Powercor Australia Limited

2012 Pricing Proposal

17 November 2011

Shortened forms

Abbreviation	Definition or description
AER	Australian Energy Regulator
AMI	Advanced Metering Infrastructure
Augmentation	Investment in new network assets to meet increased demand
Capacity	The amount of energy that a part of the network is able to carry
Contestability	Customer choice of electricity supplier
Controlled Load	The DNSP controls the hours in which the supply is made available
Cost of Supply Model	Theoretical and algorithmic model used to calculate prices, which conform to the pricing goals
Demand	Energy consumption at a point in time
Demand Management	Attempt to modify demand behaviour so as to constrain demand at critical times
DPPC	Designated Pricing Proposal Charges
Distribution Network	The assets and service which links energy customers to the transmission network
Distributor, DNSP	Distribution Network Service Provider
Draft Decision	The Australian Energy Regulator's Draft Decision on Victoria - distribution determination 2011 to 2015, June 2010
DUoS	Distribution Use of System. The utilisation of the distribution network in the provision of electricity to consumers (a component of NUoS)
Final Decision	The Australian Energy Regulator's Final Decision on Victoria - distribution determination 2011 to 2015, October 2010
GP&L	General Power and Light
Guideline 14	Electricity Industry Guideline 14, Provision of Services by Electricity Distributors, 13 April 2004
High Voltage	Equipment or supplies at voltages of 22 or 11kV

Abbreviation	Definition or description
Inclining Block	A network tariff energy rate in which the rate increase above specific consumption thresholds
JSCR	Jurisdictional Scheme Cost Recovery
kVA, MVA	Kilo-volt amps and Mega-volt amps, units of instantaneous total electrical power demand. Usually the peak demand is referenced. See also PF for the relationship between power demand quantities
kVAr, MVAr	Kilo-volt amps (reactive) and Mega-volt amps (reactive) units of instantaneous reactive electrical power demand. Usually the peak demand is referenced. See also PF for the relationship between power demand quantities
kW, MW	Kilo-watts and Mega-watts, units of instantaneous real electrical power demand. Usually the peak demand is referenced. See also PF for the relationship between power demand quantities
kWh, MWh	Kilo-watt hours and Mega-watt hours, units of electrical energy consumption
Low Voltage	Equipment or supply at a voltage of 220 V single phase or 415 V, three phase
LRMC	Long Run Marginal Costs
Marginal Cost	The cost of providing a small increment of service. The Long Run Marginal Cost (LRMC) includes future investment; Short Run Marginal Cost (SRMC) considers only the costs involved without extra investment
Market Participant	Businesses involved in the electricity industry are referred to as Market or Code Participants
NEL	National Electricity Law
NEM	National Electricity Market
NUoS	Network Use of System. The utilisation of the total electricity network in the provision of electricity to consumers (NUoS = DUoS + DPPC + JSCR + Pass through)
Powercor Australia	Powercor Australia Ltd

Abbreviation	Definition or description
Power Factor (PF)	A measure of the ratio of real power to total power of a load. The relationship between real, reactive and total power is as follows: PF = Real Power (kW) / Total Power (kVA) Total Power (kVA) = $(kW^2 + kVAr^2)^{0.5}$
Price Signal	Prices set to convey a desired behaviour because of the costs associated with supplying the service
Price Structure	The components that make up a Price available to customers
Pricing Proposal	Powercor Australia's Pricing Proposal, submitted in accordance with the Rules (this document)
Retailer	A financially responsible market participant supplying electricity to customers
Rules	Australian Energy Market Commission, National Electricity Rules (NER), Version 45, 14 July 2011
Subtransmission	Equipment or supplies at voltage levels of 66kV
Supply Rate	The fixed daily cost component of a Network price
Tariff	A grouping of customers who are subject to the same network price components and conditions of supply
Tariff class	A class of customers for one or more direct control services who are subject to a particular tariff or particular tariffs
ToU	Time of Use, a system of pricing where energy or demand charges are higher in periods of peak utilisation of the network
Transmission Network	The assets and service that enable generators to transmit their electrical energy to population centres.
Unmetered supply	A connection to the distribution system which is not equipped with a meter and has estimated consumption. Connections to public lights, phone boxes, traffic lights and the like are not normally metered
WAPC	Weighted Average Price Cap, a form of regulatory price control, where the allowable price change is based on the weighted historic consumption of each price

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Powercor Australia – Pricing Proposal 2012

1 Introduction

Powercor Australia submits this Pricing Proposal to the AER, in accordance with the requirements of the Rules.

The period covered by this Pricing Proposal is the 2011-15 regulatory control period.

The Pricing Proposal covers all of Powercor Australia's direct control services.

1.1 National Electricity Rules

Clause 6.1.1 of the Rules confers responsibility on the AER for the economic regulation of distribution services provided by means of, or in connection with, distribution systems that form part of the national grid.

In accordance with clause 6.2.1 and 6.2.2 of the Rules, the AER has classified Powercor Australia's distribution services into the following three classes:

- direct control services;
- negotiated distribution services; and
- un-regulated distribution services.

Direct control services have been further divided into the following two subclasses:

- standard control services; and
- alternative control services.

This Pricing Proposal is relevant to all of the direct control services.

1.2 Scope of Powercor Australia's Pricing Proposal

Powercor Australia's Pricing Proposal sets out the proposed prices required to comply with the WAPC approved by the AER in the Final Decision.

This Pricing Proposal is submitted in accordance with, and complies with, the requirements of:

- the NEL;
- the Rules; and
- the AER's Final Decision.

1.3 Structure of Powercor Australia's Pricing Proposal

In Part I of the Rules, clause 6.18, sets out the requirements concerning distribution pricing. These requirements include the *pricing principles* which must be followed, the requirement for this Pricing Proposal, and the matters the Pricing Proposal must address.

The Final Decision has been made pursuant to clause 6.11.1 of the Rules. Several aspects of that determination impose requirements concerning distribution pricing, including:

- classification of services;

- the pricing control mechanism(s), X factors and side constraints;
- assigning and reassigning customers to tariff classes;
- recovery of transmission charges[1]; and
- recovery of jurisdictional scheme amounts.

This Pricing Proposal has been structured so as to allow compliance with the specific requirements of the Rules and the Final Decision to be readily ascertained.

Chapter		Purpose
2	Regulatory requirements	Summarises the regulatory requirements as they relate to Powercor Australia's Pricing Proposal including the relevant requirements of the Rules and the Final Decision
3	Business overview	Summarises the characteristics of Powercor Australia's network that provide the context for Powercor Australia's network tariff strategy.
4	Tariff classes	Defines the tariffs and tariff classes into which Powercor Australia's customers for direct control services are divided and their charging parameters.
5	Network tariff strategy	Outlines Powercor Australia's network tariff strategy and indicates how tariff charging parameters are expected to vary.
6	Standard control services tariffs	Describes the nature and extent of the change in Powercor Australia's DUoS tariffs between 2011 and 2012.
7	Customer impacts	Outlines the expected customer impacts of Powercor Australia's NUoS prices in 2012 and the system of reviewing those impacts throughout the regulatory control period.
8	Pricing of standard control services	Demonstrates that Powercor Australia's 2012 prices comply with the pricing X factors, side constraints and the NER Pricing Principles.
9	Recovery of designated pricing proposal charges	Sets out Powercor Australia's designated pricing proposal charges cost recovery tariff setting methodology and demonstrates adjustments made to the tariffs resulting from the actual recoveries of these charges in 2010 and subsequent rule changes made during 2011.
10	Recovery of jurisdictional scheme amounts	Sets out Powercor Australia's jurisdictional scheme cost recovery tariff setting methodology and demonstrates adjustments made to the tariffs resulting from the actual recoveries of these charges in 2009.
11	Customer tariff class assignment and reassignment	Sets out Powercor Australia's 2012 tariff assignment and reassignment strategy.
12	Alternative control services	Sets out Powercor Australia's tariffs for alternative control services.
Appendices		Separately provided.

Table 1 - Structure of Powercor Australia's Pricing Proposal

1.4 Confidential information

Powercor Australia has nominated some of the Appendices that constitute part of this Pricing Proposal as confidential.

Powercor Australia requests that the AER does not disclose the information contained in these confidential Appendices to any person outside of the AER.

[1] Subsequent to the final determination a rule change has arisen that will impact this submission. Which is the recovery of designated pricing proposal charges.

2 Regulatory requirements

This Chapter summarises the regulatory requirements pertaining to Powercor Australia's Pricing Proposal, including the relevant requirements of the Rules and those of the Final Decision.

2.1 Rules requirements

To comply with clause 6.18.2 of the Rules, Powercor Australia's Pricing Proposal must include the elements below.

6.18.2 Pricing proposals

(a) A *Distribution Network Service Provider* must:

(1) submit to the *AER*, as soon as practicable, and in any case within 15 *business days*, after *publication* of the distribution determination, a *pricing proposal* (the **initial *pricing proposal***) for the first *regulatory year* of the *regulatory control period*; and

(2) submit to the *AER*, at least 2 months before the commencement of the second and each subsequent *regulatory year* of the *regulatory control period*, a further *pricing proposal* (an **annual *pricing proposal***) for the relevant *regulatory year*.

(b) A *pricing proposal* must:

(1) set out the *tariff classes* that are to apply for the relevant *regulatory year*; and

(2) set out the proposed tariffs for each *tariff class*; and

(3) set out, for each proposed tariff, the *charging parameters* and the elements of service to which each *charging parameter* relates; and

(4) set out, for each *tariff class* related to *standard control services*, the expected weighted average revenue for the relevant *regulatory year* and also for the current *regulatory year*; and

(5) set out the nature of any variation or adjustment to the tariff that could occur during the course of the *regulatory year* and the basis on which it could occur; and

(6) set out how *designated pricing proposal charges* are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous *regulatory year*; and

(6A) set out how *jurisdictional scheme amounts* for each *approved jurisdictional scheme* are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts; and

(6B) describe how each *approved jurisdictional scheme* that has been amended since the *last jurisdictional scheme approval date* meets the *jurisdictional scheme eligibility criteria*; and

(7) demonstrate compliance with the *Rules* and any applicable distribution determination; and

(8) describe the nature and extent of change from the previous *regulatory year* and demonstrate that the changes comply with the *Rules* and any applicable distribution determination.

In accordance with clause 6.18.2(a) of the Rules, Powercor Australia is submitting this Pricing Proposal for the second year of the 2011-15 regulatory control period to the AER, within the required period.

This Pricing Proposal has been prepared by Powercor Australia in such a way as to demonstrate that it complies with all of the requirements of clause 6.18.2(b) of the Rules above.

The other relevant sections of the Rules that have been addressed in formulating this Pricing Proposal are as follows:

6.18.3 Tariff classes

6.18.4 Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging

6.18.5 Pricing principles

6.18.6 Side constraints on tariffs for standard control services

6.18.7 Recovery of designated pricing proposal charges

6.18.7A Recovery of jurisdictional scheme amounts

6.18.8 Approval of pricing proposal

6.18.9 Publication of information about tariffs and tariff classes

Reference to these clauses has been made in the appropriate sections of this Pricing Proposal, to demonstrate how Powercor Australia has complied with each applicable Rules provision.

2.2 Requirements of the Final Decision

The Final Decision has been made pursuant to the provisions contained in clause 6.11.1 of the Rules. It imposes a number of requirements that are relevant to a Pricing Proposal. The relevant requirements are in the following chapters and appendices of the Final Decision:

Chapter 2	Classification of services
Appendix B	Service Classification
Chapter 4	Control mechanism for standard control services
Appendix F	Transmission tariffs and jurisdictional schemes
Chapter 15	Service target performance incentive scheme
Chapter 16	Cost pass throughs
Appendix E.3	Calculation of the pass through factor

Chapter 18	Building block revenue requirements
Chapter 19	Public lighting
Chapter 20	Other alternative control services
Appendix Q	Alternative control prices and labour rates

Where it is necessary to demonstrate that Powercor Australia has complied with a requirement of the Final Decision, reference to the relevant component of the Final Decision has been made in the appropriate section of this Pricing Proposal.

2.3 Principal elements of the Final Decision

The principal elements of the Final Decision pertaining to direct control services (comprising standard and alternative control services) are outlined in this section.

Weighted Average Price Cap for standard control services

In Chapter 4 section 4.5.1 of the Final Decision, the AER has determined the WAPC formula to apply to Powercor Australia's standard control services for the next regulatory control period will be as follows:

$$\frac{\sum_{i=1}^{n}\sum_{j=1}^{m} p_t^{ij} \times q_{t-2}^{ij}}{\sum_{i=1}^{n}\sum_{j=1}^{m} p_{t-1}^{ij} \times q_{t-2}^{ij}} \leq (1+CPI_t)\times(1-X_t)\times(1+S_t)\times(1+L_t)\pm(passthrough_t)$$

Where Powercor Australia has *'n'* distribution tariffs, which each have up to *'m'* distribution tariff components, and where:

regulatory year 't' is the regulatory year in respect of which the calculation is being made;

regulatory year 't–1' is the regulatory year immediately preceding regulatory year '*t';*

regulatory year 't–2' is the regulatory year immediately preceding regulatory year '*t–1'*;

p_t^{ij} is the proposed distribution tariff for component *j* of distribution tariff *i* in regulatory year *t;*

p_{t-1}^{ij} is the distribution tariff being charged in regulatory year *t*–1 for component *j* of distribution tariff *i;*

q_{t-2}^{ij} is the quantity of component *j* of distribution tariff *i* that was delivered in regulatory year *t–2;*

CPI_t is calculated as follows:

The Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the September Quarter immediately preceding the start of regulatory year t;

divided by

The Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for

the September Quarter immediately preceding the start of regulatory year t-1;

minus one.

X_t is the value of X for year t of the regulatory control period as determined by the AER in chapter 18 of the Final Decision;

S_t is the Service Target Performance Incentive Scheme factor to be applied in regulatory year t;

L_t is the licence fee pass though adjustment to be applied in regulatory year t in accordance with Appendix E of this Final Decision; and

$passthrough_t$ represents approved pass through amounts with respect to regulatory year t as determined by the AER under clause 6.6 of the NER and chapter 16 and Appendix E of this Final Decision.

Side constraint for standard control services

Chapter 4 section 4.5.2 of the Final Decision also contains the side constraint formula to apply to Powercor Australia's standard control services for the next regulatory control period:

$$\frac{\sum_{i=1}^{n}\sum_{j=1}^{m} p_t^{ij} \times q_{t-2}^{ij}}{\sum_{i=1}^{n}\sum_{j=1}^{m} p_{t-1}^{ij} \times q_{t-2}^{ij}} \leq (1+CPI_t)\times(1-X_t)\times(1+S_t)\times(1+L_t)\times(1+2\%)\pm(passthrough_t)$$

Revenue requirement and pricing X factors for standard control services

Chapter 18, table 18.23 of the Final Decision contained Powercor Australia's revenue requirements and pricing X factors for standard control services. Table 2 summarises the annual revenue requirements and pricing X factors for the 2011-15 regulatory control period for standard control services.

	2011	2012	2013	2014	2015
Return on capital	208.0	227.7	247.1	267.2	288.8
Regulatory depreciation	62.1	69.9	77.9	86.3	96.8
Operating expenditure	160.9	167.8	169.9	179.3	188.2
Efficiency carryover amounts	0.0	1.2	-10.4	-14.5	0.0
S factor amounts	-6.1	-22.0	-5.6	-0.3	0.9
Tax allowance	12.5	12.9	14.1	15.0	16.4
Annual revenue requirements	437.4	457.4	492.9	532.9	591.1
Expected revenues	440.7	470.0	497.4	529.0	568.8
Forecast CPI (%)	2.57	2.57	2.57	2.57	2.57
X factors (%)[2]	-0.11	-3.00	-3.00	-3.50	-4.00

Table 2 - Revenue requirement and X factors for standard control services ($M, nominal)

2 Negative values for X indicate real price increases under the CPI-X formula.

The associated pricing X factors for standard control services have been incorporated into this Pricing Proposal.

Revenue requirement and pricing X factors for alternative control services

Appendix Q of the Final Decision outlines the AER's final determination on Powercor Australia's initial charges and X factors for the 2011-15 regulatory control period for Alternative Control Services.

2.4 Publication of information about tariffs and tariff classes

Clause 6.18.9 of the Rules requires Powercor Australia to publish the following information on its tariffs and tariff classes.

6.18.9 Publication of information about tariffs and tariff classes

(a) A *Distribution Network Service Provider* must maintain on its website:

(1) a statement of the provider's *tariff classes* and the tariffs applicable to each class; and

(2) for each tariff – the *charging parameters* and the elements of the service to which each *charging parameter* relates; and

(3) a statement of expected price trends (to be updated for each *regulatory year*) giving an indication of how the *Distribution Network Service Provider* expects prices to change over the *regulatory control period* and the reasons for the expected changes.

(b) The information for a particular *regulatory year* must, if practicable, be posted on the website 20 *business days* before the commencement of the relevant *regulatory year* and, if that is not practicable, as soon as practicable thereafter.

The information on tariffs and tariff classes contained in the following sections of this Pricing Proposal have been prepared and published in conformity with the requirements of this clause.

3 Business overview

This chapter of the Pricing Proposal provides contextual information on Powercor Australia's business circumstances. This provides the background both to Powercor Australia's existing network tariffs and the rationale for the changes to tariffs that are proposed during the 2011-15 regulatory control period.

3.1 Powercor Australia business

Powercor Australia is a privately owned, Victorian-based electricity distribution company. Powercor Australia is Victoria's largest electricity distribution company in terms of the size of its network and the number of customers it services, covering 150,000 square kilometres or around 66 percent of the State and serving more than 720,000 customers.

Powercor Australia's network links southwest Victoria, the Murray and Goulburn Valleys and the Wimmera region stretching from the western suburbs of Melbourne to the South Australian and New South Wales borders. Powercor Australia serves Victoria's key regional cities, including Bendigo, Ballart, Geelong, Horsham, Mildura, Shepparton and Warrnambool.

The majority of Powercor Australia's electricity infrastructure is overhead (91 percent), with more than 535,000 poles carrying 84,000 kilometres of power lines. The network comprises 134 zone substation transformers with a further 80,153 distribution transformers.

3.2 Characteristics of the region

Powercor Australia's network territory is relatively sparsely populated. The area serviced by Powercor Australia's distribution system is shown in Figure 1.

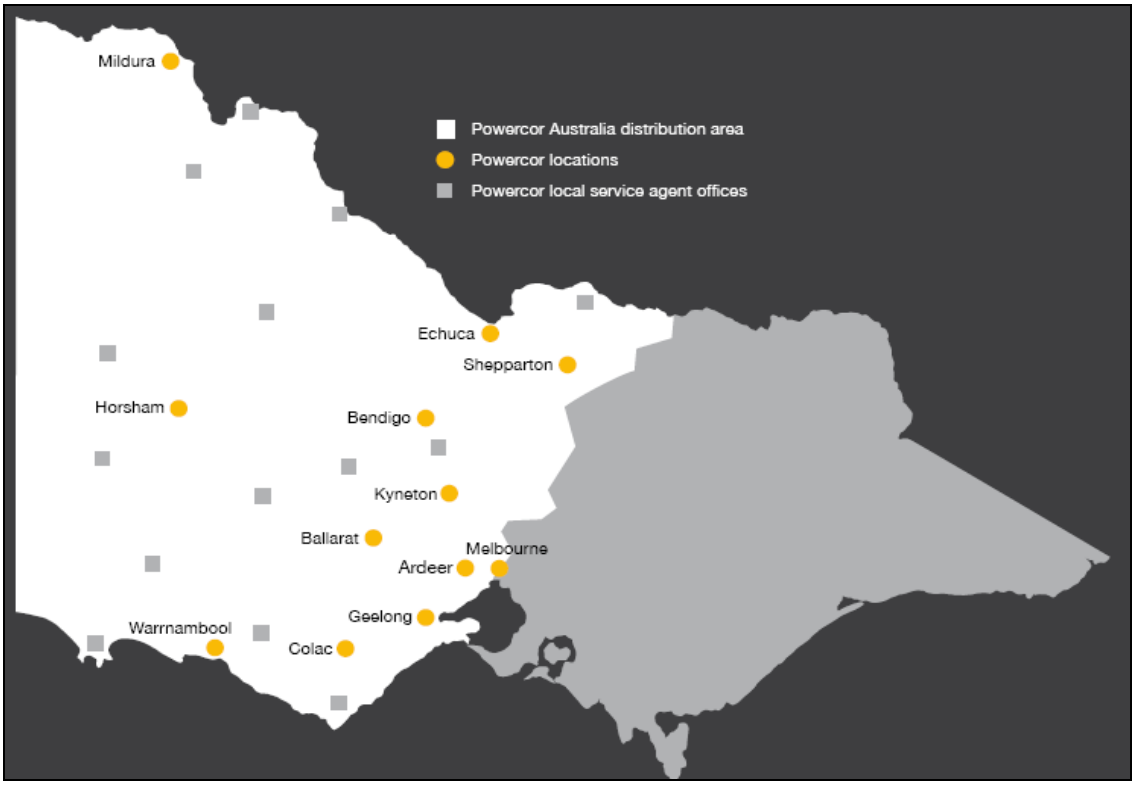

Figure 1 - Powercor Australia's distribution system

Powercor Australia has a number of unique characteristics that distinguish it from other Victorian distribution businesses. The Powercor Australia region is subject to tough and variable geographical and climatic conditions that impact on the cost and service levels provided to its customers. These include:

- high peak demand growth and increasing utilisation - high summer temperatures and extended heat waves have led to extraordinary demand for air conditioning;
- low customer density - the Powercor Australia network has an average of 4.56 customers per kilometre of distribution line representing the most sparsely populated areas of Victoria;
- long and *'radial'* network structure - in comparison with other electricity distribution networks in Australia, Powercor Australia operates a relatively long electricity distribution network, reflecting the wide geographical area serviced by the network; and
- extreme bushfire threats - the Powercor Australia franchise territory covers some of the most fire-prone country in the world.

All these features result in a distribution network with relatively high capital, operating and maintenance costs and greater susceptibility to supply interruptions and faults. Despite these challenges, Powercor Australia has continued to deliver significant improvements in reliability, safety and financial performance.

3.3 Climatic conditions

Powercor Australia's territory has a varied climate. It ranges from semi-arid and hot in the north-west, to temperate and cool along the coast in the south. Throughout the northern areas during summer, temperatures regularly exceed 40°C. Southern areas tend to be more temperate although extended periods of heat wave conditions can occur, 2009 being the most recent.

3.4 Customer and demand profile

Powercor Australia's territory climate has led to an extraordinary demand for air conditioning. Approximately 75.5 percent[3] of homes in Victoria are now air conditioned, but the consequent high peak network demand occurs for only a small part of the year.

Extremely *'peaky'* conditions such as these require network assets and capacity that is under-utilised during much of the year, driving distribution costs higher, on a per unit of energy served basis.

These conditions also provide the impetus for Powercor Australia's network tariff strategies and innovative tariff developments described later in this Pricing Proposal.

[3] ABS Environmental Issues: Energy use and conservation March 2011, Table 15

4 Tariff Classes

This section describes Powercor Australia's standard control service tariff classes and the way in which they have been constituted to comply with the requirements of the Rules and the AER's Final Decision.

In table B.1 of Appendix B of the Final Decision, the AER has listed the following service classifications:

Service grouping	Services	AER classification
Network services	• Constructing the distribution network • Maintaining the distribution network and connection assets • Operating the distribution network and connection assets for DNSP purposes • Designing the distribution network • Planning the distribution network • Emergency response • Administrative support (eg: call centre, network billing) • Location of underground cables (*'dial before you dig'*)	Standard control services
Connection services	• New connections requiring augmentations	Standard control services
Metering services	• Meter investigation • Meter Testing • De-energisation of existing connections • Energisation of existing connections • Special meter reading • Re-test of types 5 and 6 metering installations for first tier customers with annual consumption greater than 160MWh	Alternative control Services - fee based
Public lighting services	• Operation, repair, replacement and maintenance of DNSP public lighting assets • Alteration and relocation of DNSP public lighting assets • New public lighting assets (that is, new lighting types not subject to a regulated charge and new public lighting at greenfield sites)	Alternative control services - fee based Negotiated services
Quoted services	• Rearrangement of network assets at customer request, excluding alteration and relocation of existing public lighting assets • Supply enhancement at customer request • Supply abolishment • Emergency recoverable works • Auditing design and construction • Specification and design enquiry fees • Elective undergrounding where above ground service currently exists • Damage to overhead service cables caused by high load vehicles • High load escorts—lifting overhead lines • Covering of low voltage mains for safety reasons • Routine connections - customers above 100 amps • After hours truck by appointment	Alternative control services - quoted services

Service grouping	Services	AER classification
Fee based services	• Fault response—not DNSP fault • Temporary disconnect / reconnect services • Wasted attendance—not DNSP fault • Service truck visits • Reserve feeder • PV installation • Routine connections - customers below 100 amps • Temporary supply services	Alternative control services - fee based
Unclassified services	• Provision of possum guards • Repair, installation and maintenance of watchman lights	Unregulated services

Table 3 - Service classification

In the following extract from section 20 of the Final Decision, the AER discusses the service classification of remote metering services:

> This final decision relates to manual services only. It does not set prices for the Victorian DNSPs' remote metering services which are facilitated by the rollout of advanced metering infrastructure (AMI) in Victoria. The regulatory arrangements relating to the AMI rollout are set out in an August 2007 Order in Council made by the Victorian Governor in Council under sections 15A and 46D of the *Electricity Industry Act 2000*. The Order in Council was amended on 25 November 2008, 22 January 2009 and 31 March 2009 (the 'revised Order'). Clause 3 of the revised Order requires that certain metering services (which the AER considers includes new remote services, such as remote energisation and remote special reads) will continue to be regulated as 'excluded services' during the forthcoming regulatory control period.

In section 6 of the *AMI remote service charges Final Decision, February 2011* the following charges were approved and have been classed as follows.

Service grouping	Services	AER classification
Fee based services	• Remote Re-energisation • Remote De-energisation • Remote Meter Reconfiguration	Alternative control services - fee based

Table 4- Service classification remote services

4.1 Regulatory requirements

4.1.1 Rule requirements

Powercor Australia's Pricing Proposal must contain the information on tariffs, tariff classes and charging parameters set out in clause 6.18.2(b)(1),(2),(3) of the Rules.

6.18.2 Pricing proposals

(b) A *pricing proposal* must:

(1) set out the *tariff classes* that are to apply for the relevant *regulatory year*; and

(2) set out the proposed tariffs for each *tariff class*; and

(3) set out, for each proposed tariff, the *charging parameters* and the elements of service to which each *charging parameter* relates;

Powercor Australia is required to comply with the following requirements of clause 6.18.3 of the Rules with respect to tariff classes.

6.18.3 Tariff classes

(a) A *pricing proposal* must define the *tariff classes* into which customers for *direct control services* are divided.

(b) Each customer for *direct control services* must be a member of 1 or more *tariff classes*.

(c) Separate *tariff classes* must be constituted for customers to whom *standard control services* are supplied and customers to whom *alternative control services* are supplied (but a customer for both *standard control services* and *alternative control services* may be a member of 2 or more *tariff classes*).

(d) A *tariff class* must be constituted with regard to:

(1) the need to group customers together on an economically efficient basis; and

(2) the need to avoid unnecessary transaction costs.

Powercor Australia is required to comply with the following requirements of clause 6.18.4(a)(3) of the Rules with respect to tariff classes.

6.18.4 Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging

(a) In formulating provisions of a distribution determination governing the assignment of customers to *tariff classes* or the re-assignment of customers from one *tariff class* to another, the *AER* must have regard to the following principles:

(3) however, customers with micro-generation facilities should be treated no less favourably than customers without such facilities but with a similar load profile;

4.1.2 Requirements of the AER's Final Decision

Powercor Australia has categorised standard control services customer tariffs into five tariff classes.

The AER has established procedures for assigning or reassigning customers to tariff classes in Appendix G of its Final Decision.

Assignment of existing customers to tariff classes of the commencement of the 2011-15 regulatory control period

1. Each customer who was a customer of a Victorian DNSP prior to 1 January 2011, and who continues to be a customer of a Victorian DNSP as at 1 January 2011, will be taken to be 'assigned' to the same tariff class which the Victorian DNSP was using to charge that customer immediately prior to 1 January 2011.

Appendix G of the AER's Final Decision also contains procedures for the reassigning of customers to tariff classes, with which Powercor Australia must comply during the 2011-15 regulatory control period. These procedures are set out in section 11.1.2 of this Pricing Proposal.

4.2 Standard control service tariffs and tariff classes

Powercor Australia's network use of system tariffs represents the aggregation of distribution use of system tariffs, jurisdictional scheme cost recovery, designated pricing proposal charges tariffs and pass through cost recovery.

Retailers may pass through the components of Powercor Australia's network tariffs to customers directly, or modify their structure by bundling with the retail component, which includes the cost of purchasing generated energy from the NEM, plus retail costs.

This section outlines the distribution tariff arrangements, which are designed to recover the cost of providing standard control services to customers. These services are segregated into tariffs and tariff classes, which cover all of direct control services that Powercor Australia provides, as required by clauses 6.18.3(a) and 6.18.3(b) of the Rules.

Section 12 of this Pricing Proposal outlines the arrangements for Powercor Australia's alternative control services, which in accordance with clause 6.18.3(c) of the Rules has been constituted as a separate tariff class with separate charging parameters.

The designated pricing proposal charges cost recovery section 9 of this Pricing Proposal describes how the designated pricing proposal charges costs incurred by Powercor Australia are recovered from customers, again with separate charging parameters.

The jurisdictional scheme cost recovery (JSCR) section 10 of this Pricing Proposal describes how feed-in tariff costs incurred by Powercor Australia are recovered from customers.

The grouping of customers into standard control service tariffs has historically distinguished between customers on the basis of the following factors:

- The nature and extent of usage of different types of customer;
- For business customers, nature of connection to the network, including the capacity and location or voltage of connection;
- Whether the customer also receives a controlled load service; and
- The type of meter installed at the premises, with a distinction between Types 1-4 metering and Types 5-7 metering.

It should be noted that Powercor Australia does not distinguish between customers with micro-generation and those without, in either the network tariff or network tariff class in accordance with clause 6.18.4(a)(3) of the Rules.

An important consideration in establishing this set of tariff classes was to reduce the complexity of the overall arrangement by grouping customer tariffs with a similar connection and usage profile together on an economically efficient basis and thereby avoiding unnecessary transaction costs.

In establishing tariff classes that are to be used for the purpose of monitoring pricing compliance, it is desirable and appropriate that similar individual tariffs should be grouped together. This is particularly the case for some business tariffs, where one or a few large customers would dominate the class and the side constraint would not apply to a tariff class but those large customers.

4.2.1 Standard control services tariffs

Residential customer tariffs have a fixed daily charge (termed the Standing Charge) and an energy component, in common with the tariff structures of many utilities. The inclining block energy charge includes four block levels for the peak component. A separate energy rate applies to the energy consumption within each block level. Each of the tariff components (charging parameters) are determined in accordance with the WAPC price control formula.

Business customer tariffs cover the range of:

- Inclining block energy tariffs for Low Voltage connected customers;
- Fixed daily charge (standing charge) for small to medium businesses;
- Two rate Time of Use (peak and off peak) for Low Voltage connected customers; and
- kW demand tariffs for the largest customers at all voltage levels.

4.2.2 Standard control services tariff classes

The five tariff classes which Powercor Australia has established are as follows:

- Low voltage residential;
- Low voltage business including unmetered supplies;
- Large low voltage business;
- High voltage business; and
- Sub-transmission.

A description of the tariffs in each of the tariff classes and their charging parameters follows.

Note that, for completeness, those components of charging parameters associated with premium feed-in tariff cost recovery and designated pricing proposal charges tariffs have been shown in the following section.

4.3 Low voltage residential tariff class

This tariff class includes the residential single rate, time-of-use, climate saver and controlled load tariffs.

4.3.1 Low voltage residential single rate tariff

The low voltage residential single rate tariff is available to eligible residential customers taking supply at less than 1kV. These customers ordinarily use a type 5 or type 6 NEM compliant meter and metered energy consumption is charged in four blocks.

The low voltage residential single rate tariff incorporates the charging parameters set out in the following table; which is no longer available to new connections.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	✓	✓	×	Pro-rated fixed annual charge
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption

Table 5 - Low voltage residential single rate tariff charging parameters

4.3.2 Low voltage residential time-of-use tariff

The low voltage residential time-of-use tariff is available to eligible residential customers taking supply at less than 1kV. These customers ordinarily use a type 5 or type 6 NEM compliant meter and metered peak energy consumption is charged in four blocks. Additionally off-peak energy is charged in one block.

The low voltage residential time-of-use tariff incorporates the charging parameters set out in the following table.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	✓	✓	×	Pro-rated fixed annual charge
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 6 - Low voltage residential time-of-use tariff charging parameters

4.3.3 Climate saver tariff

The climate saver tariff is connected to dedicated and separately metered qualifying reverse cycle air-conditioning; which is no longer available to new connections.

The climate saver tariff incorporates the charging parameters set out in the following table.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	✓	✓	×	Pro-rated fixed annual charge
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 7 - Climate saver tariff charging parameters

4.3.4 Controlled load tariff

The controlled load tariff is available for permanently installed storage water heaters with a rated delivery of not less than 125 litres, storage space heaters and other approved applications. A time switch for the control of the heater and separate metering is installed.

The controlled load tariff incorporates the charging parameters set out in the following table; which is no longer available to new connections.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 8 - Controlled load tariff charging parameters

This tariff is available only to customers that were taking supply under the controlled load tariff prior to 1 January 2010. This tariff is invoiced at the same frequency as the parent tariff.

4.4 Low voltage business including unmetered supplies tariff class

The low voltage business tariffs cover a broad range of customer sizes and types of metering installations.

4.4.1 Low voltage business single rate tariff

The low voltage business single rate tariff is available for non-residential low voltage customers with a type 5-7 meter installation. Consumption is charged on an inclining scale in four consumption blocks. The low voltage business single rate tariff incorporates the charging parameters set out in the following table; which is no longer available to new connections.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	✓	✓	×	Pro-rated fixed annual charge
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption

Table 9 - Low voltage business single rate tariff charging parameters

4.4.2 Low voltage business time-of-use tariff

The low voltage business time-of-use tariff has a structure with peak and off-peak consumption charges, using a type 5-7 meter. The customer's peak period energy consumption is charged in four consumption blocks. The low voltage business time-of-use tariff incorporates the charging parameters set out in the following table; which is no longer available to new connections.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	✓	✓	×	Pro-rated fixed annual charge
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 10 - Low voltage business time-of-use tariff charging parameters

4.4.3 Unmetered supply / public lighting tariff

The unmetered supply tariff is applicable to supply points and public lighting that are not metered. Energy consumption is calculated using the appropriate algorithm in the Part B, clause 14 of the Metrology Procedure. Unmetered tariffs comprise of an energy rate that is applied to the calculated electricity consumption.

The low voltage unmetered usage tariffs incorporate the charging parameters set out in the following table.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	×	×	×	Pro-rated fixed annual charge
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 11 – Unmetered supply/public lighting tariff charging parameters

4.5 Large low voltage business tariff class

There is also a broad range of customer sizes and types connected to Powercor Australia's system at large low voltage. They are predominantly commercial installations.

4.5.1 Large low voltage kW demand tariff

Minimum demands between 120kW and 250kW apply to the respective tariffs. The charging parameters of these tariffs are set out in the following table.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	×	×	×	Pro-rated fixed annual charge
Annual Demand Rate	$/kW/pa	✓	✓	×	Pro-rated per month
Block 1 Usage Rate	¢/kWh	✓	✓	✓	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	✓	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	✓	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	✓	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 12 - Large low voltage kW demand tariff charging parameters

4.6 High voltage business tariff class

There is also a broad range of customer sizes and types connected to Powercor Australia's system at high voltage. They are predominantly industrial and large commercial installations.

4.6.1 High voltage kW demand tariff

The kW demand tariff for business customers connected at high voltage is similar in structure to the large low voltage equivalent described in section 4.5.1 of this Pricing Proposal.

Minimum demands between 1,000kW and 20,000kW apply to the respective tariffs. The charging parameters of these tariffs are set out in the following table.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	×	×	×	Pro-rated fixed annual charge
Annual Demand Rate	$/kW/pa	✓	✓	×	Pro-rated per month
Block 1 Usage Rate	¢/kWh	✓	✓	×	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	×	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	×	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	×	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	×	For the balance of off peak consumption

Table 13 - High voltage kW demand tariff charging parameters

4.7 Sub-transmission tariff class

The sub-transmission customers are the largest connection size customer segment connected to Powercor Australia's network. They comprise a range of industrial, manufacturing and mining enterprises.

4.7.1 Sub-transmission kW demand tariff

This kW demand tariff is for larger high voltage connected business customers that take supply on direct transformers at 66kVa. The tariff has a minimum chargeable demand of 10,000kW. A type 1-4 interval meter is required. The charging parameters for this tariff are set out in the following table.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery	Description
Supply Rate	$/day	×	×	×	Pro-rated fixed annual charge
Annual Demand Rate	$/kW/pa	✓	✓	×	Pro-rated per month
Block 1 Usage Rate	¢/kWh	✓	✓	×	For consumption up to and including 333kWh/month
Block 2 Usage Rate	¢/kWh	✓	✓	×	For the next 1334kWh/month
Block 3 Usage Rate	¢/kWh	✓	✓	×	For the next 4166kWh/month
Block 4 Usage Rate	¢/kWh	✓	✓	×	For the balance of peak consumption
Off peak Rate	¢/kWh	✓	✓	×	For the balance of off peak consumption

Table 14 - Sub-transmission kW demand tariff charging parameters

5 Network tariff strategy

This section contains the objectives that Powercor Australia applies to the development of its network tariffs. It goes on to outline the strategies Powercor Australia proposes to pursue in developing tariffs during the 2011-15 regulatory control period.

5.1 Regulatory Requirements

The information in this section concerning potential future network tariff developments is provided pursuant to the following Rules.

6.18.3 Tariff classes

(d) A *tariff class* must be constituted with regard to:

(1) the need to group customers together on an economically efficient basis; and

(2) the need to avoid unnecessary transaction costs.

6.18.5 Pricing principles

(a) For each *tariff class*, the revenue expected to be recovered should lie on or between:

(1) an upper bound representing the stand alone cost of serving the customers who belong to that class; and

(2) a lower bound representing the avoidable cost of not serving those customers.

(b) A tariff, and if it consists of 2 or more *charging parameters*, each *charging parameter* for a *tariff class*:

(1) must take into account the long run marginal cost for the service or, in the case of a *charging parameter*, for the element of the service to which the *charging parameter* relates; and

(2) must be determined having regard to:

(i) transaction costs associated with the tariff or each *charging parameter*; and

(ii) whether customers of the relevant *tariff class* are able or likely to respond to price signals.

(c) If, however, as a result of the operation of paragraph (b), the *Distribution Network Service Provider* may not recover the expected revenue, the provider must adjust its tariffs so as to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.

6.18.9 Publication of information about tariffs and tariff classes

(a) A *Distribution Network Service Provider* must maintain on its website:

(3) a statement of expected price trends (to be updated for each *regulatory year*) giving an indication of how the *Distribution*

Network Service Provider expects prices to change over the *regulatory control period* and the reasons for the expected changes.

5.2 Network tariff objectives

This section presents the high level framework that Powercor Australia applies to the development of its network tariff strategy. The major objectives of network pricing are to some extent conflicting and therefore involve making compromises. They are as follows:

- ***Revenue sufficiency*** - prices are formulated to recover permitted weighted average prices under the determination.
- ***Pricing efficiency*** - through their variable components, prices will signal the economic cost of providing network service. Residual costs will be recovered in a manner which least distorts customers' consumption decisions. (In accordance with clause 6.18.5 of the Rules.)
- ***Customer equity*** - customers should pay a reasonable allocated share of costs and moves towards efficient pricing need to be tempered to limit their impact on some customers. (In accordance with clause 6.18.3(d)(1) of the Rules.)
- ***Pricing simplicity*** - price structures should be understandable, simple and transparent. (In accordance with clause 6.18.3(d)(2) of the Rules.)

5.3 The need for tariff reform

Powercor Australia's summer demand is sensitive to the effect of air conditioning demand. High summer peak demands occur during heat wave conditions, which correspond within periods when the elements of the system have least capacity and the power factor of loads is poor.

Significant amounts of capital expenditure on Powercor Australia's network in the 2011-15 regulatory control period is growth related. That is, the expenditure is driven by the need to augment and expand the network to adequately meet peak summer demand and provide for the connection of new customers.

As a consequence, the management of summer demand has a high priority in Powercor Australia's tariff reform strategies. This leads to an emphasis on providing network price signals that will encourage both residential and business customers to moderate their consumption by the following means:

- The price levels of existing tariff structures;
- The development of more efficient tariff structures; and
- The development of innovative new tariff structures.

5.4 Network tariff strategy

Powercor Australia has a pricing strategy that will, within the limitations of metering arrangements and efficient tariff structures, signal the costs associated with increased demand placed on the network.

Consistent with the network tariff objectives outlined in section 5.2 of this Pricing Proposal, Powercor Australia's network tariff strategy aims to:

- Attain revenue sufficiency under the WAPC;
- Signal the long run marginal cost of supply through its network tariffs; and
- Pass on the cost of designated pricing proposal charges, jurisdictional scheme(s) and other approved pass through costs to customers.

5.5 Future tariff reform options

The following network tariff reforms may be pursued by Powercor Australia during the 2011-15 regulatory control period:

- Improving the design of the ToU tariffs, to enhance their efficiency;
- Strengthening the signal of the single-rate inclining block structure as a *'second best'* option to ToU pricing where AMI meters are not available; and
- Develop tariff structures to take advantage of the rich data available through AMI.

Powercor Australia notes that the Victorian Government has requested a moratorium on network tariff changes that were proposed at the time of rolling out AMI meters. Powercor Australia has agreed to this request but signals that once the moratorium is lifted that a progressive reassignment of customers to AMI related tariffs will take place.

These proposed initiatives are all intended to improve the efficiency of the existing tariffs and whilst involving the reassignment of customers to new tariffs during the regulatory control period, would not require their reassignment to a new or different tariff class.

5.6 Expected DUoS price trends 2011 - 2015

For tariffs in place at the commencement of the 2011-15 regulatory control period, Powercor Australia's tariff strategy and its focus on managing demand, leads to the indicative relative charging parameters summarised in section 4 of this Pricing Proposal. The actual price movements each year will remain subject to review at the time, following consideration of the objectives set out in section 5.2 of this Pricing Proposal.

Distribution tariff class and tariff	Fixed charge	First block rate	Upper blocks rates	Peak energy rate	Shoulder energy rate	Off peak energy rate	Demand rate
Residential							
Residential flat rate		↓	↑				
Residential ToU rate		↓	↑	↑	←→*	↓	
Climate Saver		↓	↑			↓	
Controlled load						↓	
Small Business							
Small business flat rate		↓	↑				
Small business ToU rate		↓	↑	↑	←→*	↓	
Large Low voltage business							
LLV business rate				↑		←→	↑
High Voltage business							
HV business rate				↓		←→	↑
Subtransmission business							
Subtransmission rate				↓		←→	↑

Table 15 - Indicative relative charging parameter movement in the 2011-15 regulatory control period

Table 15 Legend

↑ increase relative to the average distribution price movement permitted in the AER's Final Decision.

↓ decrease relative to the average distribution price movement permitted in the AER's Final Decision.

←→ no anticipated change relative to the average distribution price movement permitted in the AER's Final Decision.

A blank cell indicates that the corresponding charging parameter is not applicable for a particular tariff.

* Pending the development of AMI tariffs

This is in accordance with the requirements of clause 6.18.9(a)(3) of the Rules.

6 Standard control services tariffs

Within the framework of Powercor Australia's longer term tariff strategy set out in Chapter 5 of this Pricing Proposal, this section sets out the proposed rates for tariffs charging components of standard control services for 2012 and provides a comparison with the rates in place during 2011.

It should be noted that the information and comparisons in this section relate solely to distribution charges. Powercor Australia's final network charges are bundled charges that contain designated pricing proposal charges cost recovery components and recovery of jurisdictional scheme amounts.

A discussion of customer impacts including the designated pricing proposal charges cost recovery and recovery of jurisdictional scheme amounts is set out in chapter 9 and chapter 10 of this Pricing Proposal.

6.1 Regulatory Requirements

The information in this section concerning the change in standard control service rates is provided pursuant to the following Rules.

6.18.2 Pricing proposals

(b) A pricing proposal must:

(8) describe the nature and extent of change from the previous *regulatory year* and demonstrate that the changes comply with the *Rules* and any applicable distribution determination.

6.18.9 Publication of information about tariffs and tariff classes

(a) A *Distribution Network Service Provider* must maintain on its website:

(3) a statement of expected price trends (to be updated for each *regulatory year*) giving an indication of how the *Distribution Network Service Provider* expects prices to change over the *regulatory control period* and the reasons for the expected changes.

6.2 Calculation of use of system tariffs

The information in Appendix C outlines the DUoS component of Powercor Australia's existing tariffs and the price movement proposed for 2012. It should be noted that this information is provided for the purpose of showing the relative change in the price of each tariff charging parameter. Compliance with clause 6.18.2(b)(8) of the Rules, concerning the demonstration that price changes comply with the Rules and the AER's Final Decision, is demonstrated in Chapter 8 of this Pricing Proposal.

7 Customer Impacts

In this chapter, customer impacts are calculated using Powercor Australia's proposed tariffs. The use of these network tariffs results in customer impacts that include the following components:

- DUoS charges, for Powercor Australia's standard control services;
- Designated pricing proposal charges cost recovery tariffs, to recover costs associated with standard control services; and
- Recovery of jurisdictional scheme amounts.

All of the customer impacts presented in this chapter are GST exclusive.

This chapter provides an indication of how the price trends of tariffs may be expected to change over the 2011-15 regulatory control period.

This chapter also sets out how Powercor Australia will comply with the AER's requirement for a system of tariff review, where the charge varies according to the usage or load profile of a customer.

7.1 Regulatory Requirements

7.1.1 Rules requirements

The following Rules clauses impose a requirement for the Pricing Proposal to set out the nature of variations which may take place during 2012.

> **6.18.2 Pricing proposals**
>
> (b) A *pricing proposal* must:
>
> (5) set out the nature of any variation or adjustment to the tariff that could occur during the course of the *regulatory year* and the basis on which it could occur;
>
> **6.18.4 Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging**
>
> (b) If the *charging parameters* for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.

7.1.2 Requirements of the AER's Final Decision

The following extract from Appendix G of the AER's Final Decision contains the following requirements based on clause 6.18.4(b) of the Rules, concerning the review of tariffs where the charge varies according to the usage or load profile of a customer.

> **System of assessment and review of the basis on which a customer is charged**
>
> 12. Where the charging parameters for a particular tariff result in a basis of charge that varies according to the customer's usage or load profile, the Victorian DNSP must set out in its pricing proposal a method of how it will review and assess the basis on which a customer is charged.

13. If the AER considers that the method provided under section 11 does not provide for an effective system of assessment and review of the basis on which a customer is charged, the AER may request additional information or request that the relevant Victorian DNSP submit a revised method.

14. If the AER considers the DNSP's method for reviewing and assessing the basis on which a customer is charged, provided in accordance with section 11 of this appendix, is not reasonable it will advise the DNSP in writing.

7.2 Variations to prices

Clause 6.18.2(b)(5) requires Powercor Australia to set out the nature of any variations and adjustments that could occur to tariffs during the course of the 2012 year.

Variations to the determination during the course of the 2011-15 regulatory control period could result in the adjustment of network tariffs from the X-Factor price trends set out in Table 2 of this Pricing Proposal. Those variations that are reasonably foreseen would arise from the following effects:

- The cost recovery of a Jurisdictional Scheme;
- The cost recovery of a designated pricing proposal charges (DPPC);
- License fees (L Factor);
- Service target performance incentive scheme (STPIS);
- Consumer Price Index (CPI);
- Approved pass through amounts; and
- Outcomes arising from relevant appeals to the Australian Competition Tribunals or other judicial body.

The extent of these variations to price during the course of the 2011-15 regulatory control period will depend on a number of factors, including Powercor Australia's performance as measured against the parameters of the AER's incentive schemes.

With regard to network price variations that could occur during the 2012 year, network prices will be established in accordance with this Pricing Proposal for implementation on 1 January 2012. Prices are not expected vary throughout the year.

The average price trends mask the variation in price that can take place for individual customers. Each customer's price will vary depending upon their level of consumption, and for large business customers, the load profile and monthly demand.

7.3 Review of customer charges

Pursuant to clause 6.18.4(b) of the Rules, the AER has set out the requirement for a system of assessment and review of the basis on which a customer is charged where the charge varies with the customer's usage or profile. This requirement is in Appendix G of the Final Decision.

Powercor Australia has in place a process whereby customers, retailers, consultants or network managers will request that a customer be reassigned to a more appropriate tariff based upon the review of a customer's connection characteristics, profile or

usage patterns. Often it is the external or knowledgeable parties who become aware of changes in customer's circumstances that will trigger the need for review of tariffs.

Requests for changes are received throughout the year and are assessed based on the information provided.

For small customers the request for a tariff change is often received from the retailer, for larger customers a request is often in the form of a demand reset which is assessed against the demand reset policy outlined in section 6.6 of the deemed distribution contract.[4]

Powercor Australia considers that this process complies with the requirement of clause 12 of Appendix G of the AER's Final Decision in formulating the 2012 network prices.

[4] *'Deemed Electricity distribution contract'*, Victorian Government Gazette, 11 January 2007

8 Pricing of standard control services

This section demonstrates how Powercor Australia's network tariffs for 2012 comply with the requirements of the Rules and the AER's Final Decision in respect of the pricing X factors, side constraints and pricing principles.

8.1 Regulatory requirements

8.1.1 Rules requirements

Rules clause 6.18.2(b)(4) specifies that Powercor Australia's Pricing Proposal must contain information concerning the expected revenue to be derived from its tariff classes and tariffs, as follows.

6.18.2 Pricing proposals

(b) A *pricing proposal* must:

(4) set out, for each *tariff class* related to *standard control services*, the expected weighted average revenue for the relevant *regulatory year* and also for the current *regulatory year*; and

In setting its prices for standard control services, clause 6.18.5 of the Rules requires Powercor Australia to comply with the following pricing principles.

6.18.5 Pricing principles

(a) For *each tariff class*, the revenue expected to be recovered should lie on or between:

(1) an upper bound representing the stand alone cost of serving the customers who belong to that class; and

(2) a lower bound representing the avoidable cost of not serving those customers.

(b) A tariff, and if it consists of 2 or more *charging parameters*, each *charging parameter* for a *tariff class*:

(1) must take into account the long run marginal cost for the service or, in the case of a *charging parameter*, for the element of the service to which the *charging parameter* relates; and

(2) must be determined having regard to:

(i) transaction costs associated with the tariff or each *charging parameter*; and

(ii) whether customers of the relevant *tariff class* are able or likely to respond to price signals.

(c) If, however, as a result of the operation of paragraph (b), the *Distribution Network Service Provider* may not recover the expected revenue, the provider must adjust its tariffs so as to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.

In respect of pricing side constraints, Powercor Australia is required to comply with clause 6.18.6 of the Rules.

6.18.6 Side constraints on tariffs for standard control services

(a) This clause applies only to *tariff classes* related to the provision of *standard control services*.

(b) The expected weighted average revenue to be raised from a *tariff class* for a particular *regulatory year* of a *regulatory control period* must not exceed the corresponding expected weighted average revenue for the preceding *regulatory year* by more than the permissible percentage.

(c) The permissible percentage is the greater of the following:

(1) the CPI-X limitation on any increase in the *Distribution Network Service Provider*'s expected weighted average revenue between the two *regulatory year*s plus 2%;

Note:

The calculation is of the form (1 + CPI)(1 – X)(1 + 2%)

(2) CPI plus 2%.

Note:

The calculation is of the form (1 + CPI)(1 + 2%)

(d) In deciding whether the permissible percentage has been exceeded in a particular *regulatory year*, the following are to be disregarded:

(1) the recovery of revenue to accommodate a variation to the distribution determination under rule 6.6 or 6.13;

(2) the recovery of revenue to accommodate pass through of *designated pricing proposal charges* to customers; and

(3) the recovery of revenue to accommodate pass through of *jurisdictional scheme amounts* for *approved jurisdictional schemes*.

(e) This clause does not, however, limit the extent a tariff for customers with remotely-read interval metering or other similar metering technology may vary according to the time or other circumstances of the customer's usage.

8.1.2 Requirements of the AER's Final Decision

The principal elements of the AER's determination are set out in its Final Decision and form the major determinants of prices for standard control services during the 2011-15 regulatory control period:

Chapter 4 - Pricing control mechanism

Side constraint requirements

These elements of the AER's Final Decision have been set out in section 2.3 of this Pricing Proposal.

In addition, the provisions of Appendix E to the AER's Final Decision, concerning changes to tariff structures, must be met.

8.2 2012 prices for standard control services

The fundamental pricing criteria that Powercor Australia has factored into this Pricing Proposal are summarised in the following table.

Criterion	2012 value
Consumer Price Index	3.52%
X Factor[5]	-3.00%
L Factor	-0.02%
S Factor	0.00%
WAPC (1+CPI) x (1-X) x (1+S) x (1+L)	6.60%

Table 16 - Summary of fundamental pricing criteria

The derivation of the WAPC constraint is presented in the AER's annual tariff model template provided for this purpose.

8.3 Compliance with the Weighted Average Price Cap

The AER's WAPC model has been used for the purposes of demonstrating compliance with the provisions of the WAPC. This model is submitted as Appendix J and forms part of this Pricing Proposal.

The prices and side constraints for 2012 are based on 2010 volumes, projected using the WAPC formulae and X factors determined by the AER.

A summary of the tariff class network revenue is presented in the following table.

2012 Distribution price control	$P_{t-1}Q_{t-2}$ $'000	P_tQ_{t-2} $'000	Change in weighted average revenue %
Distribution Tariff Revenue	437,055	465,908	6.60%

Table 17 - Weighted Average Revenue

Table 17 demonstrates that Powercor Australia's 2012 network Pricing Proposal complies with the WAPC constraints indicated in Table 16 above.

The table also satisfies clause 6.18.2(b)(4) of the Rules.

[5] Negative values represent a real price increase

8.4 Tariff class side constraints

8.4.1 Tariff class movement side constraint

The side constraint formula that the AER has determined for Powercor Australia has been set out in section 2.3 of this Pricing Proposal. The evaluation of the side constraint for 2011 is set out in Table 18 and Table 19

Criterion	2012 value
Consumer Price Index	3.52%
X Factor	-3.00%
L Factor	-0.02%
S Factor	0.00%
Side constraint (1+CPI) x (1-X) x (1+S) x (1+L) x (1+2%)	8.73%

Table 18 - Summary of side constraint criteria

The AER's annual tariff model has been used for the purposes of demonstrating compliance with the provisions of the side constraint (refer to Appendix J). A summary of the tariff class revenue and price changes is presented in Table 19.

Tariff Class	2011 Pt-1Qt-2 ($,000)	2012 PtQt-2 ($,000)	Change (%)	Side constraint (%)
Residential	190,013	202,113	6.4%	8.7%
Non-Residential	129,372	138,453	7.0%	8.7%
Large Low Voltage	79,876	85,117	6.6%	8.7%
High voltage	33,021	35,129	6.4%	8.7%
Subtransmission	4,774	5,097	6.8%	8.7%

Table 19 - Compliance with the side constraint

Table 19 demonstrates Powercor Australia's compliance with the provisions of clause 6.18.6 of the Rules and the AER's side constraint formula.

8.5 Compliance with pricing principles

This section demonstrates Powercor Australia's compliance with the pricing principles set out in clause 6.18.5 of the Rules, which requires Powercor Australia to ensure that the revenue recovered for each tariff class lies between:

- An upper bound, representing the stand-alone cost of serving the customers who belong to that class; and
- A lower bound, representing the avoidable cost of not serving those customers.

The Stand-alone and Avoidable cost methodologies are described in detail in Appendix I (confidential) of this Pricing Proposal. These approaches are used to calculate the revenues for each standard control services tariff class associated with each cost methodology. These costs are compared with the weighted average revenue

derived from Powercor Australia's proposed tariffs. The associated calculations are included as Appendix H (confidential).

8.5.1 Definition of Stand-alone and Avoidable costs

These two categories of cost may be defined as follows:

- The ***Stand-alone cost*** of serving a tariff class is defined as the cost of developing and operating distribution infrastructure in order to serve the tariff class in question. Standalone cost is a forward looking concept and considers the costs of entry based on current market conditions and technology. Where the network business recovers more revenue than the standalone cost of serving a tariff class, it follows that a hypothetical alternate supplier may enter the market and supply that particular tariff class. Prices above the standalone cost could not therefore be sustained in an effectively competitive market and may create the possibility of efficient bypass of the existing infrastructure; and
- The ***Avoidable cost*** for a tariff class is defined as the cost that would be avoided should the distribution business no longer serve that specific tariff class (whilst all other tariff classes remained supplied). If a tariff class were to be charged below the avoidable cost, it would be economically beneficial for the business to stop supplying that tariff class as the associated costs would exceed the revenue obtained from the customer. Further, where avoidable costs are higher than revenue recovered, the associated tariff levels may also result in inefficient levels of consumption, which therefore provides a rationale for having avoidable costs as a lower bound.

There are two alternative concepts that could be used to calculate these costs:

- To ignore the sunk nature of the existing network and estimate the costs which would be associated with an optimally designed network, constructed to supply standard control services to the tariff class(es) concerned; or
- To base the estimation of costs on existing network configuration, to provide standard control services to the tariff class(es) concerned.

The Rules do not prescribe the methodology that should be used to calculate the Stand-alone and Avoidable costs of tariff classes of the network. Powercor Australia has chosen to base its cost estimations on the second concept, with hypothetical modification of the existing network, rather than by devising and costing optimal new network structures. This has been done for two reasons:

- To avoid the very substantial resource requirements that would be involved in a full network redesign; and
- In recognition that the economic regulatory framework for distribution supports the existence and value of existing (sunk) network investments and does not support the optimisation of existing networks.

8.6 Stand-alone costs

Standalone costs comprise both the capital and operating costs of service provision. The stand-alone network capital cost for each tariff class was derived from an estimate of the proportions of the cost of providing network infrastructure that would need to remain in place to service the load in each of the tariff classes in turn if the

other tariff classes were no longer required to be supplied. The standalone operating cost for a tariff class has been estimated as the total of all operating cost less the avoidable operating costs of serving all the other tariff classes.

8.7 Avoidable costs

In similar manner to the stand-alone cost, the avoidable cost associated with each of the tariff classes were derived from an estimate made of the network cost that could be avoided, in the event that each of the tariff classes were no longer served.

8.8 Compliance with Rules clause 6.18.5(a)

The revenue expected to be recovered from each of Powercor Australia's tariff classes in 2012 is compared with the stand-alone and avoidable costs calculated in sections 8.6 and 8.7, in the following table.

Tariff class	Avoidable cost $000, (nominal)	Tariff revenue $000, (nominal)	Stand-alone cost $000, (nominal)
Residential	98,353	202,182	396,535
Non-Residential	50,249	151,082	315,866
Large Low Voltage	16,786	88,027	228,549
High voltage	5,311	36,503	187,734
Subtransmission	1,009	4,352	156,058

Table 20 - Stand-alone and avoidable distribution network costs ($'000)

8.9 Long Run Marginal Costs

LRMC is a measure of the change in the forward looking costs as output increases when all factors of production including plant and equipment are variable. The LRMC will relate broadly to the annualised cost of augmenting capacity (in case of electricity, at a particular voltage, at a particular location, at a particular time), generally per unit of additional capacity provided.

Powercor Australia has therefore estimated its LRMC for each tariff class by annualising its cost of augmenting capacity (measured by the marginal cost of reinforcement) and scale growth in operating and maintenance costs associated with network augmentation, per unit of additional capacity provided (MVA).

A comparison of the stand-alone, avoidable, LRMC and 2012 tariff rates for Powercor Australia's tariff classes is shown in following Figure 2[6].

[6] The stand-alone, 2012 tariff and avoidable tariff class rates are expressed as their $ contribution divided by the forecast coincident peak kVA for Powercor's system demand in 2012, with a 10% PoE.

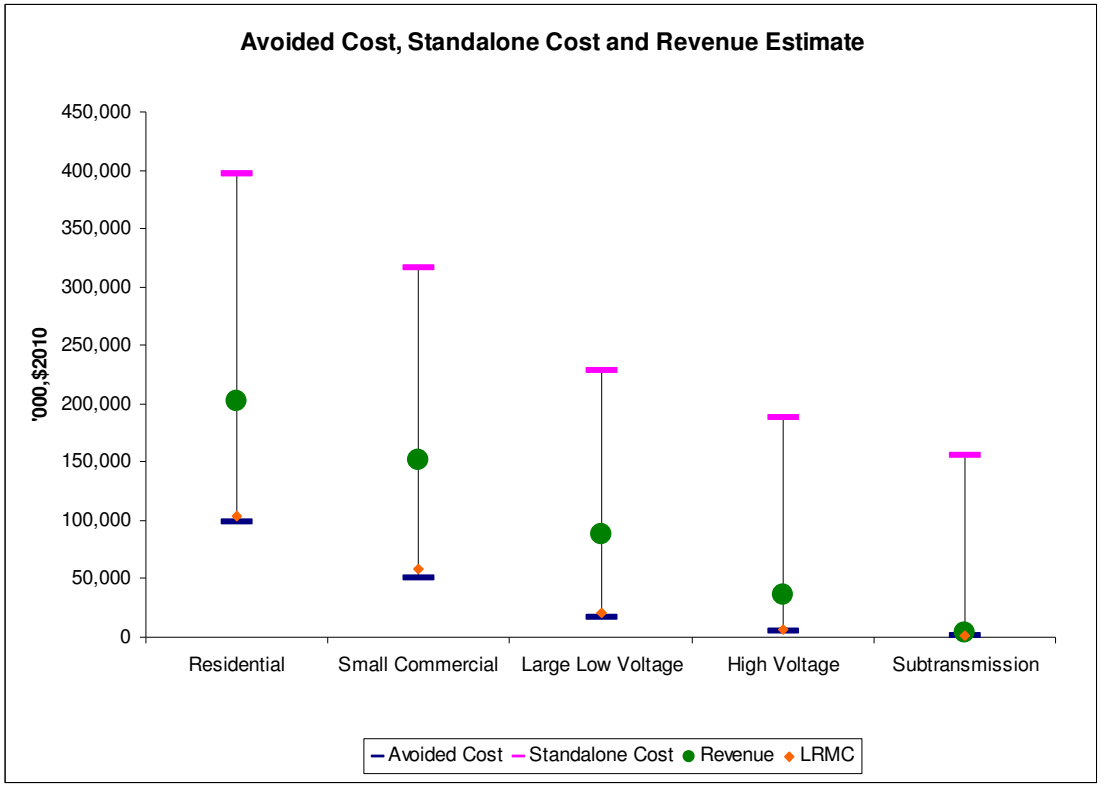

Figure 2 - Cost comparison ($/kVA per annum)

It can be noted that:

- The 2012 prices for each network tariff class fall well within the bounds of the stand-alone and avoidable costs and hence are subsidy-free; and
- The LRMC of each tariff class determined from the approach described above yields a cost that does not vary greatly from that expected to be recovered through the 2012 prices in the case of the major business and high voltage business tariff classes.

8.9.1 Application of the LRMC to price formulation

As required by clauses 6.18.5(b)(1) and 6.18.5(c) of the Rules, Powercor Australia has taken into account the calculated values of LRMC, in establishing the charging parameters for each of Powercor Australia's 2012 network tariffs.

Charging parameters of tariffs that are related to volume may be expected to influence customers' consumption decisions. Those parameters are:

- Monthly demand;
- Peak period energy; and
- To a much less significant extent, anytime energy.

Powercor Australia notes that the LRMC is less than the expected revenue for each tariff class. This indicates that tariffs are set in such a way that there is no concern to be raised regarding cross subsidies across tariff classes.

Powercor Australia's 2012 tariffs have therefore been established in compliance with the provisions of clauses 6.18.5(b)(1) and 6.18.5(c) of the Rules.

8.10 Transaction costs

Clause 6.18.5(b)(2)(i) of the Rules requires Powercor Australia have regard to the transaction costs arising from its network tariffs, by limiting the complexity of tariff structures and the number of charging parameters within each tariff. The charging parameters applicable to each tariff are provided in section 4 of this Pricing Proposal.

Powercor Australia is not proposing to introduce new tariffs or tariff structures in 2012 and thus transaction costs will not increase as a result of the implementation of these prices. Powercor Australia is therefore compliant with this Rules provision.

8.11 Customer response to price signals

In accordance with clause 6.18.5(b)(2)(ii) of the Rules, Powercor Australia is required to have regard to the ability of customers to respond to the price signals provided by its network tariffs. The efficiency gains of marginal cost pricing are realised when a tariff based on the marginal cost of supply induces the customer to make behavioural change.

To the extent possible within the limitations imposed by network tariff structures and metering constraints, Powercor Australia signals the long run marginal cost of supply through those tariff charging parameters with the greatest price elasticity of demand, namely the variable consumption charges that are based on the customers energy use and maximum demand.

In relation to the operation of clause 6.18.5(c) of the Rules, it is noted that Powercor Australia's current estimate of LRMC falls above all of the price signalling charging parameters in each tariff class, as described in section 8.9 of this Pricing Proposal.

If the price signalling charging parameters alone (which were set taking into account the LRMC) were used, the revenue for each tariff class would be insufficient to recover the expected revenue. The revenue shortfall is recovered through the use of tariff components which would cause minimal distortion in efficient patterns of consumption, namely:

- Fixed charges; and
- Anytime energy charges during off peak periods.

Powercor Australia is therefore compliant with this Rules provision.

9 Designated pricing proposal charges tariffs

This section sets out the procedures that Powercor Australia will follow to enable the recovery of designated pricing proposal charges.

9.1 Regulatory Requirements

9.1.1 Rules requirements

The Rules requirements pertaining to Pricing Proposals that apply to designated pricing proposal charges are as follows;

6.18.2 Pricing proposals

(b) A *pricing proposal* must:

(2) set out the proposed tariffs for each *tariff class*; and

(3) set out, for each proposed tariff, the *charging parameters* and the elements of service to which each *charging parameter* relates; and

(6) set out how *designated pricing proposal charges* are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous *regulatory year*;

6.18.7 Recovery of charges for designated pricing proposal charges

(a) A *pricing proposal* must provide for tariffs designed to pass on to customers the *designated pricing proposal charges* to be incurred by the *Distribution Network Service Provider* for *transmission use of system services*.

(b) The amount to be passed on to customers for a particular *regulatory year* must not exceed the estimated amount of the *designated pricing proposal charges* adjusted for over or under recovery in accordance with paragraph (c).

(c) The over and under recovery amount must be calculated in a way that:

(1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the *AER* in the relevant distribution determination for the *Distribution Network Service Provider*;

(2) ensures a *Distribution Network Service Provider* is able to recover from customers no more and no less than the *designated pricing proposal charges* it incurs; and

(3) adjusts for an appropriate cost of capital that is consistent with the rate of return used in the relevant distribution determination for the relevant *regulatory year*.

(d) Notwithstanding anything else in this clause 6.18.7, a *Distribution Network Service Provider* may not recover charges under this clause to the extent these are:

(1) recovered through the *Distribution Network Service Provider's annual revenue requirement*;

(2) recovered under clause 6.18.7A; or

(3) recovered from another *Distribution Network Service Provider*.

9.1.2 Requirements of the AER's Final Decision

In its Final Decision the AER outlines a methodology for the recovery of transmission cost in section 4.4.2.

The format required for the details of calculations is set out in Appendix F of the Final Decision. The amounts provided for the most recently completed regulatory year (t-2) must be audited and the amounts for the current and next regulatory year will be regarded as estimates and forecast respectively.

Powercor Australia submits in this pricing proposal that the changes to the NER to address recovery of designated pricing proposal charges encapsulates the recovery of transmission use of system services and that the recovery in accordance within the most recent version of the NER supersedes the EDPR requirements.

9.2 Maximum transmission revenue control

In accordance with Appendix F of the AER's Final Decision, 6.18.2(b)(6) and 6.18.7 of the Rules, Appendix E provides the information specific to compliance with these requirements.

This same control mechanism will be used for the recovery of designated pricing proposal charges rather than just transmission use of system services.

The total designated pricing proposal service charges allocated to network tariffs aligns with the total estimated designated pricing proposal charges to be paid by Powercor Australia, adjusted for any prior period corrections and adjusted for the time value of money.

9.3 Designated pricing proposal charges tariffs for 2012

Powercor Australia has prepared prices for 2012 that recover the forecast designated pricing proposal charges and 2011 disallowed costs. Customers have had prices applied on a non-locational basis. The billing parameters available for that customer segment and the customer demand assumptions for that customer segment. For example, business customers on a demand tariff will incur a mixture of demand and energy charges for designated pricing proposal charges, whilst residential and small business customers will incur an energy-based charge.

Designated pricing proposal charges charges are indicated separately in Powercor Australia's tariff schedule provided as Appendix A to this Pricing Proposal.

10 Recovery of Jurisdictional Scheme Amounts

For the purposes of Victorian Regulation a jurisdictional scheme is a premium feed-in tariff scheme per the *'Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009 (Vic)'* (clause 6.18.7A(e)(1)(iv).

This section outlines the requirements and obligations in relation to the recovery of amounts relating to the jurisdictional scheme.

10.1 Regulatory Requirements

10.1.1 Rules requirements

The Rules requirement in relation to jurisdictional schemes are as follows:

6.18.2 Pricing proposals

(b) A *pricing proposal* must:

(6A) set out how *jurisdictional scheme* amounts for each *approved jurisdictional scheme* are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts; and

(6B) describe how each *approved jurisdictional scheme* that has been amended since the *last jurisdictional scheme approval date* meets the *jurisdictional scheme eligibility criteria*;

6.18.6 Side constraints on tariffs for standard control services

(d) In deciding whether the permissible percentage has been exceeded in a particular *regulatory year*, the following are to be disregarded:

(3) the recovery of revenue to accommodate pass through of *jurisdictional scheme amounts* for *approved jurisdictional schemes*.

6.18.7A Recovery of jurisdictional scheme amounts

Pricing Proposal

(a) A *pricing proposal* must provide for tariffs designed to pass on to customers a *Distribution Network Service Provider's jurisdictional scheme amounts* for *approved jurisdictional schemes*.

(b) The amount to be passed on to customers for a particular *regulatory year* must not exceed the estimated amount of *jurisdictional scheme amounts* for a *Distribution Network Service Provider's approved jurisdictional schemes* adjusted for over or under recovery in accordance with paragraph (c).

(c) The over and under recovery amount must be calculated in a way that:

(1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the *AER* for *jurisdictional scheme amounts* in the relevant distribution determination for the *Distribution Network Service Provider*, or where no such method has been determined, with the method determined by

the *AER* in the relevant distribution determination in respect of *designated pricing proposal charges*;

(2) ensures a *Distribution Network Service Provider* is able to recover from customers no more and no less than the *jurisdictional scheme amounts* it incurs; and

(3) adjusts for an appropriate cost of capital that is consistent with the rate of return used in the relevant distribution determination for the relevant *regulatory year*.

Jurisdictional schemes

(d) A scheme is a *jurisdictional scheme* if:

(1) the scheme is specified in paragraph (e); or

(2) the *AER* has determined under clause paragraph (l) that the scheme is a *jurisdictional scheme*,

and the *AER* has not determined under paragraph (u) that the scheme has ceased to be a *jurisdictional scheme*.

(e) For the purposes of paragraph (d)(1), the following schemes are *jurisdictional schemes*:

(1) schemes established under the following laws of participating jurisdictions:

(i) Electricity Feed-in (Renewable Energy Premium) Act 2008 (ACT);

(ii) Division 3AB of the Electricity Act 1996 (SA);

(iii) Section 44A of the Electricity Act 1994 (Qld);

(iv) Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009 (Vic);

(2) the Solar Bonus Scheme established under the Electricity Supply Act 1995 (NSW); and

(3) the Climate Change Fund established under the Energy and Utilities Administration Act 1987 (NSW).

AER Requested to determine that scheme is a jurisdictional scheme

(f) Any person may request the *AER* to determine whether a scheme is a *jurisdictional scheme*.

(g) A request made under paragraph (f) must contain the following information:

(1) the name and address of the person making the request;

(2) details of the law of a *participating jurisdiction* under which the relevant scheme is established;

(3) the commencement date of the relevant scheme; and

(4) an explanation of how the relevant scheme meets the *jurisdictional scheme eligibility criteria*.

(h) The *AER* must as soon as practicable after receiving the request under paragraph (f) *publish* the request.

AER may assess whether a scheme is a jurisdictional scheme

(i) The *AER* may at any time initiate an assessment of whether a scheme is a *jurisdictional scheme*.

(j) If the *AER* decides to initiate an assessment under paragraph (i) it must *publish* details of the scheme it is considering and the reasons for initiating the assessment.

AER to determine whether a scheme is a jurisdictional scheme

(k) Before making a determination under paragraph (l), the *AER* may consult with the relevant *Distribution Network Service Provider* and such other persons as the *AER* considers appropriate, on any matters arising out of the request or the assessment the *AER* considers appropriate.

(l) The *AER* must within 20 *business days* of:

(1) receiving a request under paragraph (f); and

(2) *publishing* details of an assessment under paragraph (j),

determine in accordance with paragraph (n) if the relevant scheme is a *jurisdictional scheme* and *publish* its decision (including the reasons).

(m) The *AER* may extend the time limit fixed in paragraph (l) if it considers that the difficulty of assessing whether a scheme is a *jurisdictional scheme*, or the complexity of the issues raised during any consultation under paragraph (k), justifies the extension.

(n) The *AER* must only determine that a scheme is a *jurisdictional scheme* under paragraph (l) if it considers that the scheme meets the *jurisdictional scheme eligibility criteria*.

AER requested to determine that scheme should cease to be a jurisdictional scheme

(o) Any person may request the *AER* to determine that a scheme is no longer a *jurisdictional scheme*.

(p) A request made under paragraph (o) must contain the following information:

(1) the name and address of the person making the request;

(2) the law of a *participating jurisdiction* under which the relevant scheme is established;

(3) the commencement date of the relevant scheme; and

(4) an explanation of why the scheme no longer meets the *jurisdictional scheme eligibility criteria*.

(q) The *AER* must as soon as practicable after receiving the request under paragraph (o) *publish* the request.

AER may assess whether a scheme should cease to a jurisdictional scheme

(r) The *AER* may at any time consider whether a scheme should cease to be a *jurisdictional scheme*.

(s) If the *AER* decides to initiate an assessment of whether a scheme should cease to be *jurisdictional scheme* under paragraph (r) it must *publish* details of the scheme it is considering and the reasons for initiating the assessment.

AER to determine whether a scheme should cease to be a jurisdictional scheme

(t) Before making a determination under paragraph (u), the *AER* may consult with the relevant *Distribution Network Service Provider* and such other persons as the *AER* considers appropriate, on any matters arising out of the request or the assessment the *AER* considers appropriate.

(u) The *AER* must within 20 *business days* of:

(i) receiving a request under paragraph (o); or

(ii) *publishing* details of an assessment under paragraph (s),

determine in accordance with paragraph (w) if the relevant scheme should cease to be a *jurisdictional scheme* and *publish* its decision (including the reasons).

(v) The *AER* may extend the time limit fixed in paragraph (u) if it considers that the difficulty of assessing whether a scheme should cease to be a *jurisdictional scheme*, or the complexity of the issues raised during any consultation under paragraph (t), justifies the extension.

(w) The *AER* must only determine that a scheme has ceased to be a *jurisdictional scheme* under paragraph (u) if it considers that the scheme no longer meets the *jurisdictional scheme eligibility criteria*.

Jurisdictional scheme eligibility criteria

(x) The following are the *jurisdictional scheme eligibility criteria*:

(1) the *jurisdictional scheme obligations* require a *Distribution Network Service Provider* to:

(i) pay a person;

(ii) pay into a fund established under an Act of a *participating jurisdiction*;

(iii) credit against charges payable by a person; or

(iv) reimburse a person,

an amount specified in, or determined in accordance with, the *jurisdictional scheme obligations*;

(2) the *jurisdictional scheme obligations* are imposed on a *Distribution Network Service Provider* in its capacity as a *Distribution Network Service Provider*;

(3) the amount referred to in subparagraph (1) is not in the nature of a fine, penalty or incentive payment for the *Distribution Network Service Provider*; and

(4) except as provided in these Rules, the *Distribution Network Service Provider* has no right to recover the amount referred to in subparagraph (1) from any person.

10.1.2 Requirements of the AER's Final Decision

Section 16.6.7 the Final Decision confirms the NER rule changes as the instrument for the recovery of costs attributable to a Jurisdictional Scheme. Appendix F of the Final Decision provides the mechanism to recover these costs.

10.2 Jurisdictional scheme eligibility

In accordance with the rule requirement clause 6.18.7A(e)(1)(iv) Powercor Australia submits that the Victorian Premium Feed-in tariff (***PFiT***) scheme fulfils the criteria for eligibility as a jurisdictional scheme.

Powercor Australia notes the State Government's intention[7] to create a new solar incentive to replace premium feed-in tariff.

Powercor submits that the new scheme complies with the requirements of a jurisdictional scheme and therefore costs incurred as a result of this scheme should be recovered under section 6.18.7A of the NER.

10.3 Jurisdictional scheme cost recovery tariff methodology

The key principles of Powercor Australia's JSCR tariff methodology are:

- The total JSCR allocated to network tariffs aligns with the total estimated charge to be paid by Powercor, adjusted for any overs and unders from previous regulatory years and also adjusted for the time value of money; and
- Charges are allocated to tariffs in a manner that reflects the customers that the scheme serves, namely residential and small business customers.

10.4 Overs and unders true up

In accordance with clause 6.18.7A(b) of the Rules and Appendix F of the Final Decision, Powercor Australia submits an approach to jurisdictional scheme which settles under and over recovery from previous years (Refer to Appendix F of this Pricing Proposal for the detailed calculations.)

[7] "New solar incentive to replace premium feed-in tariff", Thursday, 01 September 2011, From the Minister for Energy and Resources, http://www.premier.vic.gov.au/media-centre/media-releases/1856-new-solar-incentive-to-replace-premium-feed-in-tariff.html

10.5 Charging parameters for JSCR tariffs

Powercor Australia's jurisdictional scheme recovery tariffs are included in the bundled NUoS rates. The charging parameters associated with jurisdictional scheme cost recovery tariffs are shown in sections 4.3 to 4.7 of this Pricing Proposal.

Jurisdictional scheme cost recovery amounts are billed at the same frequency as the relevant tariff for standard control services.

10.6 Jurisdictional scheme recovery tariffs for 2012

Powercor Australia's 2012 recovery through jurisdictional scheme tariffs is forecast to increase, which results from an increase in Powercor Australia's forecast jurisdictional scheme payments.

Powercor Australia has prepared prices for 2012 that recover the forecast jurisdictional scheme charges. Charges are applied on a non-locational basis.

Jurisdictional scheme charges are indicated separately in Powercor Australia's tariff schedule provided as Appendix A to this Pricing Proposal.

11 Customer tariff class assignment and reassignment

The requirements concerning the assignment and reassignment of customer to tariff classes are set out in clause 6.18.4 of the Rules and Chapter 2 and Appendix G of the AER's Final Decision.

11.1 Regulatory Requirements

11.1.1 Rules requirements

In making a distribution determination, the AER is required to formulate provisions for the assignment and reassignment of customers to tariff classes, in accordance with the principles set out in clause 6.18.4 of the Rules.

6.18.4 Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging

(a) In formulating provisions of a distribution determination governing the assignment of customers to *tariff classes* or the re-assignment of customers from one *tariff class* to another, the *AER* must have regard to the following principles:

(1) customers should be assigned to *tariff classes* on the basis of one or more of the following factors:

(i) the nature and extent of their usage;

(ii) the nature of their *connection* to the *network*;

(iii) whether remotely-read interval metering or other similar metering technology has been installed at the customer's premises as a result of a *regulatory obligation or requirement*;

(2) customers with a similar *connection* and usage profile should be treated on an equal basis;

(3) however, customers with micro-generation facilities should be treated no less favourably than customers without such facilities but with a similar load profile;

(4) a *Distribution Network Service Provider's* decision to assign a customer to a particular *tariff class*, or to re-assign a customer from one *tariff class* to another should be subject to an effective system of assessment and review.

(b) If the *charging parameters* for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.

11.1.2 Requirements of the AER's Final Decision

In accordance with the principles in clause 6.18.4 of the Rules, Appendix G of the AER's Final Decision sets out the procedures to apply to assigning or reassigning customers to tariff classes. These provisions are in several parts, covering the following aspects:

- The initial assignment of customers at the commencement of the 2011-15 regulatory control period;
- Assignment of new customers to a tariff class during the next regulatory control period;
- Reassignment of existing customers to another existing or a new tariff during the next regulatory control period;
- Objections to proposed assignments and reassignments;
- System of assessment and review of the basis on which a customer is charged; and
- Installation of interval meters and assignment of customers to time of use (ToU) tariffs.

The initial assignment of existing standard control services customers to their existing tariffs was discussed in section 4.1.2. The remaining elements of the AER's Final Decision on tariff assignment and reassignment are set out below.

> **Assignment of new customers to a tariff class during the next regulatory control period**
>
> 2. If, after 1 January 2011, a Victoria DNSP becomes aware that a person will become a customer of the DNSP, then the DNSP must determine the tariff class to which the new customer will be assigned.
> 3. In determining the tariff class to which a customer or potential customer will be assigned, or reassigned, in accordance with section 2 or 5 of this appendix, a DNSP must take into account one or more of the following factors:
>   (a) the nature and extent of the customer's usage
>   (b) the nature of the customer's connection to the network[8]
>   (c) whether remotely–read interval metering or other similar metering technology has been installed at the customer's premises as a result of a regulatory obligation or requirement.
>   (d) consistency with the AER's Interval Meter Reassignment Requirements
> 4. In addition to the requirements under section 3 of this appendix, a Victorian DNSP, when assigning or reassigning a customer to a tariff class, must ensure the following:

[8] The AER interprets *'connection'* to include the installation of any technology capable of supporting time based tariffs.

(a) that customers with similar connection and usage profiles are treated equally

(b) that customers which have micro–generation facilities are not treated less favourably than customers with similar load profiles without such facilities.

Reassignment of existing customers to another existing or a new tariff during the next regulatory control period

5. If a Victorian DNSP believes that an existing customer's load characteristics or connection characteristics (or both) have changed such that it is no longer appropriate for that customer to be assigned to the tariff class to which the customer is currently assigned or a customer no longer has the same or materially similar load or connection characteristics as other customers on the customer's existing tariff class, then it may reassign that customer to another tariff class.

Objections to proposed assignments and reassignments

6. A Victorian DNSP must notify the customer concerned in writing of the tariff class to which the customer has been reassigned by it, prior to the assignment or reassignment occurring.

7. The notice under section 6 of this appendix must include advice that the customer may request further information from the DNSP and that it may object to the proposed assignment or reassignment. This notice must specifically include:

   a. either a copy of DNSP's internal procedures for reviewing objections or the link to where such information is available on DNSP's website

   b. that if the objection is not resolved to the satisfaction of the customer under DNSP's internal review system, then to the extent that resolution of such disputes are within the jurisdiction of the Energy and Water Ombudsman (Victoria) the customer is entitled to escalate the matter to such a body

   c. that if the objection is not resolved to the satisfaction of the customer under the DNSP's internal review system and the ombudsman scheme noted in clause 7.b, then the customer is entitled to seek a decision of the AER via the dispute resolution process available under Part 10 of the NEL.

8. If, in response to a notice issued in accordance with section 7 of this appendix, a Victorian DNSP receives a request for further information from a customer, then it must provide such information. If any of the information requested by the customer is confidential then it is not required to provide that information to the customer.

9. If, in response to a notice issued in accordance with section 7 of this appendix, a customer makes an objection to a Victorian DNSP about the proposed assignment or reassignment, the relevant Victorian DNSP must reconsider the proposed assignment or reassignment,

taking into consideration the factors in sections 3 and 4 above, and notify the customer in writing of its decision and the reasons for that decision.

10. If a customer's objection to a tariff class assignment or reassignment is upheld by the relevant body noted in clause 7.b and c, then any adjustment which needs to be made to tariffs will be done by the Victorian DNSP as part of the next annual review of prices.

11. If a customer objects to a Victorian DNSP about a tariff class assignment the DNSP must provide the information set out in paragraph 7 of this appendix and adopt and comply with the arrangements set out in paragraphs 8, 9 and 10 in respect of requests for further information by the customer and resolution of the objection.

System of assessment and review of the basis on which a customer is charged

12. Where the charging parameters for a particular tariff result in a basis of charge that varies according to the customer's usage or load profile, the Victorian DNSP must set out in its annual pricing proposal a method by which it will review and assess the basis on which a customer is charged.

13. If the AER considers that the method provided under section 11 of this appendix, does not provide for an appropriate system of assessment and review by the DNSP of the basis on which a customer is charged, the AER may, at any time, request additional information or request that the relevant Victorian DNSP submit a revised pricing method.

14. If the AER considers the DNSP's method for reviewing and assessing the basis on which a customer is charged, provided in accordance with section 11 of this appendix, is not reasonable it will advise the DNSP in writing.

Installation of interval meters and assignment of customers to time of use (TOU) tariffs

13. If a DNSP installs an interval meter for an existing distribution customer the DNSP may reassign that distribution customer to a TOU distribution tariff subject to clause 9.1.14 of the Victorian Electricity Distribution Code in accordance with the AER's Final decision: Interval Meter Reassignment Requirements published May 2009.

11.2 Assignment of new customers to a tariff class during the next regulatory control period

In this section of the Pricing Proposal, Powercor Australia describes the process it applies to the initial assignment of customers to tariff classes and to their reassignment. Notwithstanding that the individual tariffs have been grouped within tariff classes in this Pricing Proposal, the existing approach to managing tariff assignment and reassignment is demonstrated to align with the requirements established by the AER. Accordingly, no change is required to current practices.

The process whereby new customers are assigned to tariff classes and tariffs occurs following the receipt of a connection application by the customer or their retailer. In the application of this process, a customer that lodges an application to modify or upgrade an existing network connection is treated in the same manner as a new customer.

Customers are assigned to a tariff class and then to an individual tariff. The process relies upon a systematic sequence of decisions based on the information provided with the customer's application for supply.

The two major decisions that determine the tariff class assessment are as follows:

- The nature of a customer's usage: (ie: residential or business); and
- For business customers only, the nature and extent of the associated connection to the network (the connection voltage, ie: low voltage, large low voltage, high voltage and subtransmission).

The process employed by Powercor Australia therefore appropriately takes account the factors in clause 3(a) and 3(b) of Appendix G in the AER's Final Decision.

In the event that remotely–read interval metering or other similar metering technology is installed at the customer's premises as a result of a regulatory obligation or requirement during the 2011-15 regulatory control period, it is not anticipated that a reassignment of a customer to an alternative tariff class will be necessary. This addresses the requirements of clause 3(c) of AER's Appendix G in the AER's Final Decision.

11.2.1 Customers with micro-generation

As Powercor Australia's tariff class assignment process is applied to the ***net*** customer energy on the network, it does not distinguish between customers that have micro-generation and those without. The only aspects of the connection process that distinguish customers with micro-generation are technical requirements, principally to ensure public and employee safety in the event of disconnection of supply to a site with generation.

Powercor Australia's tariff assignment process therefore ensures that the requirements in clause 4(a) and 4(b) of Appendix G in the AER's Final Decision are met.

11.3 Reassignment of existing customers to another existing or a new tariff class during the next regulatory control period

Within each tariff class, there has been and will continue to be movement between individual tariffs. This is particularly the case with the customers on the Low Voltage Business tariff class. Whilst there has been no active review process by Powercor Australia to ensure that customers whose consumption and usage profiles change are maintained on the most advantageous tariff, customers are eligible to apply for transfer between tariffs and do so if it is to their advantage. This has been the case with business customers that have transferred from the energy based tariff to capacity based tariffs and between different capacity-based tariffs. Powercor Australia considers that preserving this level of flexibility to permit customers the option of transferring to a tariff more appropriate to their operations within a tariff class is of great importance to customers.

The tariff classes that Powercor Australia has established are sufficiently broad to ensure that all the existing customers are within the appropriate tariff class and that it

is unlikely that customers will seek to migrate or be reclassified to a different tariff class during the course of the determination. Transfer between tariff classes would be limited to circumstances where the nature of usage or level of consumption changed significantly, for example where a residence was redeveloped to become a small business such as a medical surgery or office.

Notwithstanding that the reassignment of customers' tariff classes is unlikely during the 2011-15 regulatory control period, Powercor Australia would do so in accordance with the provisions of the AER's Final Decision, in particular clause 5 of Appendix G.

11.3.1 Obsolete tariffs

In addition to the current tariffs, in common with most utilities, Powercor Australia has a range of obsolete tariffs. No new or modified customer connections will be assigned to these obsolete tariffs. Moreover, as the opportunity arises, customers will be transferred from obsolete tariffs to current tariffs within the same tariff class, with the longer-term objective being to transfer all customers away from the obsolete tariffs.

This is likely to be prevalent in the Victorian jurisdiction where the rollout of AMI metering is prevalent paving the way for the implementation of more efficient tariffs. Any such transfer will be made in accordance with the requirements of clause 3(d) and 4(b) of Appendix G in the AER's Final Decision are met.

When a customer is transferred from an obsolete tariff to one of the current tariffs, the choice of the appropriate tariff will follow the tariff assignment decision process in section 11.2 of this Pricing Proposal.

11.4 Objections to proposed assignments and reassignments

The AER has established requirements that Powercor Australia must follow in assigning or reassigning customers to tariff classes and in responding to objections to Powercor Australia's tariff class assignments. These are set out in the Final Decision as clauses 7 to 10 of Appendix G in the AER's Final Decision.

The requirements that Powercor Australia are outlined in the following sections.

11.4.1 Information provided to customers concerning tariff class assignment and Reassignment

Where Powercor Australia notifies customers of a tariff class assignment or reassignment, such notification will include the following advice that:

- The customer may request further information from Powercor Australia's Pricing Manager;
- The customer may object in writing to Powercor Australia's Pricing Manager concerning the proposed tariff class assignment;
- In the event that the customer is not satisfied with Powercor Australia's internal resolution of such an objection, the customer may be entitled to appeal to the Energy and Water Ombudsman (Victoria); and
- In the event that an objection is not resolved to the satisfaction of the customer under Powercor Australia's internal review system, then the customer is entitled to seek resolution via the dispute resolution process available under Part 10 of the NEL.

Upon receipt of a request for further information concerning a tariff class assignment or reassignment, Powercor Australia's Pricing Manager is to arrange the provision of relevant information to the customer concerning the tariff class assignment or reassignment, provided that such information is not confidential.

11.4.2 Internal review process of tariff class assignment and reassignment

Upon receipt of an objection by a customer to a tariff class assignment or reassignment, Powercor Australia's Pricing Manager will reconsider the relevant tariff class assignment or reassignment, having regard to the following:

- The basis of the customer's objection;
- The principles for tariff class assignment and reassignment set out in clauses 6.18.3 and 6.18.4 of the Rules; and
- The procedures for tariff class assignment and reassignment set out in Appendix G, of the AER's Final Decision;

The Pricing Manager will notify the customer of the outcome of Powercor Australia's internal review and the reasons for accepting or rejecting the customer's objection to the tariff class assignment or reassignment. The notification by the Pricing Manager will also advise that:

- In the event that the customer is not satisfied with Powercor Australia's internal resolution of such an objection, the customer may be entitled to appeal to the Energy and Water Ombudsman (Victoria); and
- In the event that an objection is not resolved to the satisfaction of the customer under Powercor Australia's internal review system, then the customer is entitled to seek resolution via the dispute resolution process available under Part 10 of the NEL.

11.4.3 External review of tariff class assignment and reassignment

If a customer's objection to a tariff class assignment or reassignment is upheld by a relevant external dispute resolution body, then any adjustment which needs to be made to prices will be done by Powercor Australia as part of the next annual review of prices.

11.5 System of assessment and review of the basis on which a customer is charged

Each year Powercor Australia undertakes significant analysis to devise efficient tariffs for its customers. This activity is somewhat ad-hoc in nature and depends on many circumstances such as regulatory matters, enabling technologies, modelling capabilities and data. These assessments culminate in the delivery of new tariffs which are submitted as a part of the annual tariff review process and developed in accordance with the requirements of Appendix E of the Final Decision.

11.6 Installation of interval meters and assignment of customers to time of use (TOU) tariffs

As a part of its AMI rollout procedures a number of communication letters are provided to customers, one such letter notifies the customer of the potential future tariff reassignment in accordance with the distribution code requirements. Powercor Australia believe this process meets the requirements of clauses 14 and 15 of Appendix G on the AER's Final Decision.

12 Alternative Control Services

In Chapters 19 & 20 of the Final Decision the AER has referred to clause 6.2.2(a) of the Rules where it classifies direct control services as standard control services or alternative control services.

This section of the Pricing Proposal sets out Powercor Australia's approach to the pricing of its alternative control services and demonstrates compliance with the Rules and the AER's Final Decision.

12.1 Regulatory Requirements

12.1.1 Rules requirements

The Rules requirements pertaining to Pricing Proposals that apply to direct control services are applicable to both standard control services and alternative control services. The requirements for items to be included in the pricing proposal specific to Alternative Control Services are as follows.

6.18.2 Pricing proposals

(b) A *pricing proposal* must:

(1) set out the *tariff classes* that are to apply for the relevant *regulatory year*; and

(2) set out the proposed tariffs for each *tariff class*; and

(3) set out, for each proposed tariff, the *charging parameters* and the elements of service to which each *charging parameter* relates; and

(5) set out the nature of any variation or adjustment to the tariff that could occur during the course of the *regulatory year* and the basis on which it could occur; and

(7) demonstrate compliance with the *Rules* and any applicable distribution determination; and

(8) describe the nature and extent of change from the previous *regulatory year* and demonstrate that the changes comply with the *Rules* and any applicable distribution determination.

6.18.3 Tariff classes

(a) A *pricing proposal* must define the *tariff classes* into which customers for *direct control services* are divided.

(b) Each customer for *direct control services* must be a member of 1 or more *tariff classes*.

(c) Separate *tariff classes* must be constituted for customers to whom *standard control services* are supplied and customers to whom *alternative control services* are supplied (but a customer for both *standard control services* and *alternative control services* may be a member of 2 or more *tariff classes*).

(d) A *tariff class* must be constituted with regard to:

(1) the need to group customers together on an economically efficient basis; and

(2) the need to avoid unnecessary transaction costs.

6.18.4 Principles governing assignment or re-assignment of customers to tariff classes and assessment and review of basis of charging

(a) In formulating provisions of a distribution determination governing the assignment of customers to *tariff classes* or the re-assignment of customers from one *tariff class* to another, the *AER* must have regard to the following principles:

(1) customers should be assigned to *tariff classes* on the basis of one or more of the following factors:

(i) the nature and extent of their usage;

(ii) the nature of their *connection* to the *network*;

(iii) whether remotely-read interval metering or other similar metering technology has been installed at the customer's premises as a result of a *regulatory obligation or requirement*;

(2) customers with a similar *connection* and usage profile should be treated on an equal basis;

(3) however, customers with micro-generation facilities should be treated no less favourably than customers without such facilities but with a similar load profile;

(4) a *Distribution Network Service Provider's* decision to assign a customer to a particular *tariff class*, or to re-assign a customer from one *tariff class* to another should be subject to an effective system of assessment and review.

Note:

If (for example) a customer is assigned (or reassigned) to a *tariff class* on the basis of the customer's actual or assumed *maximum demand*, the system of assessment and review should allow for the reassignment of a customer who demonstrates a reduction or increase in *maximum demand* to a *tariff class* that is more appropriate to the customer's *load* profile.

(b) If the *charging parameters* for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.

6.18.5 Pricing principles

(a) For each *tariff class*, the revenue expected to be recovered should lie on or between:

(1) an upper bound representing the stand alone cost of serving the customers who belong to that class; and

(2) a lower bound representing the avoidable cost of not serving those customers.

(b) A tariff, and if it consists of 2 or more *charging parameters*, each *charging parameter* for a *tariff class*:

(1) must take into account the long run marginal cost for the service or, in the case of a *charging parameter*, for the element of the service to which the *charging parameter* relates; and

(2) must be determined having regard to:

(i) transaction costs associated with the tariff or each *charging parameter*; and

(ii) whether customers of the relevant *tariff class* are able or likely to respond to price signals.

(c) If, however, as a result of the operation of paragraph (b), the *Distribution Network Service Provider* may not recover the expected revenue, the provider must adjust its tariffs so as to ensure recovery of expected revenue with minimum distortion to efficient patterns of consumption.

6.18.9 Publication of information about tariffs and tariff classes

(a) A *Distribution Network Service Provider* must maintain on its website:

(1) a statement of the provider's *tariff classes* and the tariffs applicable to each class; and

(2) for each tariff – the *charging parameters* and the elements of the service to which each *charging parameter* relates; and

(3) a statement of expected price trends (to be updated for each *regulatory year*) giving an indication of how the *Distribution Network Service Provider* expects prices to change over the *regulatory control period* and the reasons for the expected changes.

(b) The information for a particular *regulatory year* must, if practicable, be posted on the website 20 *business days* before the commencement of the relevant *regulatory year* and, if that is not practicable, as soon as practicable thereafter.

12.2 Alternative Control Services Tariff Classes

Powercor Australia has constituted a single separate tariff class named Alternative Control Services. This single tariff class has been defined to encompass all fee based and quoted services.

All customers for direct control services are members of the Alternative Control Services Tariff Class, there has been no classification of customers as all charges apply to all customers. Thus the requirements of clause 6.18.3 of the Rules have been satisfied.

The tariff classes that are to apply for the 2012 regulatory year, the proposed tariffs for each tariff class, and for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates is set out in Appendix D

of this Pricing Proposal which satisfies the requirements of clause 6.18.2(b)(1), (2), and (3) of the Rules.

12.3 Assignment and reassignment of customers to the alternative control service tariff class

Powercor Australia has assigned all of its Alternative Control Services customers to a single Alternative Control Services tariff class. Any new Alternative Control Services customers during the 2011-15 regulatory control period will be assigned to this tariff class.

As there is only a single tariff class proposed, there will be no requirement to reassign customers to another alternative control tariff class during the 2011-15 regulatory control period.

Thus the requirement of clause 6.18.4 of the Rules has been satisfied.

12.4 Pricing Principles

Clause 6.18.5 of the Rules sets out the pricing principles that must be complied with in respect of each tariff class, including a tariff class within the classification of alternative control services.

As noted in section 12.2 of this Pricing Proposal, Powercor Australia has established a single tariff class for its alternative control metering services.

12.4.1 Stand alone and avoidable costs of alternative control services

Clause 6.18.5(a) of the Rules requires the revenue of each tariff class to lie on or between the stand-alone and avoidable costs of serving the customers in the tariff class.

The *'bottom-up'* methodology used to determine the costs of alternative control services in respect of each of the tariffs reflects the recovery of expected costs to provide a uniform service. The recovery consists entirely of variable costs. This methodology therefore delivers revenue from the alternative control services tariff class that reflects the cost that would be avoided by not serving those customers.

Furthermore, given that alternative control services customers are subject to variable services, stand-alone costs have been assessed as being equal to the revenue from the alternative control services metering services tariff class.

Powercor Australia's Alternative Control Services class therefore meets the requirements of clause 6.18.5(a) of the Rules.

12.4.2 Long run marginal costs and revenue recovery

Clause 6.18.5(b) of the Rules requires each charging parameter for a tariff class to take into account the LRMC of providing that service.

The non-public lighting Alternative Control Services are entirely Opex based, i.e. the price signalling reflects the short term expenditure incurred in providing the service. In essence there is no long run costs associated with the provision of these services. Additionally the charges have been developed using a bottom-up methodology which reflects the actual costs of providing the service, therefore the revenue directly reflects the costs of providing such services. This satisfies the requirement to reflect the long run marginal costs of providing the service.

The tariffs for alternative control services were determined having regard to the variable transaction costs associated with the services relevant to each tariff. As noted by the AER in the Final Determination, Powercor Australia created tariffs to ensure that the tariffs relevant to customers most likely to respond to price signals are explicitly cost reflective.

Thus the requirements of clause 6.18.5(b)(1) and (2) of the Rules have been satisfied.

Powercor Australia's alternative control services each have a single charging parameter that recovers the whole of the expected revenue. As a consequence, clause 6.18.5(c) of the Rules is not applicable.

12.5 Compliance with the AER Determination

In accordance with the decision made by the AER under clause 6.12.1(13) of the Rules, Powercor Australia has demonstrated compliance with the control mechanism for alternative control services by providing, as part of this proposal, the proposed tariffs that correspond to the price terms contained in the WAPC equation.

The WAPC equation applicable to Powercor Australia's alternative control services tariff class for the next regulatory control period is set out in section 20 of the AER's Final Decision. Appendix D sets out the tariffs that correspond to the price terms contained in the alternative control services WAPC equation.

Clause 6.18.2(b)(5) of the NER seeks advice on the nature of any adjustments to the tariffs during the course of the regulatory year. The structure of the tariffs disclosed in Appendix D has been set for the 2011 to 2015 regulatory period and Powercor Australia does not expect this structure to change. However, each year as part of the Annual Pricing Submission, tariffs are adjusted by an X factor and CPI which was approved by the AER in the Final Decision. Adjustments outside of those determined in the Final Decision are not expected during the regulatory period.

The price cap formula for the individual alternative control services set out in the Framework and approach paper is reproduced below:

$p_t \leq p_{t-1} \times (1+CPI_t) \times (1-X_t)$

where:

regulatory year 't' is the regulatory year in respect of which the calculation is being made;

regulatory year 't–1' is the regulatory year immediately preceding regulatory year *'t'*;

p_t is the price cap for each individual alternative control service in regulatory year *'t'*;

CPI_t is calculated as follows:

The Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the September Quarter immediately preceding the start of regulatory year *t*;

divided by

The Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the September Quarter immediately preceding the start of regulatory year *t-1*; X to be determined using the building block approach.

The X Factor escalations following are as the Final Decision.

Year	2012	2013	2014	2015
X Factor	-41.59%	-29.36%	-0.18%	-0.14%

Table 21 - X Factor for fee based connection services (real)

Year	2012	2013	2014	2015
X Factor	-1.24%	-1.81%	-2.67%	-1.00%

Table 22 - X Factor for other fee based services (real)

Year	2012	2013	2014	2015
X Factor	-3.02%	-2.22%	-0.67%	-1.40%

Table 23 - X Factor for quoted services (real)

Powercor Australia has demonstrated compliance with the WAPC in the AER's template provided for the purpose, which is attached as Appendix K.

Finally clause 6.18.2(b)(8) of the Rules requires a description of changes from previous regulatory periods and how these changes comply with the Rules and the determination. There have been some significant changes from the previous regulatory period specific to Alternative Control Services this was due to the fact that these services had not been reviewed for a number of years; following is an extract from page 835 of the Draft Decision recognising this fact:

> *For most alternative control services currently provided, the Victorian DNSPs' prices have not been amended or escalated for some time. The ESCV's 2006*

EDPR allowed some price increases for new connection services to provide for the costs of installing interval meters as part of the ESCV's interval meter rollout program. Prices for other alternative control services have not been adjusted by the ESCV in previous regulatory determinations except in relation to the introduction of the Commonwealth Goods and Services Tax in 2000. The Victorian DNSPs did not provide any information on the original basis and methodology used to set alternative control services prices when economic regulation of these services by the Office of the Regulator General commenced in the mid 1990s.

12.6 Public Lighting Operation, Maintenance and Replacement

Powercor Australia has submitted its public lighting OM&R prices in accordance with the AER's instruction[9] to update the limited building blocks model developed as part of the Final Decision with the September 2010 quarter CPI. This model incorporates the nominal price increases as approved by the AER in the Final Decision. (See Appendix L)

12.7 Publication of Tariff information

Powercor Australia has put in place mechanisms to ensure compliance with clause 6.18.9 of the Rules. Appendix D which contains the tariff classes that are to apply for the 2012 regulatory year, the proposed tariffs for each tariff class, and for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates will be available on Powercor Australia's website.

[9] E-mail received from Craig Madden, 17 November 2010

13 Appendices

A Tariff schedules

NETWORK TARIFF SCHEDULE

(GST EXCLUSIVE)

1 JANUARY 2012 – 31 DECEMBER 2012

NUoS Tariff	Code	Available to new customers?	Standing charges	Demand charges	Minimum Demand	Peak charges				Off Peak Charges
						Block1	Block 2	Block 3	Block 4	
			$/cust pa	$/kW pa		c/kWh	c/kWh	c/kWh	c/kWh	c/kWh
Residential Single Rate	D1	No	39.0765			7.4862	8.7243	9.7863	10.8485	
ClimateSaver	D1.CS	No				8.1882	9.3391	10.4890	11.6389	4.1517
ClimateSaver Interval	D3.CS	No				8.1882	9.3391	10.4890	11.6389	4.1517
Residential Two Rate 5d	D2	No	47.6500			11.9662	13.2600	14.0168	14.0993	1.8698
Docklands Two Rate 5d	D2.DK	Yes	50.0451			11.3974	12.6631	13.5110	14.5705	1.9845
Residential Interval	D3	Yes	47.6500			11.9662	13.2600	14.0168	14.0993	1.8698
Residential Two Rate 5d - controlled load	D2OP	No								1.8698
Docklands Two Rate 5d - controlled load	D2DKOP	No								1.9845
Dedicated circuit	DD1	No								2.0074
Hot Water Interval	D3.HW	No								2.0074
Non-Residential Single Rate	ND1	No	38.5522			7.6300	8.9045	9.9981	11.0918	
Non-Residential Two Rate 5d	ND2	No	47.6511			11.3277	12.3455	12.8588	14.0016	1.9341
Non-Residential Interval	ND5	Yes	47.6511			11.3277	12.3455	12.8588	14.0016	1.9341
Non-Residential Two Rate 7d	ND3	No	51.4937			9.8789	10.5429	11.7718	12.8240	2.0800
Unmetered Supplies / Public Lighting	PL2	Yes				11.3544				3.4295
Large Low Voltage Demand	DL	Yes		109.8577	250	4.0520				2.3650
Large Low Voltage Demand A	DL.A	No		109.8577	250	4.0520				2.3650
Large Low Voltage Demand C	DL.C	No		107.0442	250	4.0667				2.2773
Large Low Voltage Demand S	DL.S	No		110.2582	120	4.2331				2.4866
Large Low Voltage Demand Docklands	DL.DK	Yes		100.9244	120	3.2583				2.2664
Large Low Voltage Demand CXX	DL.CXX	Yes		118.2629	120	4.3912				2.5465
Large Low Voltage Demand EN.R	DL.R	Yes		114.7944	250	4.2556				2.5038
Large Low Voltage Demand EN.NR	DL.NR	Yes		114.7944	250	4.2556				2.5038
Large Low Voltage Demand EN.R CXX	DL.CXXR	Yes		120.2094	120	4.2463				2.9465
Large Low Voltage Demand EN.NRCXX	DL.CXXNR	Yes		120.2094	120	4.2463				2.9465
High Voltage Demand	DH	Yes		92.8801	1000	2.7219				0.8999
High Voltage Demand A	DH.A	No		72.2557	1000	2.3423				0.7607
High Voltage Demand C	DH.C	No		91.9338	1000	2.7203				0.8952
High Voltage Demand D1	DH.D1	No		76.9225	20000	1.9053				0.6375
High Voltage Demand D2	DH.D2	No		81.8396	8000	1.7368				0.1810
High Voltage Demand Docklands	DH.DK	Yes		73.1597	1000	2.3905				0.9977
High Voltage Demand D3	DH.D3	No		73.1728	10000	1.0795				0.6585
High Voltage Demand D4	DH.D4	No		50.8627	11000	1.9252				0.6635
Subtransmission Demand A	DS.A	No		21.0598	10000	3.1015				0.6290
Subtransmission Demand G	DS.G	Yes		21.0837	10000	3.1110				0.6290
Subtransmission Demand S	DS.S	No		21.0132	10000	3.0904				0.6280

B Tariff eligibility

The following appendix details the tariffs available to new and existing customers in 2012.

Tariffs Available to New and Existing Customers in 2012

All times re in Eastern Standard Time, ie: not Daylight Savings Time.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	SHOULDER PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS
EMBEDDED GENERATION							
TFIT[10]	Solar Feed-in tariff	N/A	N/A	7 days, 24 hrs	N/A	N/A	– Must have a conmpliant meter. – Produces electricity from a qualifying photo voltaic generation unit – Has a name-plate generation capacity <= 5kW – Is not a part of an embedded network – Must forfeit controlled load and climate saver – Must meet other legislative eligibility criteria
RESIDENTIAL CUSTOMERS							
D3	Residential	<1,000	<120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	– Residential customers not in Docklands area
D2DK	Docklands Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	– 1-phase residential customers connected in the Docklands area.
NON-RESIDENTIAL CUSTOMERS							

[10] Availability of this tariff is subject to legislative approval by the Victorian State Government expected in late December, 2011.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	SHOULDER PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS
ND5	Non-Residential	<1,000	<120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Non-residential customers not connected in Docklands area - Builder's temporary supply
D2DK	Docklands Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- 1-phase customers connected in the Docklands area.
PL2	Unmetered Supplies / Public Lighting	<1,000	N/A	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Customers with an approved unmetered load - Public Lighting to a public lighting customer Note: New customer connections are required to install a load-limiting device
LARGE LOW VOLTAGE CONTRACT DEMAND CUSTOMERS							
DL	Large Low Voltage Demand	<1,000	≥250	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers
DL.DK	Large Low Voltage Demand Docklands	<1,000	≥120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers connected in Docklands area
DL.CXX	Large Low Voltage Demand CXX	<1,000	≥120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers with demands up to 250kW
DL.CXXR	Large Low Voltage Demand Embedded Network Residential	<1,000	≥120	Mon-Sun 0700-2300	N/A	Mon-Sun 2300-0700	- Embedded network customers with demand up to 250kW - Connection points within the Embedded Network will be predominantly residential
DL.CXXNR	Large Low Voltage Demand Embedded Network Non-Residential	<1,000	≥120	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Embedded network customers with demand up to 250kW - Connection points within the Embedded Network will be predominantly non-residential

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	SHOULDER PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS
DL.R	Large Low Voltage Demand Embedded Network Residential	<1,000	≥250	Mon-Sun 0700-2300	N/A	Mon-Sun 2300-0700	- Connection points within the Embedded Network will be predominantly residential
DL.NR	Large Low Voltage Demand Embedded Network Non-Residential	<1,000	≥250	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Connection points within the Embedded Network will be predominantly non-residential
HIGH VOLTAGE CONTRACT DEMAND CUSTOMERS							
DH	High Voltage Demand	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers
DH.DK	High Voltage Demand Docklands	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers connected to the Docklands Area
SUBTRANSMISSION CONTRACT DEMAND CUSTOMERS							
DS.G	Subtransmission Demand G	>22,000	≥10,000	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Subtransmission voltage customer

Tariffs Only Available to Existing Customers Already Assigned this Tariff @ 1 January 2012. (closed to new customers)

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
EMBEDDED GENERATION							
PFIT[11]	Premium Feed-in tariff	N/A	N/A	7 days, 24 hrs	N/A	– Must have a compliant meter. – Produces electricity from a qualifying photo voltaic generation unit – Has a name-plate generation capacity <= 5kW – Is not a part of an embedded network – Customers taking up this tariff will have their GP&L load remain on its existing tariff unless otherwise advised by the retailer to move to an existing open tariff. If the customer has a controlled load hot water or slab heating then the customer will be automatically transferred to a ToU tariff – Must meet other legislative eligibility criteria[12]	New or changed: – None Existing: – Must forfeit controlled load and climate saver
RESIDENTIAL CUSTOMERS							
D1	Residential Single Rate	<1,000	<120	7 days, 24 hrs	N/A	– Existing customers only	See tariff DD1 or D1CS
D2	Residential Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	– Residential customers who requested a 2-rate tariff - Existing customers only	Existing customers: – 1-phase electric hot water service with a total load of <30Amps. – Slab heating and Heat banks

[11] Closure of this tariff is subject to ministerial announcement expected in late December, 2011.

[12] Eligibility criteria as specified in the "Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009"

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
							Changed customers: None
D2OP	Residential Two Rate 5d – controlled load	<1,000	<120	N/A	7 Days, 24 hours	– Where GP&L is connected to D2 – Applicable to hot water only – Where metering permits	**1-phase electric hot water service with a total load of <30Amps.** Switching Times: – Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities.
D2DKOP	Docklands Two Rate 5d – controlled load	<1,000	<120	N/A	7 Days, 24 hours	– Where GP&L is connected to D2DK – Applicable to hot water only – Where metering permits – Connected in the Docklands area	**1-phase electric hot water service with a total load of <30Amps.** Switching Times: – Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities.
DD1	Dedicated Circuit	<1,000	<120	N/A	7 days	- Residential customers with dedicated circuit connected to a controlled load - Existing customers only	**1-phase electric hot water service with a total load of <30Amps.** Switching Times: – Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
							Slab heating Typically switching times will may vary depending on localised demand management activities. – 11pm and 7am. – An afternoon bosst between 1pm and 4pm may occur during winter.
D1CS	ClimateSaver	<1,000	<120	01 Nov – 31 Mar	01 Apr – 31 Oct	- Existing customers only - Residential customers with dedicated circuit connected to a reverse-cycle air-conditioning load Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification: - must be split system and have a minimum output capacity of 4.0kW on the heating cycle - must have a minimum 3 star rating according to the Australian Energy labelling program OR - Ducted system or inverter technology system, regardless of star rating or whether they are a spilt system - Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated ciruit	N/A

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
D3CS	ClimateSaver Interval	<1,000	<120	01 Nov – 31 Mar	01 Apr – 31 Oct	– Existing customers only – Residential customers with GP&L supply on D3 tariff with dedicated circuit connected to a reverse-cycle air-conditioning load Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification: - must be split system and have a minimum output capacity of 4.0kW on the heating cycle - must have a minimum 3 star rating according to the Australian Energy labelling program OR - Ducted system or inverter technology system, regardless of star rating or whether they are a spilt system Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated ciruit	N/A
D3HW	Hot Water Interval	<1,000	<120	N/A	7 days	– Existing customers only – 1-phase residential customers with GP&L supply on D3 tariff with dedicated circuit connected to a controlled load	1-phase electric hot water service with a total load of <30Amps. Switching Times: Any 7-day switching configuration (at Powercor's discretion) providing a total of up to 8 hours supply daily between 2100-0700 only.
NON-RESIDENTIAL CUSTOMERS							

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
ND1	Non-Residential Single Rate	<1,000	<120	7 days, 24 hrs	N/A	- Non-residential customers - Builder's temporary supplies - Existing customers only	– See tariff DD1
ND2	Non-Residential Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Existing customers only	Existing customers: - 1-phase electric hot water service with a total load of <30Amps. Changed customers: – None
ND3	Non-Residential Two Rate 7d	<1,000	<120	Mon-Sun 0700-2300	Mon-Sun 2300-0700	- Existing customers only - Non-residential customers	None
DD1	Dedicated Circuit	<1,000	<120	N/A	7 days	- Existing customers only - Non-residential customers with dedicated circuit connected to a controlled load	**1-phase electric hot water service with a total load of <30Amps.** Switching Times: – Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities. **Slab heating** Typically switching times will may vary depending on localised demand management activities. – 12am and 7am. – An afternoon bosst between 1pm and 4pm will occur during winter.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
LARGE LOW VOLTAGE CONTRACT DEMAND CUSTOMERS							
DL.A	Large Low Voltage Demand A	<1,000	≥250	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers connected to nominated feeders	None
DL.C	Large Low Voltage Demand C	<1,000	≥250	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers connected to nominated feeders	None
DL.S	Large Low Voltage Demand S	<1,000	≥120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large customers who were on retail tariff 'L', or 'V' as at 1st April 1998	None
HIGH VOLTAGE CONTRACT DEMAND CUSTOMERS							
DH.A	High Voltage Demand A	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers connected to nominated feeders	None
DH.C	High Voltage Demand C	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers connected to nominated feeders	None
DH.D1	High Voltage Demand D1	≥1,000 and ≤22,000	≥20,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with dual parallel dedicated 22kV jumbo feeders connected to Brooklyn zone substation (BLT)	None
DH.D2	High Voltage Demand D2	≥1,000 and ≤22,000	≥8,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with a high load factor (>80%) connected to 11kV high voltage feeders with interruptible supply from Laverton North (LVN) zone substation	None
DH.D3	High Voltage Demand D3	≥1,000 and ≤22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with a dedicated feeder of length less than 50m.	None
DH.D4	High Voltage Demand D4	≥1,000 and ≤22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with 2 shared overhead feeders of less than 1km from the Powercor Supply point	None
SUBTRANSMISSION CONTRACT DEMAND CUSTOMERS							

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
DS.A	Subtransmission Demand A	>22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Subtransmission voltage customers supplied by a Altona terminal station - Brooklyn terminal station 66kV loop	None
DS.S	Subtransmission Demand S	>22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Subtransmission voltage customer directly supplied from both Altona terminal station and Brooklyn terminal station	None

C Rate change

All prices in the following sections are exclusive of GST.

C.1 Low Voltage Residential tariff class

C.1.1 Low voltage residential single rate tariff

Tariff	Residential Single Rate				
Tariff Code	D1				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	23.7316	25.4211	1.6895
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	5.4268	5.6969	0.2701
	Block 2	c/kWh	6.6062	6.9350	0.3288
	Block 3	c/kWh	7.6179	7.9970	0.3791
	Block 4	c/kWh	8.6297	9.0592	0.4295
Off Peak charges	Block 1	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.1.2 Low voltage residential ToU tariffs

Tariff	Residential Two Rate 5d				
Tariff Code	D2				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	29.3048	31.3911	2.0863
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	9.1194	10.2571	1.1377
	Block 2	c/kWh	9.8029	11.5509	1.7480
	Block 3	c/kWh	10.6386	12.3077	1.6691
	Block 4	c/kWh	11.5667	12.3902	0.8235
Off Peak charges	Block 1	c/kWh	0.8399	0.9627	0.1228
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Docklands Two Rate 5d				
Tariff Code	D2.DK				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	31.3009	33.5293	2.2284
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	9.0666	9.3236	0.2570
	Block 2	c/kWh	10.2974	10.5893	0.2919
	Block 3	c/kWh	11.1220	11.4372	0.3152
	Block 4	c/kWh	12.1523	12.4967	0.3444
Off Peak charges	Block 1	c/kWh	0.9871	1.0151	0.0280
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Residential Interval				
Tariff Code	D3				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	29.3048	31.3911	2.0863
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	9.1194	10.2571	1.1377
	Block 2	c/kWh	9.8029	11.5509	1.7480
	Block 3	c/kWh	10.6386	12.3077	1.6691
	Block 4	c/kWh	11.5667	12.3902	0.8235
Off Peak charges	Block 1	c/kWh	0.8399	0.9627	0.1228
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Residential Two Rate 5d - controlled load				
Tariff Code	D2OP				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.8399	0.9627	0.1228
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Docklands Two Rate 5d - controlled load				
Tariff Code	D2DKOP				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.9871	1.0151	0.0280
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.1.3 Climate Saver tariffs

Tariff	ClimateSaver				
Tariff Code	D1.CS				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	5.9368	6.3595	0.4227
	Block 2	c/kWh	7.0113	7.5104	0.4991
	Block 3	c/kWh	8.0847	8.6603	0.5756
	Block 4	c/kWh	9.1582	9.8102	0.6520
Off Peak charges	Block 1	c/kWh	2.8101	3.0102	0.2001
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	ClimateSaver Interval				
Tariff Code	D3.CS				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	5.9368	6.3595	0.4227
	Block 2	c/kWh	7.0113	7.5104	0.4991
	Block 3	c/kWh	8.0847	8.6603	0.5756
	Block 4	c/kWh	9.1582	9.8102	0.6520
Off Peak charges	Block 1	c/kWh	2.8101	3.0102	0.2001
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.1.4 Controlled load tariffs

Tariff	Dedicated circuit				
Tariff Code	DD1				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.2601	0.2786	0.0185
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Hot Water Interval				
Tariff Code	D3.HW				
Charging parameter		UoM	2011	2012	Variance
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.2601	0.2786	0.0185
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.2 Low Voltage Business tariff class

C.2.1 Low voltage business single rate tariff

Tariff	Non-Residential Single Rate				
Tariff Code	ND1				
Charging parameter		UoM	2011	2012	Variance
Standing charges		$/cust pa	23.7316	25.1669	1.4353
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	5.7034	5.8669	0.1635
	Block 2	c/kWh	6.9424	7.1414	0.1990
	Block 3	c/kWh	8.0055	8.2350	0.2295
	Block 4	c/kWh	9.0687	9.3287	0.2600
Off Peak charges	Block 1	c/kWh	0.0000	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.2.2 Low voltage business ToU tariffs

Tariff	Non-Residential Two Rate 5d				
Tariff Code	ND2				
Charging parameter		UoM	2011	2012	Variance
Standing charges		$/cust pa	29.9040	31.7126	1.8086
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	8.5926	9.5679	0.9753
	Block 2	c/kWh	9.5067	10.5857	1.0790
	Block 3	c/kWh	10.4660	11.0990	0.6330
	Block 4	c/kWh	11.5436	12.2418	0.6982
Off Peak charges	Block 1	c/kWh	0.8061	0.8549	0.0488
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Non-Residential Interval				
Tariff Code	ND5				
Charging parameter		UoM	2011	2012	Variance
Standing charges		$/cust pa	29.9040	31.7126	1.8086
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	8.5926	9.5679	0.9753
	Block 2	c/kWh	9.5067	10.5857	1.0790
	Block 3	c/kWh	10.4660	11.0990	0.6330
	Block 4	c/kWh	11.5436	12.2418	0.6982
Off Peak charges	Block 1	c/kWh	0.8061	0.8549	0.0488
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Non-Residential Two Rate 7d				
Tariff Code	ND3				
Charging parameter		UoM	2011	2012	Variance
Standing charges		$/cust pa	31.7881	33.7106	1.9225
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	7.2251	7.6621	0.4370
	Block 2	c/kWh	7.8513	8.3261	0.4748
	Block 3	c/kWh	9.0101	9.5550	0.5449
	Block 4	c/kWh	10.0023	10.6072	0.6049
Off Peak charges	Block 1	c/kWh	0.9151	0.9704	0.0553
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.2.3 Unmetered supply tariffs

Tariff	Unmetered Supplies / Public Lighting				
Tariff Code	PL2				
Charging parameter		UoM	2011	2012	Variance
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	0.0000	0.0000	0.0000
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	9.1551	9.3165	0.1614
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.0636	2.3542	0.2906
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.3 Large Low Voltage Business tariff class

Tariff	Large Low Voltage Demand				
Tariff Code	DL				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	60.2740	64.5650	4.2910
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.9124	2.0485	0.1361
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.1670	1.2501	0.0831
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand A				
Tariff Code	DL.A				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	58.8242	64.5650	5.7408
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.8127	2.0485	0.2358
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.0251	1.2501	0.2250
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand C				
Tariff Code	DL.C				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	58.0675	61.5794	3.5119
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.9392	2.0565	0.1173
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.0961	1.1624	0.0663
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand S				
Tariff Code	DL.S				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	63.1324	66.9506	3.8182
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.1212	2.2945	0.1733
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.2935	1.3717	0.0782
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand Docklands				
Tariff Code	DL.DK				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	51.6248	54.7471	3.1223
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.2976	1.3761	0.0785
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.1197	1.1874	0.0677
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand CXX				
Tariff Code	DL.CXX				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	69.0784	73.2563	4.1779
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.2590	2.3956	0.1366
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.3500	1.4316	0.0816
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand EN.R				
Tariff Code	DL.R				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	66.5707	70.5969	4.0262
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.1387	2.2680	0.1293
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.3171	1.3968	0.0797
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand EN.NR				
Tariff Code	DL.NR				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	66.5707	70.5969	4.0262
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.1387	2.2680	0.1293
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.3171	1.3968	0.0797
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand EN.R CXX				
Tariff Code	DL.CXXR				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	69.8650	74.0904	4.2254
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.1387	2.2680	0.1293
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.7346	1.8395	0.1049
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Large Low Voltage Demand EN.NRCXX				
Tariff Code	DL.CXXNR				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	69.8650	74.0904	4.2254
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.1387	2.2680	0.1293
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.7346	1.8395	0.1049
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.4 High Voltage Business tariff class

Tariff	High Voltage Demand				
Tariff Code	DH				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	51.6022	55.2759	3.6737
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.2112	1.3234	0.1122
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.3270	0.3503	0.0233
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand A				
Tariff Code	DH.A				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	28.1150	29.8154	1.7004
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.7074	0.7652	0.0578
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.2128	0.2257	0.0129
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand C				
Tariff Code	DH.C				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	50.5606	53.6185	3.0579
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.1989	1.2968	0.0979
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.3259	0.3456	0.0197
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand D1				
Tariff Code	DH.D1				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	32.5157	34.4822	1.9665
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.3095	0.3282	0.0187
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0967	0.1025	0.0058
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand D2				
Tariff Code	DH.D2				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	37.1611	39.4086	2.2475
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.1717	0.1821	0.0104
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.1707	0.1810	0.0103
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand Docklands				
Tariff Code	DH.DK				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	27.1742	27.9532	0.7790
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.8740	0.8805	0.0065
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.4103	0.4351	0.0248
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand D3				
Tariff Code	DH.D3				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	36.3797	38.5799	2.2002
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.8719	0.9246	0.0527
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.1090	0.1156	0.0066
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	High Voltage Demand D4				
Tariff Code	DH.D4				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	27.9182	13.9591	-13.9591
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.6846	0.3423	-0.3423
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.2076	0.1038	-0.1038
	Block 2	c/kWh	0.0000	0.0000	0.0000

C.5 Sub-transmission tariff class

Tariff	Subtransmission Demand A				
Tariff Code	DS.A				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	4.8181	5.1095	0.2914
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.6282	0.6662	0.0380
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0288	0.0305	0.0017
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Subtransmission Demand G				
Tariff Code	DS.G				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	4.8181	5.1095	0.2914
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.6210	0.6717	0.0507
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0288	0.0305	0.0017
	Block 2	c/kWh	0.0000	0.0000	0.0000

Tariff	Subtransmission Demand S				
Tariff Code	DS.S				
Charging parameter		**UoM**	**2011**	**2012**	**Variance**
Standing charges		$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	$/kW pa	4.8490	5.1423	0.2933
	kVA	$/kVa pa	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.6303	0.6684	0.0381
	Block 2	c/kWh	0.0000	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0278	0.0295	0.0017
	Block 2	c/kWh	0.0000	0.0000	0.0000

D Alternative Control Service Charges

Alternative Control Services are a set of activities provided by Powercor Australia that fall under a particular reimage of regulation due to their monopoly or semi-monopoly nature.

Alternative Control Services are divided into two subclasses:

1. Fixed Rate Services – Services are relatively fixed in nature. Charges are levied on a per activity basis; and
2. Quoted Services – Services are highly variable. Charges are levied on a time and materials basis.

We endeavour to perform all Alternative Control Services within normal business hours however, if a circumstance arises where after hours activities are required this work can only be undertaken where resources are available. The charge applicable will be based on the resource utilised. After hours work includes weekends and public holidays.

All prices are exclusive of GST.

Business Hours	8am-5pm Monday to Friday (excluding public holidays)[13]
After Hours	All other times and only where resources are available[14]

Hours of Operation

The following sections will set out to list and describe the various charges classified as Fixed Rate and Quoted Alternative Control Services which apply throughout the area served by Powercor Australia.

[13] Times for disconnections (Section D1.1.3) and reconnections (Section D1.1.4) differ from these times

[14] Times for disconnections (Section D1.1.3) and reconnections (Section D1.1.4) differ from these times

D.1 Fee Based Alternative Control Services

Appendix B of the AER's Final Decision[15], Service Classification, classifies the following service groupings as Alternative Control Services - fee based;

- Metering Services
- Public Lighting Services
- Other Fee Based Services

In some circumstances traffic management will be required to comply with the *Roads Management Act 2004 (VIC)* to provide the requested services. Powercor Australia can assist in arranging for traffic control and a pass through fee shall apply.

D.1.1 Metering Services

The charges for each service apply where uninhibited site access is granted. If access to the site is restricted then a service truck may be required therefore attracting a service truck fee.

D.1.1.1 Meter Investigation

A Meter Investigation charge applies when a request is received to investigate the metering at a given supply point. A need to investigate can arise in a number of situations, such as:

- Interval data analysis;
- Meter malfunction[16];
- Wiring transposition investigation;
- Contestable metering investigation; or
- Meter tampering or bypass.

D.1.1.2 Meter Testing

A Meter Testing charge applies when a request is made to test the accuracy of the metering at a given supply point. Different charges apply depending on the type of meter being tested, if it is the first or subsequent meters and whether the meter is single or multi phase and whether the service is provided during or after business hours.

Refer to the Meter Investigation charge for metering issues other than accuracy testing.

[15] http://www.aer.gov.au/content/index.phtml/itemId/740791

[16] A malfunction is defined as a meter that is operating and not presenting fault alarms but delivering inaccurate data. If the meter malfunction is identified to be a faulty distributor owned asset the fee will be waived.

D.1.1.3 De-energisation of existing connections

A Disconnection (includes Disconnections for Non Payment (DNP)) charge applies when a request is received to disconnect at a supply point. The service requires that all supply assets remain at the customer's installation.

If at the time of disconnection it is discovered that the installation has been damaged or is defective and will be unsafe to energise if a future reconnection occurs, other charges to correct the defect may be applicable. These charges will be based on the nature of the works required.

In a normal instance a de-energisation is performed by a special reader. However, there are scenarios where a Service Truck Visit may be required in its place and accordingly a Service Truck Visit (Section D.1.3.1) charge will be applied.

Some examples where a truck may be required include:

- Special reader resource is not available after hours and an alternative time is not acceptable to the customer;
- No access to distribution equipment - metering and main fuse;
- No isolation point;
- Multiple NMI's fused at a common isolation point;
- CT metered site; or
- Isolation point in restricted area – substation.

Where the request for disconnection is received by Powercor Australia before 3pm the disconnection will occur within 2 business days or the earliest permissible day thereafter.

D.1.1.4 Energisation of existing connections

A Energisation charge applies to customers moving into an existing premise where supply assets are installed and the site was previously de-energised.

Three options for energisation are available.

1. Reconnections (same day) business hours only
2. Reconnections (incl. Customer Transfer) business hours
3. Reconnections (incl. Customer Transfer) after hours

If the reconnection is required on the same day and Powercor Australia receive the request before 3pm, the *'Reconnections (same day) business hours'* charge will be applied and the reconnection will occur that day.

If the reconnection is required on the same day as requested and received by Powercor Australia between 3pm and 9pm the '*Reconnections (incl. Customer Transfer) after hours'* charge is applied.

If the reconnection is required for the next business day and Powercor Australia receive the request before 3pm on the previous business day the *'Reconnections (incl. Customer Transfer) business hours'* charge is applied.

In the instance that a customer does not provide reasonable access or where equipment is not in a reasonable state, the customer will be charged for the requested service however, supply will not be re-energised. Before the service can be provided, the customer may need to undertake rectification works. When the issue(s) have been resolved another request will need to be raised and a new charge will apply.

In a normal instance a re-energisation is performed by a special reader. However, there are scenarios where a Service Truck Visit may be required in its place and accordingly a Service Truck Visit (Section D.1.3.1) charge will be applied.

Some examples where a truck may be required include:

- Special reader resource is not available after hours and an alternative time is not acceptable to the customer;
- No access to distribution equipment - metering and main fuse;
- No isolation point;
- Multiple NMI's fused at a common isolation point;
- CT metered site; or
- Isolation point in restricted area – substation.

The charge will not be applied when:

- The customer changes retailer on a scheduled read; or
- The customer changes name; and
- A field visit is not necessary.

D.1.1.5 Special Meter Reading

The Special Reading/Customer Transfer charge applies when a request for a Special Meter Read is to be performed by a Field Officer outside the scheduled meter reading cycle. Where customers have multiple metering installations, such as farms and units, a separate charge applies to each meter on the property.

In some cases interval data may be required that can be obtained from AMI records, in this situation a request for data re-send is more appropriate than a special read request. If unsatisfied with the resultant data then a meter test or meter investigation may be requested.

The Special Reading/Customer Transfer service is only available during business hours.

D.1.1.6 Remote Meter Re-Configuration

The Remote Meter Configuration charge applies when a request is received to modify the metering arrangements in the case where smart metering and related infrastructure are in place.

A meter configuration is a change to the software in the meter that enables changes to parameters for a specific meter function. Examples of meter reconfigurations include:

- Changing the switching times for controlled loads

- Changes associated with the installation of embedded generation and / or the premium feed in tariff
- Implementation of supply capacity.

Meter configuration, will cover metrology and other modification to meter settings.

D.1.1.7 Remote De-energisation

The Remote De-energisation charge applies when a request is received to de-energise a customer that has smart metering and related infrastructure is in place.

Remote de-energisation is defined as the use of the AMI/smart metering infrastructure communications system to control a supply contactor inside the meter such that the customer is disconnected from the DNSP's network (also referred to as 'disconnection')

D.1.1.8 Remote Re-energisation

The Remote Re-energisation charge applies when a request is received to re-energise a customer that has smart metering and related infrastructure is in place.

Remote re-energisation is defined as the use of the AMI/smart metering infrastructure communications system to control a supply contactor inside the meter such that the customer is connected to the DNSP's network (also referred to as 'connection')

D.1.2 Public Lighting Services

Charges apply for public lighting services provided to public lighting customers in accordance with the Public Lighting Code. The following services are included:

- Operation of public lighting assets; including handling enquiries and complaints about public lighting and dispatching crews to repair public lighting assets; and
- Maintenance, repair and replacement of public lighting assets.

D.1.3 Other Fee Based Services

The services classified under the service grouping Fee Based Services have been outlined in the following sub sections and discuss the nature of the fee and how it should be applied.

D.1.3.1 Service Truck Visit

Service truck visit charges apply when a service crew is requested for up to an hour. A service truck visit charge is applied in a number of circumstances including:

- Disconnection of complex site (refer section D.1.1.3);
- Reconnection of complex site (refer section D.1.1.4);
- Metering Additions or Alterations; and
- Shutdowns.

In the situation that a service truck visit is required for larger scale after hours works a Quoted Services charge will apply (refer to section D.2.12 'After hours truck by appointment').

Customers are not charged when a service truck is sent to attend emergency and fault calls, unless the customer is clearly at fault, for example, not checking that main switch or safety switch is on.

In the instance where a service truck visit is requested and the truck arrives to find the site is not ready for work to be carried out then a Wasted Truck Visit charge will apply (refer to section D.1.3.2).

D.1.3.2 Wasted Attendance

Where Powercor Australia receives a request for a service truck and:

- the crew arrives to find the site is not ready for the scheduled work within 15 minutes of arriving;
- the truck attendance is no longer required once on site; or
- 24 hours notice is not provided for a cancellation;

Then a Wasted Truck Visit charge will apply.

Once the site is ready for the Service Truck Visit another appointment needs to be booked and the normal Service Truck Visit charge applies.

Business hours and after hours charges apply where appropriate.

D.1.3.3 Reserve Feeder

A Reserve Feeder service is negotiated with customers specifically requesting continuity of electricity supply should the feeder providing normal supply to their connection experience interruption.

The reserve feeder capacity is made available from an alternative feeder that has the available capacity to facilitate the requirements that the customer has nominated. The

feeder facilitating reserve capacity may emanate from another Zone sub or an alternative bus from the same Zone sub facilitating electricity supply to the substation on the customer site.

The fee covers the operation and maintenance of the service, it does not include the capital required to implement or replace the service as this is covered in the connection agreement.

D.1.3.4 PV Installation

The PV Installation charge applies prior to connection of small scale embedded generation to Powercor Australia's network. This charge specifically covers the inspection of the customer's site to ensure safe connection to the network and includes anti-islanding test.

D.1.3.5 Routine Connections – customers below 100 amps

These charges apply to customers moving into new premises or requesting a temporary supply, additional charges may apply where augmentation is required to meet the customer's supply requirements.

Charges apply where a request is made for a new supply connection at a specified address (including unmetered supply sites), except where the supply is for security lighting[17] (also known as watchman lighting). This charge also applies where a builder wishes to provide permanent or temporary supply to new properties under construction.

For new premises the price includes a check of the installation for compliance to Service and Installations Rules and other related Connection Standards. It does not include inspection of prescribed works for the purpose of issuing of a Certificate of Electrical Safety (CES); this should be organised by a Registered Electrical Contractor (REC)).[18] Separate charges will apply for additional truck or field officer visits to complete connection works.

In some circumstances traffic management will be required to comply with the Roads Management Act to provide the requested services. Powercor Australia can assist in arranging for traffic control and a pass through fee shall apply.

On occasions when a 'Builders Temporary Supply' is installed and subsequently replaced with a permanent supply each new-connection is considered a distinct site visit and separate new-connection charges are applied, the first to the builder for establishing a new-connection for which the builder uses supply for construction purposes and a second new-connection charge to the customer for connecting the supply. This charge includes the removal of the temporary supply pole where applicable.

[17] Watchman lighting is a contestable service.

[18] Customers requesting an additional inspection for a CES (Certificate of Electrical Safety) will incur a separate charge. Electrical inspection services are unregulated activities and carried out by Licensed Electrical Inspectors (LEI).

An additional attendance charge in the form of a Wasted Truck Visit charge is applied in those situations where Powercor Australia has been to the site and returned to complete works that have been delayed due to the fault of the responsible party or their representative. Where an application for supply is made and the site is found to be defective, the Wasted Truck Visit charge will be applied.

Where the determined maximum demand of any separately metered portion of an electrical installation exceeds 80 Amperes per active conductor, then CT metering will be required.

D.2 QUOTED SERVICES

Appendix B of the AER's Final Decision, Service Classification, classifies the following services as Alternative Control Services – quoted services;

- Rearrangement of network assets at customer request, excluding alteration and relocation of existing public lighting assets
- Supply enhancement at customer request
- Supply abolishment
- Emergency recoverable works
- Audit design and construction
- Specification and design enquiry
- Elective underground where above ground service currently exists
- Damage to overhead service cables caused by high load vehicles
- High load escorts – lifting overhead lines
- Covering of low voltage mains for safety reasons
- Routine connections – customers above 100 amps
- After hours truck by appointment

Labour rates on which quotes are based on include:

- General line worker (BH & AH)
- Design/Survey (BH & AH)
- Administration (BH only)

All Quoted Services are based on the actual hours worked multiplied by the approved labour rates plus materials used.

D.2.1 Rearrangement of network assets at customer request, excluding alteration and relocation of existing public lighting assets

A Quoted Service charge is applied when a customer requests capital work for which the prime purpose is to satisfy a customer requirement other than new or increased supply, other than where Guideline 14 is applied. Examples include;

- Vic Roads and Council requested asset relocations to allow for new road works,
- Customer removal or relocation of service wire to allow work on private installation.

D.2.2 Supply enhancement at customer request

A Quoted Service charge is applied to requests for supply enhancement to a customer site, other than where Guideline 14 is applied.

D.2.3 Supply abolishment

A Quoted Service charge is applied to requests for supply abolishment's; this involves the permanent removal of Powercor Australia's supply assets.

D.2.4 Emergency recoverable works

A Quoted Service charge is applied to recover the costs associated with works that are required to restore Powercor Australia's distribution network to its standard operating level following an incident caused by an identifiable 3rd party. This includes events where there is clear evidence of damage by a third party requiring the replacement of poles (including public lighting poles), transformers, services, cross-arms, switches, public lighting fixtures or contractors digging through cables.

D.2.5 Audit design and construction

This charge may be applied where Powercor Australia's review, approval or acceptance of works undertaken by third parties is requested by the third party or is deemed necessary by Powercor Australia.

The charge may be applied in situations including, but not limited to:

- customer provided buildings, conduits or ducts used to house Powercor Australia's electrical assets
- customer provided connection facilities including switchboards used in the connection of an electricity supply to their installation
- any electrical distribution work completed by a Powercor Australia approved contractor that has been engaged by a customer under Option 2 provisions
- provision of system plans and system planning scopes, for Option 2 designers
- reviewing and/or approving plans submitted by Option 2 designers.

The charge may also be applied if Powercor Australia is requested to assess a contractor seeking VEDN or Option 2 contractor accreditation.

D.2.6 Specification and design enquiry

This charge may be applied where Powercor Australia determines an element of detailed design is required to fairly assess the costs so that an Offer for Connection Services can be issued to a customer as required under the Electricity Distribution Licence.

The charge is considered appropriate if uncertainty exists with respect to matters including, but not limited to:

- the route of the network extension required to reach the customer's property,
- the location of other utility assets,
- environmental considerations including tree clearing,
- obtaining necessary permits from State and Local Government bodies

The charge may also be applied where a customer requests Powercor Australia to provide information to assist them to undertake feasibility studies or to provide budget estimates.

D.2.7 Elective underground where above ground service currently exists

A Quoted Service charge applies where a customer with an existing overhead service requests an underground service, other than where Guideline 14 is applied.

D.2.8 Damage to overhead service cables caused by high load vehicles

A Quoted Service charge is applied to an identifiable 3rd party when overhead service cables require repairing because they have been damaged by high load vehicles pulling down cables.

D.2.9 High load escorts – lifting overheads

A Quoted Service charge applies when a 3rd party requires ensuring safe clearance of overhead lines to allow high load vehicles to pass along roads.

D.2.10 Covering of Low Voltage Mains for safety reasons

A Quoted Service charge applies where customers request coverage of powerlines for safety reasons. The charge applied will depend on the time taken to perform the service. Differing charges can arise as a result of the type of line being covered; street mains (two wires or all wire) or service cables.

D.2.11 Routine connections – customer above 100 amps

A Quoted Service charge is when customers above 100 amps request a routine connection, additional charges may apply where augmentation is required to meet the customer's supply requirements.

D.2.12 After hours truck by appointment

A Quoted Service charge is applied to larger scale works requiring an after hours Service Truck appointment longer than 1 hour in duration. Examples of types of works include:

- Disconnection of complex site (refer section 1.1.3)
- Reconnection of complex site (refer section 1.1.4)
- Metering Additions or Alternations
- Shutdowns (includes preparation works).

D.3 Alternative Control Service Rates for 2012

D.3.1 Metering Services Fee Based

Section Reference	Alternative Control Service	Business Hours GST Exclusive	After Hours GST Exclusive
D.1.1.1	Meter Investigation	$269.29	$294.75
D.1.1.2	Meter Accuracy Test - single phase	$339.59	$372.66
D.1.1.2	Meter Accuracy Test - Single phase additional meter	$138.64	n/a
D.1.1.2	Meter Accuracy Test - multi phase	$434.88	$478.28
D.1.1.2	Meter Accuracy Test - Multi phase additional meter	$234.31	n/a
D.1.1.2	Meter Accuracy Test - CT	$426.28	$468.75
D.1.1.2	Re-test of type 5 & 6 metering installations for first tier customers with annual consumption greater than 160MWh\	$334.20	$369.05
D.1.1.3	Disconnection	$28.21	n/a
D.1.1.3	Disconnection for non payment	$28.21	n/a
D.1.1.4	Reconnections (incl Customer Transfer)	$26.66	$110.70
D.1.1.4	Reconnections (same day)	$42.15	n/a
D.1.1.5	Special reading	$22.38	n/a
D.1.1.6	Remote Meter Re-configuration	$29.74	n/a
D.1.1.7	Remote De-energisation	$5.61	n/a
D.1.1.8	Remote Re-energisation	$5.61	n/a

D.3.2 Public Lighting Services Fee Based

Section Reference	Public Lighting Type	Annual charge GST Exclusive
D.1.2	Compact Fluorescent T5 (2 X 14W)	$30.57
D.1.2	Replacement luminaire - WDV recovery	$54.62
D.1.2	Replacement luminaire - avoided costs	-$23.81
D.1.2	Fluorescent 20 watt	$126.83
D.1.2	Fluorescent 40 watt	$126.83
D.1.2	Mercury vapour 50 watt	$63.41
D.1.2	Mercury vapour 80 watt	$45.62
D.1.2	Mercury vapour 125 watt	$61.59
D.1.2	Mercury vapour 250 watt	$63.52
D.1.2	Mercury vapour 400 watt	$73.55
D.1.2	Mercury vapour 700 watt	$111.16
D.1.2	Sodium 90 watt	$108.98
D.1.2	Sodium 150 watt	$80.72
D.1.2	Sodium 180 watt	$108.98
D.1.2	Sodium 250 watt	$83.58
D.1.2	Sodium 400 watt	$111.16
D.1.2	Incandescent 100 watt	$126.83
D.1.2	Incandescent 150 watt	$126.83
D.1.2	Metal halide 250 watt	$111.16
D.1.2	Metal halide 400 watt	$111.16

D.3.3 Other Fee Based Services

Section Reference	Alternative Control Service	Business Hours GST Exclusive	After Hours GST Exclusive
D.1.3.1	Service Truck Visit	$421.93	$469.06
D.1.3.2	Wasted Truck Visit	$225.56	$249.12
D.1.3.3	Reserve Feeder - Subtransmission - $ per KVA pa	$0.83	n/a
D.1.3.3	Reserve Feeder - High Voltage - $ per KVA pa	$4.29	n/a
D.1.3.3	Reserve Feeder - Low Voltage - $ per KVA pa	$15.57	n/a
D.1.3.4	PV Installation	$216.36	$231.17
	New Connections Responsible for metering		
D.1.3.5	Single phase	$351.50	$378.15
D.1.3.5	Multi phase DC	$458.90	$485.53
D.1.3.5	Multi phase CT	$1,897.13	$2,062.72
	New Connections Not Responsible for metering		
D.1.3.5	Single phase	$289.39	$316.04
D.1.3.5	Multi phase DC	$396.79	$423.43
D.1.3.5	Multi phase CT	$1,835.03	$2,000.61

D.3.4 Quoted Services Labour Rates

Section Reference	Alternative Control Service	Business Hours GST Exclusive	After Hours GST Exclusive
D.2	General line worker	$119.21	$132.13
D.2	Design/survey	$113.39	$133.61
D.2	Administration	$49.69	n/a

E CONFIDENTIAL - Maximum Designated Pricing Proposal Charges Revenue Control Calculation

Refer Attachment 1

F CONFIDENTIAL - Maximum Jurisdictional Scheme Revenue Control Calculation

Refer Attachment 2

G CONFIDENTIAL - Audit of 2010 quantities

Refer Attachment 3

H CONFIDENTIAL – Standalone, Avoidable and Long Run Marginal Cost Model

Refer Attachment 4

I CONFIDENTIAL - Long Run Marginal, Stand-alone and Avoided cost methodologies

Refer Attachment 5

J CONFIDENTIAL – AER Weighted Average Price Cap Compliance Model (standard control)

Refer Attachment 6

K CONFIDENTIAL –Weighted Average Price Cap Compliance Model (alternate control)

Refer Attachment 7

L Public Lighting Operation, Matinenance and Replacement (limited building blocks model)

Refer Attachment 8