) of that Existing Tariff, or any alteration to an existing component of an Existing Tariff.

Nominal Rate of Return is 0.097.

Non-Tariff Demand Management Costs for any Year means the Incremental Costs incurred by a DNSP in that Year in relation to the Non-Tariff Demand Management Measures undertaken by it in that Year or in any prior Year of the Regulatory Control Period, subject to:

- (1) the exclusion of any costs incurred by the DNSP to the extent that they have been funded by a Government or by any person other than the DNSP (or a person, other than a Government, related to the DNSP);
- (2) the exclusion of any costs incurred by the DNSP in relation to the installation of capacitors or load control equipment or infrastructure or any other costs associated with activities that the Tribunal has already taken into account in determining the DNSP's X-factors as set out in Annexure 4; and
- (3) for each Non-Tariff Demand Management Measure, the Present Value of the total amount of all costs incurred in relation to that measure must not exceed the Avoided Distribution Costs resulting from that measure as approved by the Tribunal under clause 11.2.

Non-Tariff Demand Management Measures means any action, project or activity undertaken by or on behalf of a DNSP, either independently or in conjunction with any other persons (such as generators, retail suppliers, energy service intermediaries and end-use customers), with the objective of reducing the costs of providing Prescribed Distribution Services by altering the level or pattern of consumption of energy, the source of energy, or the use of the DNSP's Distribution System, but excluding:

- (1) Tariff Demand Management Measures; and
- (2) any activities which expand the Distribution System or its capacity or which renew, repair or maintain it.

Origin Tariff has the meaning given to that term in clause 9.3.

Origin Tariff Component has the meaning given to that term in clause 8.2.

Passthrough Distribution Services means Prescribed Distribution Services other than Miscellaneous Services, Monopoly Services and Emergency Recoverable Works.

Positive Change Event for a DNSP, means a General Pass Through Event which entails the DNSP incurring Materially higher costs in providing Pass Through Distribution Services than it would have incurred but for that event.

Positive Pass Through Amount means an amount that is not greater than an Eligible Pass Through Amount as referred to in clause 14.1(a).

Prescribed Distribution Service Charges means the Charges referred to in clauses 3.1 and 3.2.

Prescribed Distribution Services means the Prescribed Distribution Services referred to in clause 2.1, including (without limitation) the services referred to in clause 2.2.

Present Value of any cost or expenditure of a DNSP has the meaning set out in clause 2.4 of this annexure.

Pricing Principles means the Pricing Principles set out in **Annexure 13**.

Private Power Lines means privately owned or operated overhead powerlines and associated electricity infrastructure.

Private Power Line Inspections means the inspection of Private Power Lines as required by any Applicable Regulation.

Public Lighting Infrastructure means the structures, wiring, globes, and other equipment:

- (1) used for, or associated with, the provision of public lighting to streets, roads and other public places; and
- (2) which are connected or attached to (or which form part of) a DNSPs Distribution System.

Rate of Return on capital of a DNSP has the meaning set out in clause 2.3 of this annexure.

Regulatory Change Event means:

- (1) a decision made by any Authority;
- (2) the coming into operation of an Applicable Regulation; or
- (3) the coming into operation of an amendment to an Applicable Regulation,

on or after 1 July 2004 that:

- (4) has the effect of:
 - (i) imposing minimum standards on a DNSP in respect of the provision of Passthrough Distribution Services that are different from the minimum

standards imposed on that DNSP in respect of the provision of Passthrough Distribution Services immediately prior to that event;

- (ii) substantially altering the nature or scope of the services that, immediately prior to that event, collectively comprise the Passthrough Distribution Services; or
- (iii) substantially varying the manner in which a DNSP is required to undertake any activity forming part of the Passthrough Distribution Services; and

- (5) results in a DNSP incurring Materially higher or Materially lower costs in providing Passthrough Distribution Services than it would have incurred but for that event,

but does not include:

- (6) the making of this Determination;
- (7) a Tax Change Event; or
- (8) the imposition or removal of, or a change in (including a change in the application, official interpretation or manner of calculation of), any Demand Management Levy.

Regulatory Control Period means the period from 1 July 2004 until 30 June 2009 inclusive referred to in clause 1.4(a).

Relevant Tax means any Tax payable by a DNSP other than:

- (1) income tax and capital gains tax;
- (2) stamp duty, financial institutions duty and bank accounts debits tax;
- (3) any Demand Management Levy;
- (4) penalties, charges, fees and interest on late payments, or deficiencies in payments, relating to any Tax; or
- (5) any Tax that replaces or is the equivalent of or similar to any of the Taxes referred to in sub-clauses (1) to (3) (including any State equivalent tax),

and also includes any fee payable by a DNSP in respect of a Licence.

Required Pass Through Amount in respect of a Negative Change Event for a DNSP, means the costs in the provision of Passthrough Distribution Services that the DNSP has saved since 1 July 2004 and is likely to save until the end of the Regulatory Control Period as a result of that Negative Change Event.

Site Specific Tariff means a DUOS Tariff or Transmission Cost Recovery Tariff developed by a DNSP:

- (1) for a single site so as to charge a "cost reflective network price" (as defined in the Code) for the provision of Prescribed Distribution Services to that site; and
- (2) in accordance with any rule or guideline issued by the Tribunal from time to time.

Specific Pass Through Amount means an amount that is not greater than an Eligible Pass Through Amount as referred to in clause 15.1.

Specific Pass Through Event means any of the following events where they occur on or after 1 July 2004:

- (1) the coming into operation of, or of any changes to, any legislation of the Parliament of New South Wales, or any regulation, order, rule or other instrument made under such legislation, that has or have the effect of altering the requirements governing live-line working procedures;
- (2) the coming into operation of any changes to the expression "electrical installation" as the expression is defined in the *Electricity (Consumer Safety) Act 2004*;
- (3) the imposition of guaranteed customer service standards that are in addition to those that apply in respect of a DNSP as at 1 July 2004, any change to guaranteed customer service standards that apply in respect of a DNSP during the Regulatory Control Period, or any change in the magnitude of the expected payments that may be required to be made to Distribution Customers by a DNSP as a result of any such additional or changed guaranteed customer service standards; or
- (4) the imposition of any mandatory requirement on DNSPs to replace existing meters used to measure the consumption of electricity by Distribution Customers with meters that measure the consumption of electricity at specific time intervals, commonly referred to as interval meters.

Tariff Demand Management Costs for any Year means the Incremental Costs incurred by a DNSP in that Year (as part of its Tariff Demand Management Measures undertaken in that Year or in any prior Year of the Regulatory Control Period) in installing equipment at a Distribution Customers' premises so as to control the time at which electricity is consumed at or supplied to the premises, but excluding:

- (1) metering costs;
- (2) any costs incurred by the DNSP in developing or offering to Distribution Customers the changes made to the Network Tariffs the subject of its Tariff Demand Management Measures;
- (3) any costs incurred by the DNSP to the extent that they have been funded by a Government or by any person other than the DNSP (or a person, other than a Government, related to the DNSP); and
- (4) any costs associated with activities the Tribunal has already taken into account in determining the DNSP's X-factors in accordance with **Annexure 4**.

Tariff Demand Management Measures means the introduction by a DNSP of New Tariff Components with the objective of reducing the costs of providing Prescribed Distribution Services by altering the level or pattern of consumption or energy, the source of energy, or the use of the Distribution System.

Tax means any tax, levy, impost, deduction, charge, rate, duty or withholding which is levied or imposed by a Government or any Minister, agency, department, instrumentality or other authority of a Government.

Tax Change Event means:

- (1) a change in (or a change in the application or official interpretation of) a Relevant Tax or the way in which a Relevant Tax is calculated;
- (2) the removal of a Relevant Tax; or
- (3) the imposition of a Relevant Tax,

which:

- (4) occurs on or after 1 July 2004; and
- (5) results in a DNSP incurring Materially higher or Materially lower costs in providing Passthrough Distribution Services than it would have incurred but for that event.

TNSP means a Transmission Network Service Provider as defined in the Code.

Total Annual General Pass Through Amount for a DNSP in respect of a Year, means the amount calculated as:

- (1) the sum of all Annual General Pass Through Amounts for the DNSP in respect of General Pass Through Events for that Year where such General Pass Through Events are Positive Change Events for the DNSP and the determination of those amounts by the Tribunal has been made (or is deemed to have been made) not less than 90 Working Days prior to the beginning of that Year,

less:

- (2) the sum of all Annual General Pass Through Amounts for the DNSP in respect of General Pass Through Events for that Year where such General Pass Through Events are Negative Change Events for the DNSP and the determination of those amounts by the Tribunal has been made not less than 90 Working Days prior to the beginning of that Year.

For the avoidance of doubt, this amount will be positive if the sum referred to in sub-clause (1) exceeds the sum referred to in sub-clause (2) and negative if the sum referred to in sub-clause (2) exceeds the sum referred to in sub-clause (1).

Total Annual Specific Pass Through Amount for a DNSP in respect of a Year, means the amount calculated as the sum of all Annual Specific Pass Through Amounts for the DNSP in respect of Specific Pass Through Events for that Year where the determination of those amounts by the Tribunal has been made (or is deemed to have been made) not less than 90 Working Days prior to the beginning of that Year.

Transmission Cost Recovery Tariff has the meaning given to that term in clause 3.4.

Transmission Overs and Unders Account for a DNSP means the Transmission Overs and Unders Account established by the DNSP under clause 6.

Transmission Recovery Amount for a DNSP for any Year during the Regulatory Control Period, means an amount (positive or negative) which when added to the DNSP's Forecasted Transmission Related Payments for that Year should bring the DNSP's Forecasted Transmission Overs and Unders Account Closing Balance for Year *t* closer to zero.

Transmission Related Payments means the Transmission Related Payments referred to in clause 3.4.

Transmission Service has the meaning given to that term in the Code.

Tribunal means the Independent Pricing and Regulatory Tribunal of New South Wales, established under the *Independent Pricing and Regulatory Tribunal Act 1992*.

Tribunal's Capital Contributions Determination has the meaning given to that term in clause 1.6(c).

Tribunal's Audit Procedure means a document prepared by the Tribunal that sets out the terms under which the matters specified in the document are to be undertaken by the DNSP in order to enable the Tribunal and the DNSP to discharge their obligations under the Code and the Determination, and may include terms and conditions under which:

- (1) a DNSP (or another person) will undertake a review of the matters specified; or
- (2) an Auditor will undertake an audit of the matters specified.

TUOS Charge means a charge, tariff or fee charged by a TNSP for providing Transmission Services.

Type 1 to 4 Metering Services means the following services in relation to Metering Installation Types 1 to 4:

- (1) provision, installation and maintenance of Metering Installations;
- (2) meter reading and the collection, transfer and provision of Metering Data;
- (3) meter testing and auditing;

in accordance with Chapter 7 of the Code and the requirements of the *Electricity Supply Act 1995*.

Working Day means a day that is not a Saturday, Sunday or public holiday in New South Wales.

Year means any year, commencing on 1 July and finishing on 30 June.

2 Interpretation

2.1 General

In this Determination, the following rules of interpretation will apply unless the context requires otherwise:

- (a) a reference to a clause or annexure (unless stated otherwise) is a reference to a clause or annexure of this Determination; and
- (b) the singular includes the plural and vice versa;
- (c) a reference to a law or to legislation includes regulations made under the law or the legislation;

- (d) a reference to regulations includes ordinances, codes, licences, rules, orders, permits and directions;
- (e) a reference to a law, legislation, regulations or the Code includes consolidations, amendments, variations, re-enactments or replacements of any of them;
- (f) a reference to a person includes an individual, a body corporate, an unincorporated body or other entity and one or more of each of them;
- (g) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes and assigns.

2.2 "Materially" in the general cost pass through definition

For the purposes of the application of clause 14, an event results in a DNSP incurring **Materially** higher or **Materially** lower costs if the *annual average change in costs in respect of that event* exceeds 1% of the average annual smoothed revenue requirement for the DNSP as set out in Annexure 12. For this purpose, the *average annual change in costs in respect of an event* is calculated as follows:

- (a) in the case of a Positive Change Event for that DNSP, the Approved Pass Through Amount in respect of that Positive Change Event divided by one twelfth of the number of whole calendar months in the period commencing on the date the Positive Change Event occurred and expiring at the end of the Regulatory Control Period; and
- (b) in the case of a Negative Change Event for that DNSP, the Negative Pass Through Amount in respect of that Negative Change Event divided by one twelfth of the number of whole calendar months in the period commencing on the date the Negative Change Event occurred and expiring at the end of the Regulatory Control Period.

2.3 Rate of Return

In this Determination, unless the context otherwise requires, a reference to the Rate of Return on capital of a DNSP means 7% if cashflows are expressed in real pre-tax terms, and 9.7% if cashflows are expressed in nominal pre-tax terms.

2.4 Present Value

In this Determination, unless the context otherwise requires, a reference to the Present value of any cost or expenditure of a DNSP means the present value of that cost or expenditure calculated using a discount rate equivalent to the Rate of Return.

Annexure 2 Miscellaneous Services, Monopoly Services and Emergency Recoverable Works

1. MISCELLANEOUS SERVICES

(a) Supply of Conveyancing Information desk inquiry

The provision of information regarding the availability of supply, presence of DNSP's equipment, power lines and like information for property conveyancing purposes undertaken without any physical inspection of a site, other than the provision of information or the answering of inquiries relating to any matter under Freedom of Information legislation.

(b) Supply of conveyancing information field visit

The provision of information regarding the availability of supply, presence of DNSP's equipment, power lines and like information for property conveyancing purposes undertaken by a physical inspection of a site, other than the provision of information or the answering of inquiries relating to any matter under Freedom of Information legislation.

(c) Meter test

The testing of a meter in accordance with clause 6.4 of the *Market Operations Rule (NSW Rules for Electricity Metering) No. 3 of 2001* (except for Metering Installation Types 1 to 4, the testing of which is an Excluded Distribution Service).

(d) Special meter reading

This service:

- (1) has the same meaning as the meaning given to the expression "special meter read" in the *Market Operations Rule (NSW Rules for Electricity Metering) No. 3 of 2001* (but excludes any special meter reading of Metering Installation Types 1 to 4, which is an Excluded Distribution Service);

and applies in each of the following circumstances:

- (2) where a customer or a retail supplier requests that the DNSP undertake a special meter read, (but does not apply where the special meter read was requested solely to verify the accuracy of a scheduled meter read and the special meter read reveals that the scheduled meter read was inaccurate or in error); or
- (3) where the DNSP attends at a customer's premises for the sole purpose of discharging the DNSP's obligation to read the customer's meter within the period specified by law (but not where the DNSP merely chooses to read the customer's meter without being under a legal obligation to do so) and on attending the customer's premises the DNSP is unable (through no act or omission of the DNSP), to gain access to the meter; or
- (4) where the DNSP and the customer agree on an appointed time at which the DNSP may attend the customer's premises to enable the DNSP to discharge the DNSP's legal obligation referred to in paragraph 1(d)(3) and when the DNSP attended at the customer's premises at the appointed time the DNSP (through no act or omission of the DNSP), was unable to gain access to the customer's meter.

(e) Disconnection visit (acceptable payment received)

A site visit to a customer's premises on an occasion for the purpose of disconnecting the customer's supply for breach by the customer of a customer supply contract or a customer connection contract, where the disconnection does not occur on that occasion.

(f) Disconnection at meter box

A site visit to a customer's premises to:

- (1) disconnect the supply of electricity to a customer for breach by the customer of a customer supply contract or a customer connection contract, or where a retail supplier has requested that the supply to the customer be disconnected; and
- (2) reconnect the supply following the disconnection in paragraph 1(f)(1).

(g) Disconnection at pole top/pillar box

A site visit to a customer's premises:

- (1) to disconnect the supply of electricity to a customer at the pole top or pillar box for breach by the customer of a customer supply contract or a customer connection contract, or where a retailer supplier has requested that the supply to a customer be disconnected,

where the customer has denied access to the meter or had prior to the visit, reconnected supply without authorisation by the DNSP following a previous disconnection; and
- (2) to reconnect the supply, following the disconnection in paragraph 1(g)(1).

(h) Rectification of illegal connection

Work undertaken by a DNSP to the property of the DNSP or to the property of another person in order to:

- (1) rectify damage; or
- (2) prevent injury to persons or property,

resulting from conduct that constitutes an offence under Part 6, Division 1 of the *Electricity Supply Act*.

(i) Off-peak conversion

The alteration of the off-peak meter at a customer's premises for the purpose of changing the hours of the meter's operation.

(j) Reconnection outside normal business hours

- (1) The provision of the reconnection component of the service described in paragraphs 1(f)(2) and 1(g)(2) outside the hours of 7.30am and 4.00pm on a Working Day, at the request of a customer; or
- (2) The connection of electricity to a new customer outside the hours of 7.30am and 4.00pm on a Working Day at the request of the customer.

2. MONOPOLY SERVICES

(a) Design information

The provision of information by a DNSP to enable an ASP accredited for Level 3 work to prepare a design drawing and to submit it for certification.

This may include without limitation:

- (1) deriving the estimated loading on the system, technically known as the ADMD (After Diversity Maximum Demand). This estimate depends on such factors as the number of customers served and specific features of the customers' demand;
- (2) copying drawings that show existing low and high voltage circuitry (geographically and schematically) and adjacent project drawings;
- (3) specifying the preferred sizes for overhead wires (conductors) or underground wires (cables);
- (4) specifying switchgear configuration type, number of pillars, lights etc;
- (5) determining the special requirements of the DNSP's planning departments necessary to make electrical supply available to a development and cater for future projects;
- (6) any necessary liaison with designers associated with assistance in sourcing design information and developing designs;
- (7) nominating network connection points.

(b) Design certification

A certification by a DNSP that a design (if implemented) will not compromise the safety or operation of the DNSP's distribution system.

This may include, without limitation:

- (1) certifying that the design information/project definition have been incorporated in the design;
- (2) certifying that easement requirements and earthing details are shown;
- (3) considering design issues, including checking for over-design and mechanisms to permit work on high voltage systems without disruption to customers' supply (adequate LV parallels);
- (4) certifying that funding details for components in the scope of works are correct;
- (5) certifying that there are no obvious errors that depart from the DNSP's design standards and specifications;
- (6) certifying that shared assets are not over-utilised to minimise developer's connection costs and that all appropriate assets have been included in the design;
- (7) auditing design calculations such as voltage drop calculations, conductor clearance (stringing) calculations etc;
- (8) certifying that a bill of materials has been submitted; or
- (9) certifying that an environmental assessment has been submitted by an accredited person and appropriately checked.

(c) Design rechecking

The rechecking of a design submitted under paragraph 2(b), except where the modifications to a design are of a trivial or minor nature.

(d) Inspection of service work (Level 1 work)

The inspection by a DNSP of work undertaken by an ASP accredited to perform Level 1 work, for the purpose of ensuring the quality of assets to be handed over to the DNSP.

(e) Inspection of service work (Level 2 work)

The inspection by a DNSP of work performed by an ASP accredited to perform Level 2 work, complying with the condition below.

Condition

The minimum number of inspections required must correspond to the grade of the DNSP in Table 1 below:

Table 1 Inspection rate

Grade	Number of inspections
A	1 inspection per 25 jobs
B	1 inspection per 5 jobs
C	Each job to be inspected

(f) Re-Inspection of Level 1 or Level 2 work

The re-inspection by a DNSP of work (other than Customer Installation work) undertaken by an ASP accredited to perform Level 1 or Level 2 work, for the reason that on first inspection the work was found not to be satisfactory.

(g) Re-inspection of work of a Service Provider

The re-inspection by a DNSP of Customer Installation work undertaken by a Service Provider for the reason that on first inspection the work was found not to be satisfactory.

(h) Access permit

The provision of a permit by a DNSP to a person authorised by law to work on or near a distribution system.

This may include without limitation:

- (1) researching and documenting the request for access;
- (2) documenting the actual switching process;
- (3) programming the work;
- (4) control room activities;
- (5) fitting and removing of operational earths;
- (6) the actual switching together with any operator's transport costs;
- (7) identification of any customers who will be interrupted;

- (8) low voltage switching and paralleling of substations that permits high voltage work without disrupting supply to other customers.

(i) Substation commissioning

The commissioning by a DNSP of a new substation, (whether it is a single pole, padmount/kiosk or indoor/chamber) and includes:

- (1) all necessary pre-commissioning checks and tests prior to energising the substation via the high voltage switchgear and closing the low voltage circuit breaker, links or fuses; and
- (2) the setting or resetting of protection equipment.

(j) Administration

Work of an administrative nature (not including work of an administrative nature described in paragraph 2(k)), involving the processing of Level 1 and/or Level 3 work where the customer is lawfully required to pay for the Level 1 and /or Level 3 work.

This may include without limitation:

- (1) checking supply availability;
- (2) processing applications;
- (3) correspondence from application to completion;
- (4) record-keeping;
- (5) requesting and receiving fees (initially, then prior to design and after certification);
- (6) receiving design drawings (registering and copying);
- (7) raising order for high voltage (HV) work;
- (8) calculating HV reimbursements;
- (9) calculating the cost of a project and warranty/maintenance bond;
- (10) organising refunds to developers for HV work;
- (11) liaising with developers via phone and facsimile;
- (12) updating Geographic Information Systems (GIS) and mapping.

(k) Notice of arrangement

Work of an administrative nature performed by a DNSP where a local council requires evidence in writing from a DNSP that all necessary arrangements have been made to supply electricity to a development.

This may include without limitation:

- (1) receiving and checking linen plans and 88B Instruments;
- (2) copying linen plans;
- (3) checking and recording easement details;
- (4) preparing files for conveyancing officers;
- (5) liaising with developers if errors or changes are required;
- (6) checking and receiving duct declarations and any amended linen plans and 88B instruments approved by a conveyancing officer;

(7) preparing notifications of arrangement.

(l) Access

The provision of access to switchrooms, substations and the like to an ASP who is accompanied by a member of staff of a DNSP, but does not include the circumstance where an ASP is provided with keys for the purpose of securing access and is not accompanied by a member of staff of a DNSP.

(m) Authorisation

The annual authorisation by a DNSP of individual employees or sub-contractors of an ASP to carry out work on or near a DNSP's distribution system.

This may include without limitation:

- (1) familiarisation and training in the DNSP's safety rules and access permit requirements;
- (2) induction in the unique aspects of the network;
- (3) verification that the applicant has undertaken the necessary safety training (resuscitation etc) within the last 12 months;
- (4) conducting interviews/examinations for access permit recipients;
- (5) issuing authorisation cards.

(n) Site establishment

The issue of a meter by a DNSP and its co-ordination with NEMMCO for the purpose of establishing a NMI in MSATS for new premises or for any existing premises for which NEMMCO requires a new NMI and for checking and updating network load data.

3. EMERGENCY RECOVERABLE WORKS

Emergency work undertaken by a DNSP to repair damage to the Distribution System of that DNSP where the damage is the consequence of the act or omission of a person, for which that person is liable to another (which may include the DNSP) for that damage. For example, emergency work undertaken by the DNSP to repair damage to the DNSP's Distribution System resulting from a motor vehicle collision where the driver was negligent.

4. DEFINITIONS AND INTERPRETATION

(a) Definitions

- (1) In this annexure:

ASP means an Accredited Service Provider and is a person who has been accredited under Part 10 *Electricity Supply (General) Regulation 2001*

MSATS means the market settlement and transfer system operated by NEMMCO

NMI means a national metering identifier

Service Provider means a person who may lawfully undertake Customer Installation work

- (2) In this annexure the following expressions have the meaning given to them in the *Electricity Supply Act 1995*:

electricity supply contract

electricity connection contract

retail supplier.

- (3) References to paragraphs are references to paragraphs in this annexure.

(b) Interpretation of grade or level of accreditation

- (1) In this annexure, the reference to a grade or level, means the grade or level for which an ASP is accredited, applying the classification system in Table 2 below.
- (2) If the classification system in Table 2 is amended during this Determination, the reference in this annexure to a grade or level will be taken to be a reference to the grade or level in the amended classification system that most closely approximates the grade or level in Table 2.

Table 2 Classification

Accreditation	Type of Work	Category
Level 1	Construction of transmission and distribution works, including high and low voltage, overhead and underground reticulation and substations.	Underground (UG) Overhead (OH)
Level 2	Service work: Construction and/or installation of the service line interface between the distribution system and consumer terminals, including metering services.	Disconnection & reconnection Underground (UG) service lines Overhead (OH) service lines Metering and energising new installations Installing contestable metering – under review
Level 3	Design of transmission and distribution works	Underground (UG) Overhead (OH)

Annexure 3 Prices for Miscellaneous Services, Monopoly Services and Emergency Recoverable Works for the Regulatory Control Period

1. Introduction

The Miscellaneous Services, Monopoly Services and Emergency Recoverable Works in this annexure (having the abbreviated descriptions given to them in paragraphs 3, 4 and 5 respectively) have the full meaning given to them in **Annexure 2**.

2. Levying charges for Miscellaneous services, Monopoly services and Emergency Recoverable Works

- (a) The charge that may be levied by a DNSP for the provision of a Miscellaneous Service described in paragraph 3 or Emergency Recoverable Works specified in paragraph 5, must not be more than (but may be less than) the charge specified or calculated for the Miscellaneous Service in paragraph 3 or the Emergency Recoverable Work in paragraph 5 respectively.
- (b) Unless otherwise specified, the charge that is be levied by a DNSP for the provision of a Monopoly Service described in paragraph 4, must not be more than or less than the charge specified or calculated for that Monopoly Service in that paragraph.
- (c) The charges for Miscellaneous Services, Monopoly Services and Emergency Recoverable Works in this Annexure are to be levied in accordance with the conditions (if any) specified in **Annexure 2** applying to each service and in accordance with the conditions accompanying the respective paragraphs in this annexure.

3. Miscellaneous Services

3.1 Charges for Miscellaneous Services

The charges in Table 1 below apply:

Table 1 Charges for Miscellaneous Services

Miscellaneous Service	\$
Special meter reading	\$35.00
Meter test	\$58.00
Supply of conveyancing information - desk inquiry	\$29.00
Supply of conveyancing information - field visit	\$58.00
Off-peak conversion	\$47.00
Disconnection visit (acceptable payment received)	\$35.00
Disconnection at meter box	\$70.00
Disconnection at pole top/pillar box	\$117.00
Rectification of illegal connection	\$175.00
Reconnection outside business hours	\$75.00

3.2 Conditions relating to charges for Miscellaneous Services

(a) Disconnection at meter box and pole/top pillar box

For the avoidance of doubt, if, following a request from a customer, the reconnection component of the services described in paragraph 3.1 as “Disconnection at meter box” and “Disconnection at pole top/pillar box” are provided outside the hours of 7.30am and 4.00pm on a Working Day, the charge that the DNSP may levy for the provision of each of those services will be the charge for each service in paragraph 3.1 plus the charge for the service described as “Reconnection outside normal business hours”, if applicable.

(b) Meter test

If the service described as “meter test” is undertaken on premises serviced by more than one meter the following applies:

- (1) if the meter test reveals that all of the meters are operating satisfactorily, a DNSP may only levy one charge for the provision of the service as if the meter test were undertaken on a single meter;
- (2) if the meter test reveals that one or more of the meters are not operating satisfactorily, the DNSP may not levy any charge for the provision of the service.

(c) Special meter reading

A charge may not be levied for the service described as “special meter reading” in either of the following circumstances:

- (1) where the customer is or is about to move premises; or
- (2) where the service reveals that a scheduled meter reading was inaccurate.

(d) Off peak conversion

A charge for the service described as “off peak conversion” may only be levied for each occasion that the service is provided in excess of once in any 12 month period.

4. Monopoly Services

4.1 Charges for Monopoly Services

Table 2: Charges for monopoly services

Monopoly Service	Underground urban residential subdivision (vacant lots)				Rural Overhead Subdivisions and Rural Extensions				Underground Commercial and Industrial or Rural Subdivisions (vacant lots - no development)				Commercial and Industrial Developments	Asset Relocation Or Street Lighting
Design Information	Up to 5 lots			\$126	R2 per hour				R2 per hour				R2 per hour	R2 or R3 per hour (See para 4.2)
	6 to 10 lots			\$189										
	11 - 40 lots			\$315										
	Over 40 lots			\$378										
Design Certification	Up to 5 lots			\$63	1 - 5 poles			\$63	Up to 10 lots			\$126	R3 per hour	R2 or R3 per hour (See para 4.2)
	6 to 10 lots			\$126	6 -10 poles			\$126	11 - 40 lots			\$189		
	11 - 40 lots			\$189	11 or more poles			\$189	Over 40 lots			\$378		
	Over 40 lots			\$252										
Design Rechecking	R2 per hour				R2 per hour				R2 per hour				R3 per hour	R2 or R3 per hour (See para 4.2)
Inspection of Service Work (Level 1 work)	Grade:	A	B	C	Grade:	A	B	C	Grade:	A	B	C	R2 or R3 per hour	R2 or R3 per hour (see para 4.2)
	per lot	per lot	per lot	per lot	per pole	per pole	per pole	per pole	per lot	per lot	per lot	per lot		
	First 10 lots:	\$32	\$76	\$158	1-5 poles:	\$38	\$76	\$139	First 10 lots:	\$32	\$76	\$158		
	Next 40 lots:	\$19	\$44	\$95	6-10 poles:	\$32	\$63	\$126	Next 40 lots:	\$32	\$76	\$158		
	Remainder:	\$6	\$25	\$44	11+ poles: (see para 4.2)	\$25	\$44	\$95	Remainder:	\$32	\$76	\$158		
Access Permit	Residential Subdivisions: \$21.00 per lot combined fee				\$935 maximum per access permit				\$935 maximum per access permit				\$935 maximum per access permit	\$935 maximum per access permit
Substation Commissioning					\$701 per substation (See para 4.2)				\$701 per substation (see para 4.2)				\$701 per substation (see para 4.2)	\$701 per substation (see para 4.2)
Administration	Up to 5 lots			\$153	Up to 5 poles:			\$153	R1 per hour (max 6 hours)				R1 per hour (max 6 hours)	R1 per hour
	6 - 10 lots			\$204	6-10 poles:			\$204						
	11 - 40 lots			\$255	11 or more poles			\$306						
	Over 40 lots			\$306										
Notice of Arrangement	\$153													
Re-Inspection (Level 1 and 2 work)	R2 per hour (maximum 1 hour per level 2 reinspection)													
Re-inspection (Service Provider)	\$63. For the purpose of clause 2(b), a DNSP may charge a fee that is less than this fee, but not a fee that is more than this fee.													
Access	R1 per hour													
Authorisation	\$126													
Inspection of Service Work (Level 2 work)	All Service connections: A Grade : \$16 per NOSW B Grade: \$26 per NOSW C Grade: \$76 per NOSW (NOSW = Notification of Service Work)													
Site Establishment	\$110													

4.2 Conditions relating to charges for Monopoly Services

(a) Inspection

For the service described as "Inspection":

- (1) in the case of "Commercial and Industrial developments" and "Asset Relocation or Street Lighting", the level of inspection is to be determined by the DNSP prior to performing the service;
- (2) the grade specified is the grade of the ASP, accredited for that grade;
- (3) in the case of "Rural Overhead Subdivisions and Rural Extensions", the charge applies to inspections (other than substation poles) and represents the total charge for three separate visits. For substation poles the charge for ASP grade A is \$221; for grade B is \$441 and for grade C is \$556.

(b) Substation commissioning

For the service described as "Substation Commissioning" (other than in the case of "Underground urban residential subdivision vacant lots") the charge specified is to be levied only where it is single transformer/RMI unit. In all other cases the service is to be charged at the R3 labour rate R3.

(c) Lots

In table 2, where the Monopoly Service relates to a service connection required for multiple dwelling subdivisions, the per lot fee in that table should be applied per service connection.

(d) Design information/Design certification/ Design rechecking

For the services described as "Design Information", "Design Certification" and "Design Rechecking", the labour rate (R2 or R3) is to be applied based on the DNSP's assessment of the level of skill required to perform the service.

(e) Travel time

In addition to the charge specified or calculated under paragraph 4.1, a DNSP must charge for that amount of travel time (permitted for that DNSP in Table 3 below) associated with the inspection of Level 1 work at the R2 labour rate.

Table 3 Travel time

DNSP	Amount of travel time permitted
EnergyAustralia	30 minutes
Integral Energy Australia	30 minutes
Country Energy	60 minutes
Australian Inland Energy Water Infrastructure	90 minutes

(f) Overtime

If a monopoly service is provided outside the hours of 7.30am and 4.00pm on a Working Day at the request of an ASP (other than where the DNSP requires that the work be performed outside those hours) the charge that the DNSP may impose for the provision of that service will be an amount up to 175% of the charge for that service in paragraph 4.1.

(g) Labour rates

- (1) In paragraph 4.1 the references to R1, R2 and R3 denote the class of labour which performs the service at the hourly rate corresponding to the class in table 4 below.
- (2) For the purpose of the labour class R2 in the table, the DNSP will determine whether the service is to be provided by an inspector or an engineer at that class, depending on the nature and complexity of the service.

Table 4 Labour rates

Labour class	Hourly rate
Admin R1	\$51
Design R2a	\$63
Inspector R2b	\$63
Engineer R3	\$76

5. Emergency Recoverable Works

5.1 Charges for Emergency Recoverable Works

- (a) The charge that a DNSP may levy for Emergency Recoverable Works must not exceed the sum of the following:
 - (1) 110% of the costs (other than labour costs) actually incurred in providing the emergency recoverable works; and
 - (2) the cost of labour actually used to undertake the emergency recoverable works determined by applying 150% of the R2 labour rate for that labour.
- (b) For the avoidance of doubt, in the application of paragraph 5.1(a)(2), where a DNSP retains labour for a specified period for the purpose of that labour undertaking emergency recoverable works, the DNSP may only charge for so much of that specified period during which the labour actually undertakes the emergency recoverable works. For example, if a DNSP retains labour for a minimum specified period of four hours and the time required to actually undertake the emergency recoverable works is only one hour, the DNSP may only charge for the one hour and not the four hours.

5.2 Conditions for Emergency Recoverable Works

The charges for emergency recoverable works in paragraph 5.1 apply irrespective of whether the works are provided on a Working Day or the time of day at which they are provided.

6 Definitions and interpretation

In this annexure, unless the context requires otherwise:

- (a) expressions used in this annexure that are defined in **Annexure 2**, have the meaning given to them in that **Annexure 2**;
- (b) interpretation provisions in **Annexure 2** apply to this annexure; and
- (c) references to paragraphs are references to paragraphs of this annexure.

Annexure 4 X-Factors

The value of "X" for each DNSP for each Year of the Regulatory Control Period, for the purposes of clause 5.2 of this Determination, is as follows:

EnergyAustralia	0.07 for the first Year of the Regulatory Control Period; and 0.016 for each Year thereafter
Integral Energy Australia	0.05 for the first Year of the Regulatory Control Period; and 0.015 for each Year thereafter
Country Energy	0.07 for the first Year of the Regulatory Control Period; and 0.025 for each Year thereafter
Australian Inland Energy Water Infrastructure	0.07 for the first Year of the Regulatory Control Period; and 0.025 for each Year thereafter

Annexure 5 Weighted average price cap illustrated example

Weighted average price cap control formula for Year $t+1$ (2004/05)																												
$\frac{\sum_{i=1}^n \sum_{j=1}^m p_{ij}^{t+1} \times q_{ij}^{t-1}}{\sum_{i=1}^n \sum_{j=1}^m p_{ij}^t \times q_{ij}^{t-1}}$			$\leq 1 + \Delta CPI_t + X_{t+1} + D_{t+1}$ <p style="font-size: small;">(Assume $\Delta CPI_t = 0.03$, $X_{t+1} = 0.02$, $D_{t+1} = 0$)</p>																									
Proposed prices in Year $t+1$ (2004/05)		Quantities in Year $t-1$ (2002/03)																										
<table border="1" style="width: 100%; border-collapse: collapse; font-size: small;"> <thead> <tr> <th></th> <th>Fixed (\$ per year)</th> <th>Peak (\$/kWh)</th> <th>Off-peak (\$/kWh)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: center;">60</td> <td style="text-align: center;">9.5</td> <td style="text-align: center;">0.6</td> </tr> <tr> <td>Commercial</td> <td style="text-align: center;">560</td> <td style="text-align: center;">4.2</td> <td style="text-align: center;">1.3</td> </tr> </tbody> </table>		Fixed (\$ per year)	Peak (\$/kWh)	Off-peak (\$/kWh)	Residential	60	9.5	0.6	Commercial	560	4.2	1.3	×	<table border="1" style="width: 100%; border-collapse: collapse; font-size: small;"> <thead> <tr> <th></th> <th>Customer numbers</th> <th>Peak (kWh)</th> <th>Off-peak (kWh)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: center;">20000</td> <td style="text-align: center;">1000000</td> <td style="text-align: center;">400000</td> </tr> <tr> <td>Commercial</td> <td style="text-align: center;">7000</td> <td style="text-align: center;">800000</td> <td style="text-align: center;">500000</td> </tr> </tbody> </table>				Customer numbers	Peak (kWh)	Off-peak (kWh)	Residential	20000	1000000	400000	Commercial	7000	800000	500000
	Fixed (\$ per year)	Peak (\$/kWh)	Off-peak (\$/kWh)																									
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Prices in Year t (2003/04)		Quantities in Year $t-1$ (2002/03)																										
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Residential	20000	1000000	400000																									
Commercial	7000	800000	500000																									
$\leq 1 + 0.03 + 0.02 + 0$																												

	Total (\$2004/05)
Residential	10940000
Commercial	7930000
Total	18870000

	Total (\$2004/05)
Residential	10340000
Commercial	7636000
Total	17976000

≤ 1.05

Weighted average price cap control formula satisfied since:

1049

≤ 1.05

Annexure 6 p_{ij}^t for DUOS Tariffs and Network Tariffs for first Year of Regulatory Control Period

In the table below, the difference between each Network Tariff (in the last column) and its corresponding DUOS Tariff (in the middle column) is the Transmission Cost Recovery Tariff for that Network Tariff.

EnergyAustralia

Tariff name	DUOS Tariff	Network Tariff
Domestic tariffs		
010, 210 Domestic		
Fixed Charge (\$ pa)	42.82	42.82
Usage charge – Non-TOU (c/kWh)	3.23	3.98
30, 250 Controlled Load 1		
Fixed Charge (\$ pa)	4.03	4.03
Usage charge – Non-TOU (c/kWh)	-	0.35
40, 260 Controlled Load 2		
Fixed Charge (\$ pa)	4.03	4.03
Usage charge – Non-TOU (c/kWh)	1.29	1.95
20, 230 Domestic TOU		
Fixed Charge (\$ pa)	63.68	63.68
Usage charge – Peak (c/kWh)	3.97	5.43
Usage charge – Shoulder (c/kWh)	4.55	5.17
Usage charge – Off Peak (c/kWh)	0.14	0.52
25 LV Energy40 TOU system		
Fixed Charge (\$ pa)	63.68	63.68
Usage charge – Peak (c/kWh)	6.80	8.26
Usage charge – Shoulder (c/kWh)	1.38	2.00
Usage charge – Off Peak (c/kWh)	0.14	0.52
26 LV Energy40 TOU substation		
Fixed Charge (\$ pa)	63.68	63.68
Usage charge – Peak (c/kWh)	6.25	7.94
Usage charge – Shoulder (c/kWh)	1.28	1.90
Usage charge – Off Peak (c/kWh)	0.14	0.52
Interruptible Load		
Fixed Charge (\$ pa)	60.76	60.76
Usage charge – Peak (c/kWh)	5.51	5.78
Usage charge – Shoulder (c/kWh)	1.13	1.40
Usage charge – Off Peak (c/kWh)	0.08	0.35

EnergyAustralia

Tariff name	DUOS Tariff	Network Tariff
Non-domestic tariffs		
130, 390 ST kVA Dem TOU		
Fixed Charge (\$ pa)	1,769.91	1,790.11
Usage charge – Peak (c/kWh)	0.33	1.30
Usage charge – Shoulder (c/kWh)	0.20	0.84
Usage charge – Off Peak (c/kWh)	0.04	0.40
Demand – Peak (kVA per month)	0.46	0.59
Demand – Shoulder (kVA per month)	0.28	0.28
Demand – Off Peak (kVA per month)	0.07	0.07
Capacity – Peak (kVA per month)	0.39	0.51
Capacity – Shoulder (kVA per month)	0.25	0.25
Capacity – Off Peak (kVA per month)	0.06	0.06
120, 380 HV kVA Dem TOU (Substation)		
Fixed Charge (\$ pa)	1,536.47	1,556.96
Usage charge – Peak (c/kWh)	0.81	1.78
Usage charge – Shoulder (c/kWh)	0.50	1.14
Usage charge – Off Peak (c/kWh)	0.10	0.46
Demand – Peak (kVA per month)	0.51	0.67
Demand – Shoulder (kVA per month)	0.31	0.31
Demand – Off Peak (kVA per month)	0.08	0.08
Capacity – Peak (kVA per month)	0.45	0.58
Capacity – Shoulder (kVA per month)	0.25	0.25
Capacity – Off Peak (kVA per month)	0.06	0.06
110, 370 HV kVA Dem TOU (System)		
Fixed Charge (\$ pa)	1,536.47	1,556.96
Usage charge – Peak (c/kWh)	0.80	1.79
Usage charge – Shoulder (c/kWh)	0.50	1.14
Usage charge – Off Peak (c/kWh)	0.09	0.45
Demand – Peak (kVA per month)	0.98	1.13
Demand – Shoulder (kVA per month)	0.64	0.64
Demand – Off Peak (kVA per month)	0.21	0.21
Capacity – Peak (kVA per month)	0.91	1.04
Capacity – Shoulder (kVA per month)	0.54	0.54
Capacity – Off Peak (kVA per month)	0.17	0.17
100, 350 HV Business TOU		
Fixed Charge (\$ pa)	1,556.96	1,556.96
Usage charge – Peak (c/kWh)	5.89	7.28
Usage charge – Shoulder (c/kWh)	3.54	4.18
Usage charge – Off Peak (c/kWh)	0.77	1.13
80, 320 LV kVA Dem TOU (Substation)		
Fixed Charge (\$ pa)	465.55	486.05
Usage charge – Peak (c/kWh)	1.24	2.23

EnergyAustralia

Tariff name	DUOS Tariff	Network Tariff
Usage charge – Shoulder (c/kWh)	0.77	1.43
Usage charge – Off Peak (c/kWh)	0.19	0.56
Demand – Peak (kVA per month)	1.04	1.22
Demand – Shoulder (kVA per month)	0.96	0.96
Demand – Off Peak (kVA per month)	0.32	0.32
Capacity – Peak (kVA per month)	0.92	1.08
Capacity – Shoulder (kVA per month)	0.80	0.80
Capacity – Off Peak (kVA per month)	0.26	0.26
303 LV cap TOU (Substation)		
Fixed Charge (\$ pa)	375.88	375.88
Usage charge – Peak (c/kWh)	2.74	3.73
Usage charge – Shoulder (c/kWh)	1.91	2.57
Usage charge – Off Peak (c/kWh)	0.81	1.18
Capacity – Peak (kVA per month)	0.86	1.20
Capacity – Shoulder (kVA per month)	0.56	0.56
Capacity – Off Peak (kVA per month)	0.19	0.19
291 LV Business TOU (Substation)		
Fixed Charge (\$ pa)	406.63	406.63
Usage charge – Peak (c/kWh)	6.13	7.59
Usage charge – Shoulder (c/kWh)	3.22	3.88
Usage charge – Off Peak (c/kWh)	1.15	1.52
70, 310 LV kVA Dem TOU (System)		
Fixed Charge (\$ pa)	587.43	607.93
Usage charge – Peak (c/kWh)	1.21	2.23
Usage charge – Shoulder (c/kWh)	0.76	1.43
Usage charge – Off Peak (c/kWh)	0.18	0.56
Demand – Peak (kVA per month)	1.06	1.22
Demand – Shoulder (kVA per month)	0.96	0.96
Demand – Off Peak (kVA per month)	0.32	0.32
Capacity – Peak (kVA per month)	0.94	1.08
Capacity – Shoulder (kVA per month)	0.80	0.80
Capacity – Off Peak (kVA per month)	0.26	0.26
302 LV kW cap TOU (System)		
Fixed Charge (\$ pa)	513.86	513.86
Usage charge – Peak (c/kWh)	2.71	3.73
Usage charge – Shoulder (c/kWh)	1.90	2.57
Usage charge – Off Peak (c/kWh)	0.80	1.18
Capacity – Peak (kVA per month)	0.93	1.20
Capacity – Shoulder (kVA per month)	0.56	0.56
Capacity – Off Peak (kVA per month)	0.19	0.19

EnergyAustralia

Tariff name	DUOS Tariff	Network Tariff
60, 290 LV Business TOU (System)		
Fixed Charge (\$ pa)	577.55	577.55
Usage charge – Peak (c/kWh)	6.18	7.59
Usage charge – Shoulder (c/kWh)	3.21	3.88
Usage charge – Off Peak (c/kWh)	1.14	1.52
50, 270 LV Business non-TOU		
Fixed Charge (\$ pa)	127.73	127.73
Usage charge – Peak (c/kWh)	3.24	3.98
CU Constant unmetered		
Usage charge – Non-TOU (c/kWh)	2.66	3.28
EL EnergyLight		
Usage charge – Non-TOU (c/kWh)	2.21	2.70
SL Public Lighting		
Usage charge – Non-TOU (c/kWh)	2.21	2.70

In the table below, the difference between each Network Tariff (in the last column) and its corresponding DUOS Tariff (in the middle column) is the Transmission Cost Recovery Tariff for that Network Tariff.

Integral Energy Australia

Tariff name	DUOS Tariff	Network Tariff
Domestic tariffs		
10/F10 Domestic		
Fixed Charge (\$pa)	65.70	65.70
Usage charge – Non-TOU (c/kWh)	4.31	4.97
20/F50 Controlled Load 1		
Fixed Charge (\$pa)	7.30	7.30
Usage charge – Non-TOU (c/kWh)	0.10	0.49
31/F54 Controlled Load 2		
Fixed Charge (\$pa)	7.30	7.30
Usage charge – Non-TOU (c/kWh)	1.07	1.55
F10-5 Domestic Type 5 Tariff (New in 2002)		
Fixed Charge (\$pa)	160.60	160.60
Usage charge – Peak (c/kWh)	5.93	6.79
Usage charge – Shoulder (c/kWh)	5.93	6.79
Usage charge – Off Peak (c/kWh)	1.88	2.26
Non-domestic tariffs		

Integral Energy Australia

Tariff name	DUOS Tariff	Network Tariff
F80/N90 General Supply Non TOU		
Fixed Charge (\$pa)	65.70	65.70
Usage charge – Non-TOU (c/kWh)	3.86	4.48
F82/N84 General Supply TOU		
Fixed Charge (\$pa)	102.2	102.2
Usage charge – Peak (c/kWh)	4.90	5.76
Usage charge – Shoulder (c/kWh)	4.90	5.76
Usage charge – Off Peak (c/kWh)	1.16	1.55
F82-5 GS TOU Type 5 Tariff (New in 2002)		
Fixed Charge (\$pa)	171.55	171.55
Usage charge – Peak (c/kWh)	5.72	6.58
Usage charge – Shoulder (c/kWh)	5.72	6.58
Usage charge – Off Peak (c/kWh)	1.78	2.16
F19/N19 LV TOU Demand		
Fixed Charge (\$pa)	1,832.30	1,832.30
Usage charge – Peak (c/kWh)	0.48	1.34
Usage charge – Shoulder (c/kWh)	0.48	1.34
Usage charge – Off Peak (c/kWh)	0.001	0.39
Demand Non-TOU (kVA per month)	6.07	6.07
F29/N29 HV TOU Demand		
Fixed Charge (\$pa)	2,854.30	2,854.30
Usage charge – Peak (c/kWh)	0.45	1.28
Usage charge – Shoulder (c/kWh)	0.45	1.28
Usage charge – Off Peak (c/kWh)	0.0009	0.37
Demand Non-TOU (kVA per month)	4.53	4.53
F39/N39 ST TOU Demand		
Fixed Charge (\$pa)	3,660.95	3660.95
Usage charge – Peak (c/kWh)	0.38	1.19
Usage charge – Shoulder (c/kWh)	0.38	1.19
Usage charge – Off Peak (c/kWh)	0.0007	0.37
Demand Non-TOU (kVA per month)	3.21	3.21
Streetlighting		
Usage charge – Non-TOU (c/kWh)	3.69	4.17
Nightwatch		
Usage charge – Non-TOU (c/kWh)	2.12	2.60

In the table below, the difference between each Network Tariff (in the last column) and its corresponding DUOS Tariff (in the middle column) is the Transmission Cost Recovery Tariff for that Network Tariff.

Country Energy

Tariff Name		DUOS Tariff	NUOS Tariff
Tariffs with single consumption charge (including controlled load tariffs)			
BLNC1AR	LV Network Controlled Load 1 All CE Areas Rural		
	Fixed Charge (\$ per year)	6.5007	6.5007
	Usage Charge - non time of use (c/KWh)	-	0.9380
BLNC1AU	LV Network Controlled Load 1 All CE Areas Urban		
	Fixed Charge (\$ per year)	13.0013	13.0013
	Usage Charge - non time of use (c/KWh)	-	0.8810
BLNC1SR	LV Network Controlled Load 1 Southern Rural		
	Fixed Charge (\$ per year)	13.8773	13.8773
	Usage Charge - non time of use (c/KWh)	(0.4320)	0.5060
BLNC1SU	LV Network Controlled Load 1 Southern Urban		
	Fixed Charge (\$ per year)	10.0594	10.0594
	Usage Charge - non time of use (c/KWh)	(0.4320)	0.4490
BLNC2AR	LV Network Controlled Load 2 All CE Areas Rural		
	Fixed Charge (\$ per year)	13.8773	13.8773
	Usage Charge - non time of use (c/KWh)	1.2900	2.2990
BLNC2AU	LV Network Controlled Load 2 All CE Areas Urban		
	Fixed Charge (\$ per year)	13.8773	13.8773
	Usage Charge - non time of use (c/KWh)	1.2610	2.2100
BLNC2CR	LV Network Controlled Load 2 Central Rural		
	Fixed Charge (\$ per year)	13.8773	13.8773
	Usage Charge - non time of use (c/KWh)	1.3480	2.3570
BLNC2SU	LV Network Controlled Load 2 Southern Urban		
	Fixed Charge (\$ per year)	4.0588	4.0588
	Usage Charge - non time of use (c/KWh)	1.3700	2.3180
BLNC3NR	LV Network Controlled Load 3 Northern Rural		
	Fixed Charge (\$ per year)	23.9513	23.9513
	Usage Charge - non time of use (c/KWh)	2.3370	3.3460
BLNC3NU	LV Network Controlled Load 3 Northern Urban		
	Fixed Charge (\$ per year)	23.9513	23.9513
	Usage Charge - non time of use (c/KWh)	2.3940	3.3430

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLNC4AR	LV Network Controlled Load 1 Business All CE Areas Rural		
	Fixed Charge (\$ per year)	24.6777	24.6777
	Usage Charge - non time of use (c/KWh)	-	0.9380
BLNC4AU	LV Network Controlled Load 1 Business All CE Areas Urban		
	Fixed Charge (\$ per year)	24.6777	24.6777
	Usage Charge - non time of use (c/KWh)	-	0.8810
BLNC4CR	LV Network Controlled Load 1 Business Central Rural		
	Fixed Charge (\$ per year)	22.4293	22.4294
	Usage Charge - non time of use (c/KWh)	-	0.9380
BLNC5AR	LV Network Controlled Load 2 Business All CE Areas Rural		
	Fixed Charge (\$ per year)	24.6777	24.6777
	Usage Charge - non time of use (c/KWh)	1.2330	2.2420
BLNC5AU	LV Network Controlled Load 2 Business All CE Areas Urban		
	Fixed Charge (\$ per year)	24.6777	24.6777
	Usage Charge - non time of use (c/KWh)	1.2950	2.2430
BLNC5CR	LV Network Controlled Load 2 Business Central Rural		
	Fixed Charge (\$ per year)	22.4293	22.4293
	Usage Charge - non time of use (c/KWh)	1.2950	2.3040
BLNC6NR	LV Network Controlled Load 3 Business Northern Rural		
	Fixed Charge (\$ per year)	77.6063	77.6063
	Usage Charge - non time of use (c/KWh)	2.5510	3.5600
BLNC6NU	LV Network Controlled Load 3 Business Northern Urban		
	Fixed Charge (\$ per year)	77.6063	77.6063
	Usage Charge - non time of use (c/KWh)	2.6120	3.5600
BLNE1AR	LV Network Export Business non TOU All CE Areas Rural		
	Usage Charge - non time of use (c/KWh)	-	(0.4046)
BLNE1AU	LV Network Export Business non TOU All CE Areas Urban		
	Usage Charge - non time of use (c/KWh)	1.2440	(0.4046)
BLNE2AR	LV Network Export Domestic non TOU All CE Areas Rural		
	Usage Charge - non time of use (c/KWh)	-	(0.4046)
BLNE2AU	LV Network Export Domestic non TOU All CE Areas Urban		
	Usage Charge - non time of use (c/KWh)	-	(0.4046)

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLNN1AR	LV Network Non-TOU All CE Areas Rural Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	176.6637 6.4830	176.6637 7.7150
BLNN1AU	LV Network Non-TOU All CE Areas Urban Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	126.7244 6.2310	126.7244 7.3880
BLNN1NP	LV Network Non-TOU Northern Zone 1 Region C Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	210.9773 5.7340	210.9773 6.9660
BLNN2AR	LV Network Non-TOU Domestic All CE Areas Rural Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	116.9971 5.5050	116.9971 6.7230
BLNN2AU	LV Network Non-TOU Domestic All CE Areas Urban Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	90.1258 4.3310	90.1258 5.4760
BLNN2CR	LV Network Non-TOU Domestic Central Rural Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	167.6153 5.5050	167.6153 6.7230
BLNN2NO	LV Network Non-TOU Domestic Northern Zone 2 Region C & Zone 3 Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	116.9971 5.5050	116.9971 6.7230
BLNN2SP	LV Network Non-TOU Domestic Southern Rural Residential South West Zone 1 Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	142.3464 4.9560	142.3464 6.1750
BLNN2SQ	LV Network Non-TOU Domestic Southern Rural Residential South West Zone 2 Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	161.5198 4.6380	161.5198 5.8570
BLNN2SR	LV Network Non-TOU Domestic Southern Rural Fixed Charge (\$ per year) Usage Charge - non time of use (c/KWh)	115.5663 2.6680	115.5663 3.8870

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLNN2ST	LV Network Non-TOU Domestic Southern Rural Residential Southern Riverina Zone 2		
	Fixed Charge (\$ per year)	173.5174	173.5174
	Usage Charge - non time of use (c/KWh)	3.3470	4.5660
BLNN2SU	LV Network Non-TOU Domestic Southern Urban		
	Fixed Charge (\$ per year)	80.3438	80.3438
	Usage Charge - non time of use (c/KWh)	3.1840	4.3290
BLNN2SV	LV Network Non-TOU Domestic Southern Rural Residential Tumut River		
	Fixed Charge (\$ per year)	115.5663	115.5663
	Usage Charge - non time of use (c/KWh)	3.3470	4.5660
BLNN2SW	LV Network Non-TOU Domestic Southern Rural Residential Murray River		
	Fixed Charge (\$ per year)	107.3465	107.3465
	Usage Charge - non time of use (c/KWh)	2.6680	3.8870
BLNN2SX	LV Network Non-TOU Domestic Southern Rural Residential Monaro		
	Fixed Charge (\$ per year)	109.3467	109.3467
	Usage Charge - non time of use (c/KWh)	4.9560	6.1750
BLNN2SY	LV Network Non-TOU Domestic Southern Rural Residential Southern Tablelands		
	Fixed Charge (\$ per year)	107.3465	107.3465
	Usage Charge - non time of use (c/KWh)	4.2810	5.5000
BLNN2SZ	LV Network Non-TOU Domestic Southern Rural Residential Northern Riverina		
	Fixed Charge (\$ per year)	142.3464	142.3464
	Usage Charge - non time of use (c/KWh)	4.9560	6.1750
BLNN3AO	LV Network Non-TOU Unmetered All CE Areas Other		
	Fixed Charge (\$ per year)	-	90.1258
	Usage Charge - non time of use (c/KWh)	-	5.4760
BLNN3CO	LV Network Non-TOU Unmetered Central Other		
	Fixed Charge (\$ per year)	-	108.1897
	Usage Charge - non time of use (c/KWh)	-	8.3420
BLNN4CR	LV Network Non-TOU Irrigation Central Rural		
	Fixed Charge (\$ per year)	369.4530	369.4530
	Usage Charge - non time of use (c/KWh)	5.3300	6.5620

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLNP1AO	LV Network Public Lighting NUOS All CE Areas Other		
	Fixed Charge (\$ per year)	73.6753	73.6753
	Usage Charge - non time of use (c/KWh)	4.2420	5.3100
BLNP1CO	LV Network public lighting NUOS Central Other		
	Fixed Charge (\$ per year)	73.6753	73.6753
	Usage Charge - non time of use (c/KWh)	4.2010	5.3100
Time of Use Tariffs (other than controlled load)			
BLNP3AO	LV Network Public Lighting TOU NUOS All CE Areas Other		
	Fixed Charge (\$ per year)	-	-
	Usage charge - peak (c/KWh)	5.9210	9.5410
	Usage charge - shoulder (c/KWh)	5.0840	7.9170
	Usage charge - off peak (c/KWh)	2.0540	4.6980
BHND1CO	HV Network 1 Rate Demand Central Other		
	Fixed Charge (\$ per year)	3,242.7549	3,242.7549
	Usage charge - peak (c/KWh)	1.1290	2.9410
	Usage charge - shoulder (c/KWh)	1.3430	2.3860
	Usage charge - off peak (c/KWh)	0.4240	1.2840
	Demand - non time of use (\$/KVA per month)	4.8392	4.8392
BHND1SO	HV Network 1 Rate Demand Southern Other		
	Usage charge - peak (c/KWh)	0.9480	2.7590
	Usage charge - shoulder (c/KWh)	1.7130	2.4020
	Usage charge - off peak (c/KWh)	0.9860	1.8450
	Demand - non time of use (\$/KVA per month)	3.5589	3.5589
	Capacity - non time of use (\$/KVA per month)	1.5032	1.5032
BHND3AO	HV Network 3 Rate Demand Option 1 All CE Areas Other		
	Fixed Charge (\$ per year)	1,991.2356	1,991.2356
	Usage charge - peak (c/KWh)	0.4360	2.2470
	Usage charge - shoulder (c/KWh)	1.2010	2.0210
	Usage charge - off peak (c/KWh)	0.3640	1.2240
	Demand - peak (\$/KVA per month)	3.8379	3.8379
	Demand - shoulder (\$/KVA per month)	2.7363	2.7363
	Demand - off peak (\$/KVA per month)	1.0907	1.0907
BHNE3AO	HV Network Network Export TOU All CE Areas Other		
	Fixed Charge (\$ per year)	-	-
	Usage charge - peak (c/KWh)	-	0.8630
	Usage charge - shoulder (c/KWh)	-	0.8630
	Usage charge - off peak (c/KWh)	-	-

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BHNS1AO	HV Network Seasonally Adjusted Demand All CE Areas Other		
	Fixed Charge (\$ per year)	1,991.2356	1,991.2356
	Usage charge - peak (c/KWh)	0.4360	2.2470
	Usage charge - shoulder (c/KWh)	1.2010	2.0210
	Usage charge - off peak (c/KWh)	0.3640	1.2240
	Demand - peak (\$/KVA per month)	4.0856	4.0856
	Demand - shoulder (\$/KVA per month)	2.9120	2.9120
	Demand - off peak (\$/KVA per month)	1.1646	1.1646
BHTD1SO	HV Substation Terminals 1 Rate Demand Southern Other		
	Usage charge - peak (c/KWh)	0.8890	2.7010
	Usage charge - shoulder (c/KWh)	1.6550	2.3490
	Usage charge - off peak (c/KWh)	0.9510	1.8100
	Demand - non time of use (\$/KVA per month)	3.4403	3.4403
	Capacity - non time of use (\$/KVA per month)	1.4341	1.4341
BLNB2NR	LV Network Non-TOU 2 block Northern Rural		
	Fixed Charge (\$ per year)	119.9208	119.9208
	Usage Charge – step 1 (c/KWh)	6.1180	7.3504
	Usage Charge - step 2 (c/KWh)	7.2596	8.4920
BLND1CO	LV Network 1 Rate Demand Central Other		
	Fixed Charge (\$ per year)	2,458.7751	2,458.7751
	Usage charge - peak (c/KWh)	1.1240	2.9800
	Usage charge - shoulder (c/KWh)	1.3350	2.4040
	Usage charge - off peak (c/KWh)	0.3760	1.2560
	Demand - non time of use (\$/KVA per month)	7.2878	7.2878
BLND1NO	LV Network 1 Rate Demand Northern Other		
	Fixed Charge (\$ per year)	81.1030	81.1030
	Usage charge - peak (c/KWh)	0.2960	2.1520
	Usage charge - shoulder (c/KWh)	1.0800	2.1480
	Usage charge - off peak (c/KWh)	0.2480	1.1280
	Demand - non time of use (\$/KVA per month)	20.1886	20.1886
BLND1SR	LV Network 1 Rate Demand Southern Rural		
	Usage charge - peak (c/KWh)	3.5090	5.4840
	Usage charge - shoulder (c/KWh)	4.3440	5.4810
	Usage charge - off peak (c/KWh)	1.0760	2.0130
	Demand - non time of use (\$/KVA per month)	5.2760	5.2760
	Capacity - non time of use (\$/KVA per month)	2.0148	2.0148

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLND1SU	LV Network 1 Rate Demand Southern Urban		
	Usage charge - peak (c/KWh)	2.1460	4.0020
	Usage charge - shoulder (c/KWh)	2.9240	3.9920
	Usage charge - off peak (c/KWh)	1.0630	1.9420
	Demand - non time of use (\$/KVA per month)	4.8081	4.8081
	Capacity - non time of use (\$/KVA per month)	1.9255	1.9255
BLND3AO	LV Network 3 Rate Demand Option 1 All CE Areas Other		
	Fixed Charge (\$ per year)	1,671.8789	1,671.8789
	Usage charge - peak (c/KWh)	0.1900	2.0450
	Usage charge - shoulder (c/KWh)	0.9730	2.0420
	Usage charge - off peak (c/KWh)	0.1420	1.0210
	Demand - peak (\$/KVA per month)	4.8670	4.8670
	Demand - shoulder (\$/KVA per month)	4.1352	4.1352
	Demand - off peak (\$/KVA per month)	1.7022	1.7022
BLND4AO/ BLND4NO	LV Network 3 Rate Demand Option 2 All CE Area Other		
	Fixed Charge (\$ per year)	1,671.8789	1,671.8789
	Usage charge - peak (c/KWh)	3.6080	5.4640
	Usage charge - shoulder (c/KWh)	4.3920	5.4600
	Usage charge - off peak (c/KWh)	3.0230	3.9020
	Demand - peak (\$/KVA per month)	3.2430	3.2430
	Demand - shoulder (\$/KVA per month)	2.7527	2.7527
	Demand - off peak (\$/KVA per month)	1.1297	1.1297
BLNS1AO	LV Network Seasonally Adjusted Demand All CE Areas Other		
	Fixed Charge (\$ per year)	1,839.0562	1,839.0562
	Usage charge - peak (c/KWh)	0.3940	2.2490
	Usage charge - shoulder (c/KWh)	1.1780	2.2460
	Usage charge - off peak (c/KWh)	0.2440	1.1240
	Demand - peak (\$/KVA per month)	5.3532	5.3532
	Demand - shoulder (\$/KVA per month)	4.5513	4.5513
	Demand - off peak (\$/KVA per month)	1.8697	1.8697
BLNT1AO	LV Network TOU over 100 MWh/yr All CE Areas Other		
	Fixed Charge (\$ per year)	1,044.4621	1,044.4621
	Usage charge - peak (c/KWh)	5.9900	7.8460
	Usage charge - shoulder (c/KWh)	5.4180	6.4860
	Usage charge - off peak (c/KWh)	2.4740	3.3530

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLNT1SR	LV Network TOU over 100 MWh/yr Southern Rural		
	Fixed Charge (\$ per year)	629.3914	629.3914
	Usage charge - peak (c/KWh)	4.6310	6.6060
	Usage charge - shoulder (c/KWh)	5.5490	6.6860
	Usage charge - off peak (c/KWh)	2.3990	3.3350
BLNT1SU	LV Network TOU over 100 MWh/yr Southern Urban		
	Fixed Charge (\$ per year)	431.7439	431.7439
	Usage charge - peak (c/KWh)	3.6160	5.4710
	Usage charge - shoulder (c/KWh)	3.6160	4.6840
	Usage charge - off peak (c/KWh)	1.4220	2.3020
BLNT2AR	LV Network TOU 100 MWh/yr or less. All CE Areas Rural		
	Fixed Charge (\$ per year)	675.1697	675.1697
	Usage charge - peak (c/KWh)	4.1960	6.1710
	Usage charge - shoulder (c/KWh)	5.0300	6.1670
	Usage charge - off peak (c/KWh)	2.1340	3.0710
BLNT2AU	LV Network TOU 100 MWh/yr or less. All CE Areas Urban		
	Fixed Charge (\$ per year)	528.5492	528.5492
	Usage charge - peak (c/KWh)	3.1080	4.9630
	Usage charge - shoulder (c/KWh)	3.8910	4.9600
	Usage charge - off peak (c/KWh)	1.7390	2.6180
BLNT3AR	LV Network TOU Domestic All CE Areas Rural		
	Fixed Charge (\$ per year)	129.4728	129.4728
	Usage charge - peak (c/KWh)	6.2150	8.1900
	Usage charge - shoulder (c/KWh)	7.0530	8.1900
	Usage charge - off peak (c/KWh)	3.8150	4.7520
BLNT3AU	LV Network TOU Domestic All CE Areas Urban		
	Fixed Charge (\$ per year)	92.3450	92.3450
	Usage charge - peak (c/KWh)	1.9200	6.5800
	Usage charge - shoulder (c/KWh)	2.6670	6.5380
	Usage charge - off peak (c/KWh)	0.0510	2.9170
BLNT3SM	LV Network TOU Domestic Southern Rural Residential Southern Riverina Zone 1		
	Fixed Charge (\$ per year)	92.3450	92.3450
	Usage charge - peak (c/KWh)	4.6050	6.5800
	Usage charge - shoulder (c/KWh)	5.4010	6.5380
	Usage charge - off peak (c/KWh)	1.9800	2.9170

Country Energy

	Tariff Name	DUOS Tariff	NUOS Tariff
BLNT3SR	LV Network TOU Domestic Southern Rural		
	Fixed Charge (\$ per year)	182.5438	182.5438
	Usage charge - peak (c/KWh)	5.4440	7.4190
	Usage charge - shoulder (c/KWh)	5.4440	6.5810
	Usage charge - off peak (c/KWh)	3.2280	4.1650
BLNT3SU	LV Network TOU Domestic Southern Urban		
	Fixed Charge (\$ per year)	129.4728	129.4728
	Usage charge - peak (c/KWh)	1.4180	3.2730
	Usage charge - shoulder (c/KWh)	1.2850	2.3530
	Usage charge - off peak (c/KWh)	-	0.8800
BLNT4AR	LV Network 2 rate time of use (obsolete, use shoulder rate for peak) All CE Areas Rural		
	Fixed Charge (\$ per year)	675.1697	675.1697
	Usage charge - shoulder (c/KWh)	5.0300	6.1710
	Usage charge - off peak (c/KWh)	2.1340	3.0710
BLNT4AU	LV Network 2 rate time of use (obsolete, use shoulder rate for peak) All CE Areas Urban		
	Fixed Charge (\$ per year)	528.5492	528.5492
	Usage charge - shoulder (c/KWh)	5.4350	4.9630
	Usage charge - off peak (c/KWh)	2.2060	2.6180
BLNT4CR	LV Network 2 rate time of use (obsolete, use shoulder rate for peak) Central Rural		
	Fixed Charge (\$ per year)	730.8979	730.8979
	Usage charge - shoulder (c/KWh)	5.3670	6.5040
	Usage charge - off peak (c/KWh)	2.1490	3.0850
BLNT5AO	LV Network TOU Irrigation All CE Areas Other		
	Fixed Charge (\$ per year)	3.1850	4.9630
	Usage charge - shoulder (c/KWh)	3.9360	4.9600
	Usage charge - off peak (c/KWh)	1.7750	2.6180

In the table below, the difference between each Network Tariff (in the last column) and its corresponding DUOS Tariff (in the middle column) is the Transmission Cost Recovery Tariff for that Network Tariff.

Australian Inland Energy Water Infrastructure

Tariff name	DUOS Tariff	Network Tariff
D Domestic		
Fixed Charge (\$pa)	44.54	44.54
Usage charge – Non-TOU (c/kWh)	2.95	4.82
OP Off-peak – Tariff 1		
Fixed Charge (\$pa)	7.32	7.32
Usage charge – Non-TOU (c/kWh)	(0.22)	1.08
OPRE Off-peak - extended		
Fixed Charge (\$pa)	7.32	7.32
Usage charge – Non-TOU (c/kWh)	0.72	2.43
RU Rural (Residential)		
Fixed Charge (\$pa)	115.44	115.44
Usage charge – Non-TOU (c/kWh)	4.62	6.49
Non-domestic tariffs		
GS General Supply		
Fixed Charge (\$pa)	86.64	86.64
Usage charge – Non-TOU (c/kWh)	5.20	7.17
GS1 General Supply - Irrigation		
Fixed Charge (\$pa)	86.64	86.64
Usage charge – Non-TOU (c/kWh)	3.60	5.28
OP Off-peak – Tariff 1		
Fixed Charge (\$pa)	7.32	7.32
Usage charge – Non-TOU (c/kWh)	(0.22)	1.08
OP2 Off-peak - extended		
Fixed Charge (\$pa)	7.32	7.32
Usage charge – Non-TOU (c/kWh)	0.72	2.43
IS Institution		
Fixed Charge (\$pa)	57.60	57.60
Usage charge – Non-TOU (c/kWh)	3.36	5.28
RUB Rural (Business)		
Fixed Charge (\$pa)	115.42	115.42
Usage charge – Non-TOU (c/kWh)	4.61	6.49

Australian Inland Energy Water Infrastructure

Tariff name	DUOS Tariff	Network Tariff
TLD Time of Day – LV Demand		
Fixed Charge (\$pa)	2,019.24	2,019.24
Usage charge – Peak (c/kWh)	3.43	5.41
Usage charge – Shoulder (c/kWh)	2.75	4.73
Usage charge – Off Peak (c/kWh)	0.90	1.7
Demand charge- Peak (\$/KVA per month)	8.16	9.62
THD Time of Day – HV Demand		
Fixed Charge (\$pa)	14,423.40	14,423.40
Usage charge – Peak (c/kWh)	1.39	3.37
Usage charge – Shoulder (c/kWh)	0.04	2.03
Usage charge – Off Peak (c/kWh)	0.21	1.01
Demand charge- Peak (\$/KVA per month)	5.82	7.22
TLV Time of Use – General LV		
Fixed Charge (\$pa)	1,442.40	1,442.40
Usage charge – Peak (c/kWh)	8.52	10.82
Usage charge – Shoulder (c/kWh)	4.26	6.76
Usage charge – Off Peak (c/kWh)	2.07	3.37
THV Time of Use – General HV		
Fixed Charge (\$pa)	14,423.40	14,423.40
Usage charge – Peak (c/kWh)	6.76	6.76
Usage charge – Shoulder (c/kWh)	4.43	4.43
Usage charge – Off Peak (c/kWh)	2.70	2.70
TBI Time of Day – BH Irrigation		
Fixed Charge (\$pa)	1,442.40	1,442.40
Usage charge – Peak (c/kWh)	8.52	10.82
Usage charge – Shoulder (c/kWh)	4.26	6.76
Usage charge – Off Peak (c/kWh)	2.07	3.37
TI2W 2-rate TOU – WW Irrigation		
Fixed Charge (\$pa)	1,442.40	1,442.40
		-
Usage charge – Peak (c/kWh)	8.52	10.82
Usage charge – Shoulder (c/kWh)	8.32	10.82
Usage charge – Off Peak (c/kWh)	2.07	3.37
WP Water Pumping - WW		
Fixed Charge (\$pa)	1,442.40	1,442.40
Usage charge – Peak (c/kWh)	10.82	10.82
Usage charge – Off Peak (c/kWh)	6.76	6.76

Australian Inland Energy Water Infrastructure

Tariff name	DUOS Tariff	Network Tariff
S Sewerage Pumping		
Fixed Charge (\$pa)	1,442.40	1,442.40
Usage charge – Peak (c/kWh)	10.82	10.82
Usage charge – Off Peak (c/kWh)	6.76	6.76
SL Street Lighting		
Fixed Charge (\$pa)	201.84	201.84
Usage charge – Non-TOU (c/kWh)	3.75	5.28
Floodlighting		
Fixed Charge (\$pa)	201.84	201.84
Usage charge – Non-TOU (c/kWh)	5.28	5.28
PH Process Heat		
Fixed Charge (\$pa)	201.84	201.84
Usage charge – Non-TOU (c/kWh)	3.46	5.28

Annexure 6A Confidential DUOS Tariffs and Network Tariffs

The prices for the purpose of this annexure (which are confidential to the DNSP to which they relate) are the prices listed in a document retained by the Tribunal in confidence, bearing an identification to indicate that it is a document retained for the purpose of this annexure of the Determination.

Annexure 7 Transmission Overs and Unders Account rules

1. Introduction

- (a) As indicated in clause 6.2 of this Determination, each DNSP is required to maintain an account entitled "Transmission Overs and Unders Account", (called "**Account**" in this annexure).
- (b) This annexure sets out the rules that must be followed by a DNSP in administering the Account and in notifying the Tribunal of permitted entries made in the Account.

2. Entries in Transmission Overs and Unders Account

A DNSP must make the following entries in its Account for each Year (the "**Recording Year**") of the Regulatory Control Period:

- (a) the opening balance for the Recording Year which will be, subject to paragraph 3, the closing balance of the previous Recording Year;
- (b) the amount that results from multiplying (a) by 9.7%;
- (c) an amount representing the Audited revenue from Transmission Cost Recovery Tariffs charged by the DNSP to its Distribution Customers in respect of the Recording Year, less the Audited amounts of all Transmission Related Payments made by the DNSP in respect of that Recording Year;
- (d) the amount that results from multiplying half of the amount in (c) by 9.7%; and
- (e) the closing balance of the Account for the Recording Year which will be the sum of 2(a), (b), (c) and (d).

3. Opening balance of the first Year

For the purpose of clause 2, the opening balance of the first Year of the Regulatory Control Period will be taken to be the amount calculated under clause 6.2(b) of the Determination.

4. Notifying the Tribunal

On or before submitting its Annual Pricing Proposal to the Tribunal for the Year commencing after the commencement of the Recording Year, a DNSP must notify the Tribunal of each of the entries referred to in clause 2 for the Recording Year to which those entries relate, together with details of how those entries were calculated.

5. Positive and negative amounts

- (a) For the avoidance of doubt, in this annexure, amounts may be either positive amounts or negative amounts and when added to each other, subtracted from each other or multiplied by another number may also yield, as the case may, positive amounts or negative amounts.

- (b) Where an entry in the Account is required by clause 2, the entry must indicate whether the amount entered is a positive amount or a negative amount.

6. Interpretation

Example of Transmission Over and Under Account Operation¹

ACTUAL UNDER/OVER RECOVERY IN EACH YEAR		2005	2006	2007
fin yr ending 30 June		Actual	Actual	Actual
(a) Revenue from Transmission Recovery Tariffs ²	000s	170,000	165,000	168,000
Transmission Related Payments				
Transmission charges paid to TNSPs	000s	155,000	157,000	160,000
avoided TUOS payments approved by Tribunal	000s	5,000	3,000	4,000
Inter-distributor payments paid to DNSPs	000s	7,000	8,000	3,000
(b) Total Transmission related payments	000s	167,000	168,000	167,000
(c) Over recovery +ve/ (under-recovery)	000s	3,000	(3,000)	1,000
UNDERS AND OVERS ACCOUNT				
Interest rate applicable to interest charge/credit	%	9.70%	9.70%	9.70%
(d) Opening balance ³	000s	-	3,146	305
(e) interest on opening balance (365 days)	000s	-	305	30
(f) Over /(under) recovery for financial year	000s	3,000	(3,000)	1,000
(g) Interest on over/under recovery	000s	146	(146)	49
(h) Closing balance carried forward	000s	3,146	305	1,383

Note 1: All numbers used in this example are for illustration only.

Note 2: The revenue from Transmission Cost Recovery Tariffs recorded in the over and under account is equal to actual (transmission cost recovery tariffs *volume sold).

Note 3: This assumes that zero is the amount that results from the application of clause 6.2(b) of this Determination.

**Annexure 8 Distribution Unders and Overs Account forecast
closing balances (as at 30 June 2004)**

DNSP Forecast Over / Under Recovery of Revenue as at 30 June 2004				
\$M	Energy Australia	Integral Energy Australia	Country Energy	Australian Inland Energy Water Infrastructure
Over / (under) recovery	99.2	73.0	(1.7)	(3.2)

Annexure 9 Price limit factors

The value of "L" for each DNSP for each Year of the Regulatory Control Period, for the purposes of clause 7.1 of this Determination, is as follows:

EnergyAustralia	0.07 for the first Year of the Regulatory Control Period; and 0.045 for each Year thereafter
Integral Energy Australia	0.07 for the first Year of the Regulatory Control Period; and 0.045 for each Year thereafter
Country Energy	0.07 for the first Year of the Regulatory Control Period; and 0.045 for each Year thereafter
Australian Inland Energy Water Infrastructure	0.07 for the first Year of the Regulatory Control Period; and 0.045 for each Year thereafter

Annexure 10 DNSP Public Consultation Procedures

1. Introduction

A DNSP is required to undertake public consultation in accordance with this clause in all cases where this Determination requires the DNSP to undertake public consultation. That is, in each of the following circumstances:

- (a) Before introducing a New Tariff Component;
- (b) In relation to the draft Network Strategy Statement; and
- (c) In relation to amendments to the Final Network Strategy Statement.

2 Maintaining register of interested persons

- (a) A DNSP must maintain a register ("**Register of Interested Persons**") which must contain a list of persons who have expressed an interest in being placed on the register or who the DNSP considers, because of the person's background, qualifications, interest or experience should be placed on the register.
- (b) The Register of Interested Persons must be updated as often as is necessary to ensure the currency of the information it contains and at least once in each Year.
- (c) A DNSP must place a notice on its website alerting persons to the existence of the Register of Interested Persons and details of how a person may apply to the DNSP to have their name placed on the register.

3 Minimum public consultation requirements

- (a) In undertaking public consultation a DNSP must comply with the following requirements:
 - (1) it must place a notice on its website advising that it is undertaking public consultation and provide details of how persons may obtain information about the matters on which it is consulting or otherwise participate in the public consultation;
 - (2) it must make available on its website (and in hard copy if requested by a person) all relevant information or documents relating to the matters on which it is consulting, other than details of its confidential Network Tariffs;
 - (3) it must provide the information in paragraph 3(a)(1) to each person on the Register of Interested Persons;
 - (4) it must invite persons (including those on its Register of Interested Persons) to make submissions to the DNSP and it must afford them at least 10 Working Days in which to do so from the date that it first makes the relevant information or documents available under paragraph 3(a)(2);
 - (5) it must consider all submissions it receives and prepare a document that summarises the submissions and the issues raised by the

submissions and provide a copy of that document with the next Annual Pricing Proposal to the Tribunal; and

- (6) it must comply with any other public consultation requirements of which it receives notice from the Tribunal.
- (b) A DNSP may do anything to facilitate public consultation that is not inconsistent with the requirements of 3(a).

4 Consulting on New Tariff Components

In undertaking public consultation in relation to 1(a) introducing the information to be made available in accordance with paragraph 3(a)(2) must include the following:

- (a) whether the DNSP proposes to introduce a New Tariff Component;
- (b) details of the New Tariff Component, including the criteria that must be satisfied before the New Tariff Component applies;
- (c) details of the objectives of the New Tariff Component and of how it will comply with the Pricing Principles in **Annexure 13**, including by indicating the subsidy free prices (stand alone and incremental costs) and the cost of supply and the cost allocation methodology applied;
- (d) details of the Distribution Customers affected or likely to be affected and the impact on a typical Distribution Customer;
- (e) details of whether it is likely to create material adjustment costs for some Distribution Customers and the identify of those Distribution Customers by reference to the class to which they belong;
- (f) details of what options the DNSP proposes (including management options and transitional measures) to address the impact of the material adjustment costs in 4(e);
- (g) details of the impact on the revenue of the DNSP including an estimate of that impact based on existing consumption and forecast consumption and details of the methodology used to estimate that impact; and
- (h) any other requirements of which it receives notice from the Tribunal.

Annexure 11 Tribunal's assessment of reasonable estimates

When assessing the reasonableness of the estimates required to be provided under clauses 8 and 9 of this Determination, the Tribunal will take the following information into account:

- (1) The Audited quantities sold in relevant units under each Origin Tariff or Origin Tariff Component in previous Years.
- (2) A forecast of the number of Distribution Customers that the DNSP states they will assign to the New Tariff Component or the Replacement Tariff and the reasons for the above.
- (3) A forecast of the number of Distribution Customers that the DNSP expects will remain on each Origin Tariff or on each Origin Tariff Component.
- (4) A forecast of the quantities that the DNSP expects will be sold, in relevant units, to those Distribution Customers that are to be assigned to the New Tariff Component or the Replacement Tariff.
- (5) A forecast of the quantities that the DNSP expects will be sold, in relevant units, to those Distribution Customers that will remain on the Origin Tariff or each Origin Tariff Component.
- (6) A forecast of the DUOS Tariff and associated revenue the DNSP expects will be payable by those Distribution Customers that will be assigned to the the New Tariff Component or the Replacement Tariff.
- (7) A forecast of the DUOS Tariff and associated revenue the DNSP expects will be payable by those Distribution Customers that will remain on each Origin Tariff or each Origin Tariff Component.
- (8) Further information as required by the Tribunal to support the above.

Annexure 12 Smoothed revenue requirements

Smoothed revenue requirement for a DNSP per Year and average annual smoothed revenue requirement for a DNSP (\$ million, nominal)

	2004/ 2005	2005/2006	2006/2007	2007/2008	2008/2009	Average annual smoothed revenue
EnergyAustralia	729.8	772.1	818.6	872.9	928.7	824.4
Integral Energy Australia	487.2	519.2	550.2	586.2	623.0	553.2
Country Energy	481.6	515.9	551.2	588.4	627.1	552.8
Australian Inland Water Infrastructure	14.4	15.4	16.4	17.5	18.7	16.5

Annexure 13 Pricing Principles

1. All prices set by DNSPs for Prescribed Distribution Service Charges to which these Pricing Principles apply ("Prices") must be consistent with the requirements of this Determination which apply to those Charges (including, without limitation, any price limits under clause 7).
2. Prices should be based on a well-defined and clearly explained methodology.
3. Price development should incorporate an analysis of the cost of service provision that includes:
 - (a) definition of the classes of service provided and the parameters by which the quantum and standard of service in each class are measured;
 - (b) an examination of the cost elements that arise from the use, operation and expansion of the network;
 - (c) for each class of service and each cost element, identification of the relationship between the quantum and standard of service provided and the level of current and future cost;
 - (d) an allocation of existing and future network costs to service classes;
 - (e) the translation of allocated costs into service prices at the defined service standard; and
 - (f) estimates of the range of subsidy-free prices for each service class.
4. Prices are to signal the economic costs of service provision by:
 - (a) being subsidy free (ie between incremental costs and stand alone costs)
 - (b) having regard to the level of available service capacity; and
 - (c) signalling the impact of additional usage on future investment costs.
5. Where prices based on 'efficient' incremental costs under-recover allowed revenues, the shortfall should be made up in a manner that minimises the effect on consumption and investment while having regard to the impact on users.
6. Provided that economic costs are covered, prices should be responsive to the requirements and circumstances of users in order to:
 - (a) discourage uneconomic bypass; and
 - (b) allow negotiation to better reflect the economic value of specific services, including services associated with embedded generation and other options
7. When allocating TUOS Charges to Distribution Customers, DNSPs should, to the extent possible, preserve the pricing signals present in the structure of TUOS Charges.
8. Information on customer class price levels and structures, service standards, underlying costs, price derivation methods and rationale and medium term price and service strategies should be publicly disclosed in order to allow:
 - (a) current and potential users to understand the basis for prices and to take account of prices and service standards in their consumption, investment and location decisions

- (b) interested parties to better assess the range of economic opportunities for meeting user requirements, including through services associated with embedded generation, demand management and other options that may reduce users' costs and lead to more efficient outcomes.
- 9. Underlying service classifications, cost data, cost allocations and other elements that contribute to pricing decisions should be periodically reviewed and updated where relevant to reflect industry developments and changes in user requirements and preferences, methods of service provision and costs.
- 10. Where DNSP price strategies lead to proposed price movements or price restructuring that may be expected to impose significant adjustment costs on Distribution Customers, transitional price options, a phased approach or other measures should be offered to assist in the management of adjustment costs.

Annexure 14 Network Strategy Statement information requirements

The Draft Network Strategy Statement (and the Final Network Strategy Statement) prepared by a DNSP under clause 12 must:

- (1) include a description of Network Tariffs, customer classes and regions for pricing, including a description of components of tariffs such as the demand, energy and fixed components;
- (2) set out the DNSP's approach to calculating the prices and setting Network Tariffs, including an explanation of the regulatory arrangements, the cost allocation methodologies, the approach to allocating 'shared' costs, cost of supply modelling, and allocation of Transmission Related Payments to Network Tariffs;
- (3) set out the DNSP's medium term pricing strategies for each Network Tariff and/or customer class. This includes proposed tariff reform and proposed changes to the level or structure of Network Tariffs;
- (4) demonstrate compliance with the Pricing Principles (including an estimate of the range of subsidy-free prices for each Network Tariff and how the range has been determined);
- (5) demonstrate how the prices relate to the proposed capital expenditure program, demand management initiatives expected consumption and maximum demand over the medium term;
- (6) outline the expected levels of service;
- (7) forecast financial performance of the network business of the DNSP over the medium term.

The above information must be provided in accordance with any guidelines published by the Tribunal from time to time, specifying the manner in which the information is to be provided.

Annexure 15 Timetable for Annual Pricing Proposals

Action	Due Date
1. DNSPs to submit to the Tribunal (for the Year $t+1$): - Annual Pricing Proposals - Annual Prices Report	First Monday in April of the year t <i>(or date otherwise set by the Tribunal)</i>
2 Tribunal to notify DNSPs whether satisfied/not-satisfied	20 Working Days after first Monday in April of the year t <i>(or date otherwise set by the Tribunal)</i>
3 Final date for DNSPs to submit an alternative Annual Pricing Proposal and/or Annual Prices Report to the Tribunal (for the Year $t+1$)	23 Working Days after first Monday in April of the year t <i>(or date otherwise set by the Tribunal)</i>
4 Final date for Tribunal to notify whether satisfied/not satisfied with alternative Annual Pricing Proposal and/or Annual Prices Report	31 May of the year t
5 Final date for DNSP to publish notice of prices and Compliant Annual Prices Report for the Year $t+1$ under clause 12.5 (e) (unless default pricing arrangements under clause 12.7 apply)	5 Working Days after being notified by the Tribunal of its satisfaction about the matters in clause 12.5(c)
6 Commencement of network price changes	1 July of the Year $t+1$

Annexure 16 Annual Pricing Proposal information requirements

The Annual Pricing Proposal submitted by a DNSP under clause 12 for each Year during the Regulatory Control Period (Year $t+1$, for the purposes of this annexure) must contain:

- the information set out below, in a form determined by the Tribunal; and
- any other information required by the Tribunal to satisfy itself that the DNSP's Annual Pricing Proposal complies with this Determination.

1. Information to demonstrate compliance with weighted average price cap (clause 5) and price limits for Network Tariffs (clause 7)

- (1) The prices charged by the DNSP for each component of each of the DNSP's Network Tariffs, DUOS Tariffs, Miscellaneous Service Charges, Monopoly Service Charges and Emergency Recoverable Works Charges in Year t (being the Year immediately preceding the Year $t+1$).
- (2) The proposed prices to be charged by the DNSP for each component of each of the DNSP's Network Tariffs, DUOS Tariffs, Miscellaneous Service Charges, Monopoly Service Charges and Emergency Recoverable Works Charges in Year $t+1$.
- (3) Audited quantities (or reasonable estimates where applicable), of each component of each of the DNSP's Network Tariffs and DUOS Tariffs charged by the DNSP in Year $t-1$ (being the Year immediately preceding the Year t).
- (4) Audited revenues received from all Monopoly Service Charges, Miscellaneous Service Charges and Emergency Recoverable Works Charges charged by the DNSP in the Year $t-1$.
- (5) The DNSP's calculation of D_{t+1} (for the Year $t+1$) for the purposes of clause 5.2 of the Determination, in accordance with clause 11.3 of the Determination.
- (6) The DNSP's application of the weighted average price control formula set out in clause 5.2 to all of its DUOS Tariffs, Miscellaneous Service Charges, Monopoly Service Charges and Emergency Recoverable Works Charges proposed for the Year $t+1$ (together with all supporting calculations and information necessary to demonstrate the DNSP's compliance with all of the requirements of clause 5).
- (7) The DNSP's application of the price limit formula set out in clause 7.1 to each of its Network Tariffs proposed for the Year $t+1$ (together with all supporting calculations and information necessary to demonstrate the DNSP's compliance with all of the requirements of clause 7).

2. Information to demonstrate compliance with Transmission Cost Recovery Tariff requirements (clause 6)

- (1) The Audited closing balance of the DNSP's Transmission Overs and Unders Account for the Year $t-1$ (as notified by the Tribunal under clause 6.3).

- (2) The DNSP's Forecasted Transmission Related Payments for the Year t and Year $t+1$ for each of the following Transmission Related Payments (setting out the quantities and prices for each component of each type of Transmission Related Payment which the DNSP reasonably expects to pay in that Year):
 - (a) TUOS Charges payable to TNSPs;
 - (b) Avoided TUOS Charges payable to Embedded Generators and MNSPs (including details of the methodology applied in calculating the Avoided TUOS Charges); and
 - (c) payments to be made to other DNSPs (for Distribution Services provided by those DNSPs).
- (3) The DNSP's forecasts of all revenue to be collected from all Transmission Cost Recovery Tariffs charged in respect of the Year t and proposed to be charged in respect of the Year $t+1$ (together with details of the basis of those forecasts).
- (4) The DNSP's Forecasted Transmission Overs and Unders Account Closing Balance for the Year t and Year $t+1$.
- (5) Any Transmission Recovery Amount proposed by the DNSP for the Year $t+1$ (assuming that the Tribunal will not allow any departure from clause 7.1 for that Year under clause 7.9).
- (6) Any request by the DNSP for the Tribunal to allow a departure from clause 7.1 for the Year $t+1$ under clause 7.9, when approving any Transmission Recovery Amount under clause 6.4 (specifying the extent of the departure sought and its effect on the Transmission Recovery Amount proposed by the DNSP).

Annexure 17 Annual Prices Report information requirements

An Annual Prices Report submitted by a DNSP under clause 12 must:

- (1) list proposed prices for Network Tariffs and Miscellaneous Services Charges, Monopoly Service Charges and Recoverable Works Charges;
- (2) discuss the forthcoming changes in network tariffs, the prices, structure or associated criteria, and any new or obsolete Network Tariffs, and the reasons for the change;
- (3) explain how the prices are set and meet the regulatory arrangements, including price limits on Network Tariffs and the weighted average price cap control formula, and provide for the recovery of Transmission Related Payments;
- (4) demonstrate the impact of the forthcoming changes in the Network Tariffs on typical customer's bills, including disclosing forecast average prices (based on typical bill categories);
- (5) confirm and demonstrate that the prices are consistent with the Pricing Principles and the information in the final Network Strategy Statement;
- (6) outline the expected levels of service and projected capital expenditure projects that will occur for the coming Year;
- (7) outline the expected consumption for major customer classes and maximum demand for the coming Year; and
- (8) include any other information required by the Tribunal to satisfy itself that the Annual Prices Report complies with this Determination.

The above information must be provided in accordance with any guidelines published by the Tribunal from time to time, specifying the manner in which the information is provided.

Regulation of Excluded Distribution Services

Rule 2004/1

June 2004

1. Background

1.1 Power to make Rule

- (a) The Tribunal, as the Jurisdictional Regulator under the Code, is responsible for the regulation of distribution service pricing in New South Wales (Code clauses 6.10.1(b) and 9.16.3(b)).
- (b) In relation to distribution services which are not prescribed distribution services (deemed to be "excluded distribution services"), the form of regulation to be applied is to be more "light-handed" than for prescribed distribution services and the Tribunal as Jurisdictional Regulator must determine the form of regulation that is to apply to them (Code clause 6.10.4(b)).
- (c) The Tribunal may also formulate guidelines and rules to apply to distribution service pricing (Code clause 6.10.1(f)).
- (d) This Rule is made by the Tribunal pursuant to its powers under clauses 6.10.4(b) and 6.10.1(f) of the Code and so as to fulfil its obligations under clause 6.10.4(b) to determine the form of regulation to apply to excluded distribution services.

1.2 Period of Rule

This Rule (as amended or replaced by the Tribunal from time to time) applies from 1 July 2004 until 30 June 2009 inclusive, (the "**Regulatory Control Period**").

1.3 Application of Rule

This Rule applies to the following DNSP's:

- (a) EnergyAustralia;
- (b) Integral Energy Australia;
- (c) Country Energy; and
- (d) Australian Inland Energy Water Infrastructure.

1.4 Definitions and interpretation

- (a) Definitions of words and expressions used in this Rule are set out in **Annexure 1**.
- (b) Rules of interpretation which apply to this Rule are also set out in **Annexure 1**.

2. Economic regulatory arrangements for excluded distribution services

2.1 Economic regulation of excluded distribution services

For the purposes of clause 6.10.4(b) of the Code, the Tribunal determines that for the duration of the Regulatory Control Period:

- (a) the Excluded Services Regulatory Arrangements set out in clause 2.2 is the form of regulation which will apply to all Excluded Distribution Services, except for:
 - (1) the construction and maintenance of Public Lighting Infrastructure; and
 - (2) any Excluded Distribution Services which the Tribunal determines under clause 2.4(c) have satisfied the Competition Test in **Annexure 2**;
- (b) the Public Lighting Regulatory Arrangements set out in clause 2.3 is the form of regulation which will apply to the construction and maintenance Public Lighting Infrastructure; and
- (c) there will be no form of regulation applying to any Excluded Distribution Services which the Tribunal determines under clause 2.4(c) have satisfied the Competition Test.

2.2 Excluded Services Regulatory Arrangements

- (a) Any DNSP providing Excluded Distribution Services to which this clause applies (by virtue of clause 2.1) must comply with the following requirements:
 - (1) **pricing principles:** the DNSP must use its reasonable endeavours to comply with the following pricing principles :
 - (A) prices are to signal the economic costs of service provision by being subsidy free (ie between incremental costs and stand alone costs); and
 - (B) the underlying service classifications, cost data, cost allocations and other elements that contribute to the prices charged by the DNSP for these Excluded Distribution Services should be periodically reviewed and updated where relevant to reflect industry developments and changes in user requirements and preferences, methods of service provision and costs;
 - (2) **information disclosure:** the DNSP must make available to any person to whom those Excluded Distribution Services are provided and on its website for downloading (and must provide to the Tribunal upon request) a written document or documents :
 - (A) accurately describing the Excluded Distribution Services;

- (B) setting out the standard prices and rates at which they are provided by the DNSP, or (where it is not reasonably practicable to determine standard prices or rates), the methodology by which the prices or rates may be determined; and
 - (C) setting out the terms and conditions on which they are provided by the DNSP.
- (b) Each DNSP must provide the Tribunal with such information as the Tribunal may require to enable the Tribunal to investigate any complaint received by the Tribunal concerning any alleged non-compliance with this clause 2.2 by the DNSP.
 - (c) Subject to clause 2.2(d), the obligation of a DNSP to comply with the information disclosure requirements of clause 2.2(a)(2) is suspended until 1 October 2004.
 - (d) If prior to 1 October 2004 a DNSP applies to the Tribunal for a determination under clause 2.4 (that an Excluded Distribution Service provided by the DNSP satisfies the Competition Test), then the obligation of the DNSP to comply with the information disclosure requirements of clause 2.2(a)(2) in relation to the Excluded Distribution Service to which the application relates (but not in relation to an Excluded Distribution Service which is not the subject of the application), is suspended until the later of:
 - (1) 1 October 2004; and
 - (2) the date that the Tribunal notifies the DNSP under clause 2.4(e).

2.3 Public Lighting Regulatory Arrangements

- (a) Any DNSP undertaking the construction or maintenance of Public Lighting Infrastructure must comply with all of the following requirements:
 - (1) **clause 2.2(a) requirements:** the DNSP must comply with each of the requirements set out in clauses 2.2(a)(1) and (2);
 - (2) **additional information requirements:** no later than two months prior to changing its prices for the construction or maintenance of Public Lighting Infrastructure, the DNSP must provide to the Tribunal a report setting out the following information:
 - (A) the overall costs of the construction and maintenance of Public Lighting Infrastructure that has been undertaken by the DNSP (during the period since the commencement of the Regulatory Control Period or the publication of the last report under this clause, whichever is the later), together with the basis of the costing methodology used by the DNSP to calculate those costs;
 - (B) the service standards allowed for by the DNSP (for the provision of those Excluded Distribution Services during the same period) having regard to those costs;

- (C) any prospective changes in the DNSP's prices or rates for the construction or maintenance of Public Lighting Infrastructure and an explanation of the reasons for the prospective changes; and
 - (D) an explanation of how the DNSP has considered the impact of its prospective price change on customers and how it has structured its prospective prices to take account of those impacts.
- (3) **customer impact:** if the DNSP's prospective price changes for the construction and maintenance of Public Lighting Infrastructure would reasonably be expected to impose significant adjustment costs on those that must bear those price changes, the DNSP must implement transitional price options, a phased approach or other measures (whether as part of its prospective price changes or otherwise) which in the Tribunal's opinion are reasonable necessary to mitigate the effects of those adjustment costs, having regard to the nature and extent of those adjustment costs and the prospective changes.
- (b) Each DNSP must provide the Tribunal with such information as the Tribunal may require to enable the Tribunal to investigate any complaint received by the Tribunal concerning any alleged non-compliance with this clause by the DNSP.
 - (c) On each occasion that the Tribunal receives a report referred to in clause 2.3(a)(2), the Tribunal will assess whether the relevant DNSP's has complied with the requirements of this clause 2.3.
 - (d) A DNSP must provide the Tribunal with such information and assistance as may be required by the Tribunal to enable it to undertake the assessment in clause 2.3(c).
 - (e) If the Tribunal is not satisfied that a DNSP has complied with all the requirements of this clause 2.3:
 - (1) the Tribunal may require that the DNSP submit alternative prices for the construction and maintenance of Public Lighting Infrastructure for the Tribunal to assess whether those alternative prices comply with all of the requirements of clause 2.3; and
 - (2) the prices and terms and conditions for the construction and maintenance of Public Lighting Infrastructure will remain the same as those prevailing immediately prior to the price change proposed by the DNSP until the DNSP submits alternative prices under clause 2.3(e)(1) which in the Tribunal's assessment complies with all of the requirements of this clause 2.3.
 - (f) No later than one month (or such time as the Tribunal may permit) prior to charging:
 - (1) (where the Tribunal has assessed the DNSP as complying with all of the requirements of clause 2.3) – the prices assessed by the Tribunal; or

- (2) (where the Tribunal is not satisfied that the DNSP has complied with all of the requirements of this clause 2.3) – the prices prevailing immediately prior to the price change as referred to in clause 2.3(e),

the DNSP must publish on its website and make available in hard copy, a list of those prices together with the information provided to the Tribunal under clause 2.3 (a)(2)(B), (C) and (D).

- (g) This clause does not apply to the construction and maintenance of Public Lighting Infrastructure by a DNSP if it is undertaken by the DNSP under an enforceable agreement between the DNSP and a Public Lighting Infrastructure Customer and the following conditions have been satisfied:
 - (1) the agreement is the result of negotiations only between the DNSP and the Public Lighting Infrastructure Customer (or by persons on their behalf); and
 - (2) the agreement applies only to the construction and maintenance of Public Lighting Infrastructure provided by the DNSP to that Public Lighting Infrastructure Customer named in the agreement and not to the construction and maintenance of Public Lighting Infrastructure provided by the DNSP to other persons (irrespective of whether those other persons are or are not Public Lighting Infrastructure Customers).
- (h) Nothing in this Rule prevents or restricts the Tribunal engaging in public consultation (with such persons and in a such a manner as it may determine) to assist the Tribunal in assessing whether the prices proposed by the DNSP for the construction or maintenance of Public Lighting Infrastructure, comply with the requirements of this clause 2.3.

2.4 Application of the Competition Test to Excluded Distribution Services

- (a) At any time during the Regulatory Control Period, a DNSP may apply to the Tribunal for a determination under this clause that any Excluded Distribution Services provided by the DNSP (except for the construction or maintenance of Public Lighting Infrastructure) satisfy the Competition Test set out in **Annexure 2**.
- (b) Any such application made by a DNSP must:
 - (3) demonstrate how the Excluded Distribution Services the subject of the application satisfy the Competition Test;
 - (4) address the matters specified in **Annexure 2**; and
 - (5) include any other information reasonably required by the Tribunal to enable it to consider the application and to determine it in accordance with this clause.
- (c) Within 2 months (or such further period as the Tribunal considers reasonable) of receiving an application under this clause, the Tribunal will determine (in its sole discretion) whether or not the Excluded Distribution Services the subject of the application satisfy the Competition Test.

- (d) In determining an application under this clause, the Tribunal will have regard to:
 - (1) the information set out in the application;
 - (2) the provisions of the Code, including without limitation clause 6.10.4; and
 - (3) the Tribunal's own assessment of the Excluded Distribution Services the subject of the application against the Competition Test.
- (e) The Tribunal will notify the DNSP of its determination under clause 2.4(c) as soon as practicable after it has made its determination.

Annexure 1: Definitions and Interpretation

1. Definitions

In this Rule the following words and expressions have the following meanings, unless the context requires otherwise:

Code has the meaning given to that term in the National Electricity (NSW) Law.

Competition Test means the competition test described in Annexure 2.

Determination means the document identified as a determination, published by the Tribunal on or about the date of this Rule applying to the regulation of distribution service pricing in New South Wales pursuant to the Tribunal's obligations as Jurisdictional Regulator under the Code.

DNISP means Distribution Network Service Provider, as defined in the Code.

Excluded Distribution Services means the distribution services referred to in clause 2.1 of the Determination namely Customer Funded Connections, Customer Specific Services, Type 1 to 4 Metering Services and the construction and maintenance of Public Lighting Infrastructure.

Excluded Services Regulatory Arrangements means the arrangements described in clause 2.2.

Prescribed Distribution Services means the prescribed distribution services referred to in clause 2.1 of the Determination, including (without limitation) the services referred to in clause 2.2 of the Determination.

Public Lighting Infrastructure has the meaning given to that expression in the Determination, namely the structures, wiring, globes and other equipment:

- (1) used for, or associated with, the provision of public lighting to streets, roads and other public places; and
- (2) which are connected or attached to (or which form part of) a DNISP's Distribution System (as that term is defined in the Determination).

Public Lighting Infrastructure Customer means a person who requires services relating to the construction or maintenance of Public Lighting Infrastructure.

Public Lighting Regulatory Arrangements means the arrangements described in clause 2.3, applying to the construction and maintenance of Public Lighting Infrastructure.

Rule means this rule, as amended or replaced by the Tribunal from time to time.

Regulatory Control Period means the period from 1 July 2004 until 30 June 2009 inclusive referred to in clause 1.2.

Tribunal means the Independent Pricing and Regulatory Tribunal of New South Wales, established under the *Independent Pricing and Regulatory Tribunal Act 1992*.

Working Day means a day that is not a Saturday, Sunday or public holiday in New South Wales.

Year means any year commencing on 1 July and finishing on 30 June.

2 Interpretation

In this Rule, the following interpretative provisions will apply unless the context requires otherwise:

- (a) a reference to a clause or annexure (unless stated otherwise) is a reference to a clause or annexure of this Rule;
- (b) the singular includes the plural and vice versa;
- (c) in the event of any uncertainty, this Rule should be interpreted in a manner consistent with the Determination;
- (d) a reference to any legislation or the Code includes consolidations, amendments, variations, re-enactments or replacements of such legislation or the Code;
- (e) a reference to a person includes an individual, a body corporate, an unincorporated body or other entity and any one or more of each of them;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes and assigns.

Annexure 2: Competition Test

1. The **competition test** is satisfied in relation to an Excluded Distribution Service if there is effective competition in a market in which that Excluded Distribution Service is provided.
2. In applying the competition test regard is to be had to:
 - (a) the structural features of the market;
 - (b) the conduct of firms in the market; and
 - (c) where relevant, the principles established by courts and tribunals in applying and interpreting Part IV of the *Trade Practices Act 1974* (Cth) ("**TPA**").

3. Without limiting paragraph 2, in applying the competition test the following matters should be considered:

(a) **market definition**

The market will be defined in a manner consistent with s4E of the TPA. Without limitation, the following matters should be considered:

- (1) What is the relevant service under consideration and what are its substitutes?
- (2) What is the relevant geographical area?
- (3) How significant are travel costs? Do these preclude suppliers from outside the area from offering a competitive service? Do travel costs mean that there are groups of customers within a geographic area that might only be serviced by the DNSP?
- (4) What is the relevant functional dimension of the market?

(b) **The number of firms and the degree of market concentration**

- (1) How many firms are in the market?
- (2) What share of the market does the DNSP have and how has this changed over time?
- (3) How many other firms supply the market for the service? How do these firms' market shares compare to that of the DNSP?

(c) **Barriers to entry and exit**

These barriers might include:

- (1) presence of sunk costs;
- (2) legal or regulatory impediments;
- (3) information advantages for the incumbent;
- (4) access to scarce resources such as know-how and intellectual property;
- (5) customer inertia;

(6) switching and transaction costs.

(d) Potential competition

The extent to which the threat of new entry imposes a competitive discipline on incumbents in the market and their ability to exercise market power.

(e) Countervailing power

The degree of countervailing power in the market.

(f) Supplier behaviour

- (1) Has there been recent entry and/or exit of firms into the market?
- (2) Is there any evidence of changes in the way services have been delivered?
- (3) Is there any evidence that the DNSP's position as vertically integrated monopoly is affecting competition within the market?

(g) Customer outcomes

The customer is the ultimate beneficiary of effective competition in the market. Customer outcomes may be examined by considering without limitation, the following matters:

- (1) What has happened to prices for services in the market over time?
- (2) How do prices compare with comparable services offered in other areas?
- (3) Has service/product quality improved? Have there been any increases in the range of services/products on offer?
- (4) Are customers satisfied with the quality of service they are receiving? For example, what are the number of complaints received by the Tribunal and the New South Wales Energy and Water Ombudsman?

INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

Departure from the Price Limits

Rule 2004/2

June 2004

1. Background

1.1 Power to make Rule

- (a) The Tribunal, as the Jurisdictional Regulator under the Code, is responsible for the regulation of distribution service pricing in New South Wales (Code clauses 6.10.1(b) and 9.16.3(b)).
- (b) The Tribunal, as the Jurisdictional Regulator may also place limits on the annual variation in published distribution service prices (Code clause 6.14.4).
- (c) The Tribunal may also formulate guidelines and rules to apply to distribution service pricing (Code clause 6.10.1(f)).
- (d) This Rule is made by the Tribunal pursuant to its powers under clauses 6.14.4 and 6.10.1(f) of the Code, to specify (for the purpose of clause 7.9 of the Determination) the circumstances and manner in which the Tribunal may authorise a DNSP to depart from the Price Limit Formula in clause 7.1 of the Determination.

1.2 Period of Rule

This Rule (as amended or replaced by the Tribunal from time to time) applies from 1 July 2004 until 30 June 2009 inclusive, (the "**Regulatory Control Period**").

1.3 Application of Rule

This Rule applies to the following DNSP's:

- (a) EnergyAustralia;
- (b) Integral Energy Australia;
- (c) Country Energy; and
- (d) Australian Inland Energy Water Infrastructure.

1.4 Definitions and interpretation

- (a) Definitions of words and expressions used in this Rule are set out in **Annexure 1**.
- (b) Rules of interpretation which apply to this Rule are also set out in **Annexure 1**.

2. Departure from the Price Limits Formula

2.1 Criteria for Departing from Price Limit Formula

For the purposes of clause 7.9 of the Determination, the Tribunal may authorize a departure from the Price Limit Formula for Network Tariffs for a Year (referred to in this Rule as Year $t+1$) of the Regulatory Control Period, where the DNSP can demonstrate to the Tribunal satisfaction that:

- (a) the closing balance of the Transmission Overs and Unders Account for the Year t (being the Year which immediately precedes Year $t+1$) is forecast to be a negative amount and is reasonably forecast to be greater than 15 per cent of the Audited Transmission-Related Payments in respect of the previous Year (Year $t-1$); and
- (b) in the absence of an authorised departure under this Rule, the application of the Price Limit Formula in each Year of the Regulatory Control Period, is unlikely to result in a zero closing balance in the Transmission Overs and Unders Account as at the end of the Regulatory Control Period.

2.2 Application to Tribunal to depart from the Price Limit Formula

- (a) A DNSP may apply to the Tribunal for the Tribunal to authorize under clause 2.1, a departure from the Price Limit Formula for Network Tariffs for a Year.
- (b) The application must be made in writing and must be submitted to the Tribunal by the date that the DNSP is required to submit its Annual Pricing Proposal for that Year.

2.3 Information to be included in Application

A DNSP's application under clause 2.2 must contain the following information:

- (a) the Audited closing balance of the Transmission Overs and Unders Account for the Year $t-1$;
- (b) the forecast closing balance of the Transmission Overs and Unders Account for the Year t and for each subsequent Year during the Regulatory Control Period and the basis on which the forecasts for each of those Years was made;
- (c) in relation to paragraph (b), the forecast values for each of the Transmission Related Payments in respect of each Year, the assumptions on which the forecast is based and the latest available actual values of Transmission Related Payments for each Year;
- (d) in relation to paragraph (b), the forecast revenue from Transmission Cost Recovery Tariffs in respect of Year, the assumptions on which the forecast is based and the latest available actual revenue from Transmission Cost Recovery Tariffs for each Year;
- (e) the actual and forecast movement in individual Transmission Cost Recovery Tariffs and Network Tariffs for each subsequent Year during the Regulatory Control Period;

- (f) such information which the DNSP considers necessary to demonstrate to the satisfaction of the Tribunal the matters specified in clause 2.1;
- (g) the extent of the departure from the Price Limit Formula which the DNSP is seeking; and
- (h) such other information as the Tribunal may reasonably require.

2.4 Matters to be considered by Tribunal

In determining for the purpose of clause 2.1, whether to authorize a departure from the Price Limit Formula for Network Tariffs for a Year, the Tribunal will have regard to:

- (a) the likely size of the balance of the Transmission Overs and Unders Account as at the end of each Year of the Regulatory Control Period (given the objective of bringing the balance as close as reasonably possible to zero after taking into account the matters set out in clause 6.4(d) of the Determination);
- (b) the number of Years remaining in the Regulatory Control Period in which to return the balance of the Transmission Overs and Unders Account to zero;
- (c) the impact on Distribution Customers were it to authorize a departure from the Price Limit Formula;
- (d) the movement in Network Tariffs that has occurred in the Regulatory Control Period prior to the DNSP's application;
- (e) the movement in Network Tariffs that may result if the Price Limit Formula is departed from;
- (f) the objectives and principles for distribution network pricing in the Code, particularly the objectives and principles in Chapter 6, Part D; and
- (g) any other matters that it considers relevant.

2.5 Notifying DNSP and compliance with notification

- (a) As soon as reasonably practicable after considering a DNSP's application, the Tribunal will notify the DNSP whether it authorizes, for the purpose of clause 2.1, the DNSP to depart from the Price Limit Formula for the Year to which the application relates.
- (b) If the Tribunal authorizes a departure from the Price Limit Formula, the Tribunal's notification will specify (in addition to any other matter which the Tribunal considers reasonably necessary to give effect to its authorisation), the extent to which the DNSP may depart from the Price Limit Formula for the Year, which may be to greater or lesser extent than that for which the DNSP has applied.
- (c) If the Tribunal authorizes a departure from the Price Limit Formula, the DNSP must comply in all respects with the Determination as if the Price Limit Formula were read together with the Tribunal's authorization, as notified under this Rule.

- (d) If the Annual Pricing Proposal submitted by a DNSP for a Year is inconsistent with the Tribunal's notification under this clause, the DNSP may submit (by a time required by the Tribunal) an alternative Annual Pricing Proposal for that Year that is consistent with the notification.

Annexure 1: Definitions and Interpretation

1. Definitions

In this Rule the following words and expressions have the following meanings, unless the context requires otherwise:

Annual Pricing Proposal means an Annual Pricing Proposal submitted by a DNSP in accordance with clause 12 of the Determination.

Audited has the meaning given to that expression in the Determination.

Code has the meaning given to that term in the National Electricity (NSW) Law.

Determination means the document identified as a determination, published by the Tribunal on or about the date of this Rule applying to the regulation of distribution service pricing in New South Wales pursuant to the Tribunal's obligations as Jurisdictional Regulator under the Code.

Distribution Customer has the meaning given to that expression in the Determination.

DNSP means Distribution Network Service Provider, as defined in the Code.

Network Tariff has the meaning given to that expression the Determination.

Price Limit Formula means the formula set in clause 7.1 of the Determination.

Rule means this rule, as amended or replaced by the Tribunal from time to time.

Regulatory Control Period means the period from 1 July 2004 until 30 June 2009 inclusive referred to in clause 1.2.

Tribunal means the Independent Pricing and Regulatory Tribunal of New South Wales, established under the *Independent Pricing and Regulatory Tribunal Act 1992*.

Transmission Cost Recovery Tariffs has the meaning given to that expression in the Determination.

Transmission Overs and Unders Account for a DNSP means the Transmission Overs and Unders Account maintained by the DNSP under clause 6 of the Determination.

Transmission Related Payments means the Transmission Related Payments referred to in clause 3.4 of the Determination.

Year means any year commencing on 1 July and finishing on 30 June.

2 Interpretation

In this Rule, the following interpretative provisions will apply unless the context requires otherwise:

- (a) a reference to a clause or annexure (unless stated otherwise) is a reference to a clause or annexure of this Rule;
- (b) the singular includes the plural and vice versa;
- (c) in the event of any uncertainty, this Rule should be interpreted in a manner consistent with the Determination;
- (d) a reference to any legislation or the Code included consolidations, amendments, variations, re-enactments or replacements of such legislation or the Code;
- (e) a reference to a person includes an individual, a body corporate, an unincorporated body or other entity and any one or more of each of them;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes and assigns.