



Powercor Australia Limited

2015 Pricing Proposal

31 October 2014

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

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Shortened forms

Abbreviation	Definition or description
Active Market Interval Read Meter	A meter that records energy use over short intervals and communicates the data to the energy supplier and is operating in the national energy market as an interval meter
AER	Australian Energy Regulator
AMI	Advanced Metering Infrastructure
Approved F-Factor	F-factor scheme determination 2012-15 for Victoria electricity distribution network service providers, 22 December 2011
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)
Eastern Standard Time (EST)	EST is 10 hours ahead of Coordinated Universal Time (UTC)
Final Decision	The Australian Energy Regulator's Final Decision on Victoria -

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Abbreviation	Definition or description
	distribution determination 2011 to 2015, October 2010
FiT	Feed in Tariff
Flexible Pricing	Flexible pricing means different rates for electricity at different times of the day as defined by the Victorian Governments policy on ToU pricing
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
Inclining Block	A network tariff energy rate in which the rate increases 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
Local Time	Daylight savings time in accordance with the Victorian Government's requirements
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	Businesses involved in the electricity industry are referred to as

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Abbreviation	Definition or description
Participant	Market or Code Participants
NEL	National Electricity Law
NEM	National Electricity Market
Non Summer	Calendar months March to November, based on Eastern Standard Time (EST)
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
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: $PF = \text{Real Power (kW)} / \text{Total Power (kVA)}$ $\text{Total Power (kVA)} = (\text{kW}^2 + \text{kVAr}^2)^{0.5}$
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)
Re-determination	The Australian Energy Regulator's Powercor Australia Ltd Distribution Determination 2011 to 2015, October 2012
Retailer	A financially responsible market participant supplying electricity to customers
Rules	Australian Energy Market Commission, National Electricity Rules (NER), Version 58, 26 September 2013
Subtransmission	Equipment or supplies at voltage levels of 66kV
Summer	Calendar months December, January and February, based on Eastern Standard Time (EST) For flexible pricing Summer is based on Day Light Saving Time
Supply Rate	The fixed daily cost component of a Network price

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Abbreviation	Definition or description
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 2015

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 services¹.

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;
- the AER's Final Decision; and
- the AER's Re-Determination.

On the 28th September 2012 the AER released a Re-Determination in accordance with the decision of the Australian Competition Tribunal. This pricing proposal is submitted incorporating the outcomes outlined in the Re-Determination.

¹ Negotiated and unregulated distribution services policies are outlined in the Powercor General Service Charge Pricing Schedule
<http://www.powercor.com.au/docs/pdf/Electricity%20Networks/Powercor%20Network/Powercor%202012%20General%20Service%20Charges%20Schedule%20V1.1.pdf>

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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 charges²; 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 2014 and 2015.
7 Customer impacts	Outlines the expected customer impacts of Powercor Australia's NUoS prices in 2015 and the system of reviewing those impacts throughout the regulatory control period.
8 Pricing of standard control services	Demonstrates that Powercor Australia's 2015 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 2013.
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 2013.
11 Pass Through costs	Sets out Powercor Australia's pass through methodology.
12 Customer tariff class assignment and reassignment	Sets out Powercor Australia's 2015 tariff assignment and reassignment strategy.
13 Alternative control services	Sets out Powercor Australia's tariffs for alternative control services.

² Subsequent to the final determination a rule change has arisen that will impact this submission. Which is the recovery of designated pricing proposal charges.

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Chapter	Purpose
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.

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

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- (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 last 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:

- 6.6.1 Cost pass through
- 6.18.3 Tariff classes
- 6.18.4 Principles governing assignment or re-assignment of retail 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
- Appendix E.1.4 AER assessment of reasonable estimates
- Chapter 15 Service target performance incentive scheme

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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 services 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:

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

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 ;

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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 through 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:

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

Revenue requirement and pricing X factors for standard control services

Chapter 3, table 6 of the Re-determination 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.

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	2011	2012	2013	2014	2015
Return on capital	210.0	230.1	250.1	270.7	292.9
Regulatory depreciation	62.1	69.9	77.9	86.3	96.8
Operating expenditure	153.1	173.1	187.6	182.1	189.3
Efficiency carryover amounts	0.0	0.0	0.0	0.0	0.0
S factor amounts	-6.1	-22.0	-5.6	-0.3	0.8
Tax allowance	19.6	20.3	22.3	23.9	26.2
Annual revenue requirements	438.7	483.1	527.2	551.8	606.0
Expected revenues	440.7	470.0	513.3	563.9	626.1
Forecast CPI (%)	2.57	2.57	2.57	2.57	2.57
X factors (%) ³	-0.11	-3.00	-6.36	-6.70	-7.20

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

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.

³ Negative values for X indicate real price increases under the CPI-X formula.

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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 145,651 square kilometres or around 66 percent of the State and serving more than 758,400 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, Ballarat, Geelong, Horsham, Mildura, Shepparton and Warrnambool.

The majority of Powercor Australia's electricity infrastructure is overhead (89 percent), with more than 529,900 poles carrying 85,883 kilometres of power lines. The network comprises 140 zone substation transformers with a further 82,780 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 5.2 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, 2014 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 percent⁴ 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.

⁴ 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	<ul style="list-style-type: none"> • Constructing the distribution network • Maintaining 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	<ul style="list-style-type: none"> • New connections requiring augmentations 	Standard control services
Metering services	<ul style="list-style-type: none"> • Meter investigation • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Rearrangement of network assets at customer request, excluding alteration and relocation of existing public lighting assets • Supply enhancement at customer request • Supply abolition • 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
Fee based services	<ul style="list-style-type: none"> • Fault response—not DNSP fault 	Alternative control

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Service grouping	Services	AER classification
	<ul style="list-style-type: none">Temporary disconnect / reconnect servicesWasted attendance—not DNSP faultService truck visitsReserve feederPV installationRoutine connections - customers below 100 ampsTemporary supply services	services - fee based
Unclassified services	<ul style="list-style-type: none">Provision of possum guardsRepair, installation and maintenance of watchman lights	Unregulated services

Table 3 - Service classification

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 *retail 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 *retail customers* to whom *standard control services* are supplied and *retail 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 *retail 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 retail customers to tariff classes and assessment and review of basis of charging

- (a) In formulating provisions of a distribution determination governing the assignment of *retail customers* to *tariff classes* or the re-assignment of *retail customers* from one *tariff class* to another, the *AER* must have regard to the following principles:
 - (3) however, *retail customers* with micro-generation facilities should be treated no less favourably than *retail 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 at 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 tariff class under which the Victorian DNSP was charging 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 12.1.2 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 13 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.

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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.

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

The pass through costs (section 11 of this Pricing Proposal) describes how pass through costs were 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. The flexible pricing tariff has two seasonal elements being summer and non summer, then a peak, shoulder and off peak block energy charge. 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;

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- Flexible pricing (seasonal and time of use) 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 jurisdictional scheme cost recovery, designated pricing proposal charges and cost pass through 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, flexible pricing, 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 with a compliant meter.

The low voltage residential single rate 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 & Cost Pass Through	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 4 - Low voltage residential single rate tariff charging parameters

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4.3.2 Low voltage residential time-of-use tariff⁵

The low voltage residential time-of-use tariff is available to eligible residential customers with a compliant meter.

The low voltage residential time-of-use tariff incorporates the charging parameters set out in the following table. This tariff is no longer available to new connections.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery & Cost Pass Through	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 5 - Low voltage residential time-of-use tariff charging parameters

4.3.3 Low voltage residential flexible pricing tariff⁶

The low voltage residential flexible pricing tariff is available to eligible residential customers. These customers require an active market interval read meter.

The low voltage residential flexible pricing tariff incorporates the charging parameters set out in the following table. The times mentioned below are in local time.

⁵ Including customers located within the docklands inset network

⁶ Including customers located within the docklands inset network

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Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery & Cost Pass Through	Description
Supply Rate	\$/day	✓	✓	✗	Pro-rated fixed annual charge
Summer Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Fri 15.00-21.00
Summer Shoulder Usage Rate	¢/kWh	✓	✓	✓	Mon – Fri 07.00-15.00 Mon – Fri 21.00-22.00 Sat - Sun 07.00 – 22.00
Summer Off Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Sun 22.00 – 07.00
Non Summer Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Fri 15.00-21.00
Non Summer Shoulder Usage Rate	¢/kWh	✓	✓	✓	Mon – Fri 07.00-15.00 Mon – Fri 21.00-22.00 Sat - Sun 07.00 – 22.00
Non Summer Off Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Sun 22.00 – 07.00

Table 6 - Low voltage residential flexible pricing tariff charging parameters

4.3.4 Climate saver tariff

The climate saver tariff is connected to dedicated and separately metered qualifying reverse cycle air-conditioning. This tariff 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 & Cost Pass Through	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

4.3.5 Low voltage residential flexible pricing climate saver tariff

The low voltage residential flexible pricing climate saver tariff is available to eligible residential customers taking supply. These customers require an active market interval read meter.

The low voltage residential flexible pricing climate saver tariff is connected to dedicated and separately metered qualifying reverse cycle air-conditioning. This tariff is no longer available to new connections.

The low voltage residential flexible pricing climate saver tariff incorporates the charging parameters set out in the following table. Times mentioned below are in local time.

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Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery & Cost Pass Through	Description
Supply Rate	\$/day	✗	✗	✗	Pro-rated fixed annual charge
Summer Peak Usage Rate	¢/kWh	✓	✓	✓	7 days, 24 hours
Summer Shoulder Usage Rate	¢/kWh	✗	✗	✗	n/a
Summer Off Peak Usage Rate	¢/kWh	✗	✗	✗	n/a
Non Summer Peak Usage Rate	¢/kWh	✓	✓	✓	7 days, 24 hours
Non Summer Shoulder Usage Rate	¢/kWh	✗	✗	✗	n/a
Non Summer Off Peak Usage Rate	¢/kWh	✗	✗	✗	n/a

Table 8 – Flexible Pricing climate saver tariff charging parameters

4.3.6 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 is installed.

The controlled load 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 & Cost Pass Through	Description
Off peak Rate	¢/kWh	✓	✓	✓	For the balance of off peak consumption

Table 9 - 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.

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.

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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 or 6 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.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery & Cost Pass Through	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 10 - 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 or 6 meter installation. The customer's peak period energy consumption is charged in four consumption blocks. This tariff is no longer available to new connections. The low voltage business 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 & Cost Pass Through	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 - Low voltage business time-of-use tariff charging parameters

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4.4.3 Low voltage business tariff P14G

The low voltage business tariff P14G is available to eligible business customers taking supply at less than 1kV. These customers require an AMI meter.

The low voltage residential flexible pricing tariff incorporates the charging parameters set out in the following table. The times mentioned below are in local time.

Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery & Cost Pass Through	Description
Supply Rate	\$/day	✓	✓	✗	Pro-rated fixed annual charge
Summer Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Fri 07.00-19.00
Summer Shoulder Usage Rate	¢/kWh	✓	✓	✓	Sat - Sun 07.00 – 19.00
Summer Off Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Sun 19.00 – 07.00
Non Summer Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Fri 07.00-19.00
Non Summer Shoulder Usage Rate	¢/kWh	✓	✓	✓	Sat - Sun 07.00 – 19.00
Non Summer Off Peak Usage Rate	¢/kWh	✓	✓	✓	Mon – Sun 19.00 – 07.00

Table 12 - Low voltage business tariff P14G charging parameters

4.4.4 Unmetered supply / public lighting tariff

The unmetered supply tariff is applicable to supply points and public lighting that are not metered or use Type 7 metering. 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.

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Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	JSCR Recovery & Cost Pass Through	Description
Supply Rate	\$/day	x	x	x	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 13 – 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 & Cost Pass Through	Description
Supply Rate	\$/day	x	x	x	Pro-rated fixed annual charge
Annual Demand Rate	\$/kW/pa	✓	✓	x	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 - Large low voltage kW demand tariff charging parameters

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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			Description
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	Cost Pass Through	
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 15 - 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. The charging parameters for this tariff are set out in the following table.

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Charging Parameter	Units	Element of service			
		Direct control DUoS	Designated Pricing Proposal Charges DPPC	Cost Pass Through	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 16 - 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*

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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 with 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.

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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.

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.

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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		↑	↑				
Residential ToU		↑	↑	↑		↓	
Residential Flex. pricing				↑	↔	↓	
Climate Saver		↑	↑			↓	
Controlled load						↓	
Small Business							
Small Business flat		↑	↑				
Small Business ToU		↑	↑	↑		↓	
Small business Flex. pricing				↑	↔	↓	
Large Low voltage business							
LLV business				↔		↔	↑
High Voltage business							
HV business				↔		↔	↑
Subtransmission business							
Subtransmission				↔		↔	↑

Table 17 - Indicative relative charging parameter movement in the 2011-15 regulatory control period

Table 17 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.

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 2015 and provides a comparison with the rates in place during 2014.

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 cost recovery of designated pricing proposal charges, jurisdictional scheme amounts and pass through cost is set out in chapter 9, chapter 10 and chapter 11 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.

6.2 Requirements of the AER's Final Decision

Appendix E of the AER's Final Decision contains the following requirements based on clause 6.18.2(b)(8) of the Rules, concerning providing a description of any changes from the previous regulatory year.

E.1.4 AER assessment of reasonable estimates

When assessing the reasonableness of quantity estimates provided by the Victorian DNSPs, the AER will take the following information into account:

1. the actual audited quantities sold in relevant units under the origin tariff in previous years
2. a forecast of the number of distribution customers that the DNSP states will move to the new tariff/tariff components, and the reasons for the move
3. a forecast of the number of distribution customers that the DNSP expects will remain on the origin tariff
4. a forecast of the quantities that the DNSP expects will be sold, in relevant units, to those distribution customers that are to be moved to the new tariff/tariff components
5. a forecast of the quantities that the DNSP expects will be sold, in relevant units, to those distribution customers that will remain on the origin tariff

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6. a forecast of the distribution tariff, and associated revenue, the DNSP expects will be payable by those distribution customers that will be moved to the new tariff/tariff components
7. a forecast of the distribution tariff, and associated revenue, the DNSP expects will be payable by those distribution customers that will remain on the origin tariff
8. the approach the DNSP used to determine its forecasts (for 2–7 above)
9. the materiality of the reasonable estimates
10. further information as required by the AER.

6.3 Change from previous regulatory year

The information in Appendix L demonstrates compliance with appendix E.1.4 of the Final Decision.

6.4 Calculation of use of system tariffs

The information in Appendix C outlines the price movement proposed for 2015. 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 transmission, inter DB and avoided transmission;
- Recovery of jurisdictional scheme amounts; and
- Pass through costs.

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 2015.

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 annual pricing

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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 paragraph 12 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 that the DNSP's method for reviewing and assessing the basis on which a customer is charged (see paragraphs 12 and 13) 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 2015 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 Cost Recovery Scheme (JCRS);
- 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 2015 year, network prices will be established in accordance with this Pricing Proposal for implementation on 1 January 2015. Prices are not expected to 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

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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.⁷

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 2015 network prices.

⁷ '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 2015 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*.

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 *retail customers* who belong to that class; and
 - (2) a lower bound representing the avoidable cost of not serving those *retail 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 *retail 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.

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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* in that *regulatory control period* 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 years* plus 2%;

Note:

The calculation is of the form $(1 + \text{CPI})(1 - X)(1 + 2\%)$

- (2) CPI plus 2%.

Note:

The calculation is of the form $(1 + \text{CPI})(1 + 2\%)$

- (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 *retail customers*;
 - (3) the recovery of revenue to accommodate pass through of *jurisdictional scheme amounts* for *approved jurisdictional schemes*; and
 - (4) the recovery of revenue to accommodate any increase in the *Distribution Network Service Provider's annual revenue requirement* by virtue of an application of a formula referred to in clause 6.5.2(1).
- (e) This clause does not, however, limit the extent a tariff for *retail 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:

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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 2015 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	2015 value
Consumer Price Index	2.31%
X Factor ⁸	(7.20)%
L Factor	(0.00)%
S Factor	(1.41)%
WAPC $(1+CPI) \times (1-X) \times (1+S) \times (1+L) - 1$	8.13%

Table 18 - 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 I and forms part of this Pricing Proposal.

The prices and side constraints for 2015 are based on 2013 volumes, projected using the WAPC formulae and X factors determined by the AER.

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

2015 Distribution price control	$P_{t-1}Q_{t-2}$ \$'000	P_tQ_{t-2} \$'000	Change in weighted average revenue %
Distribution Tariff Revenue	582,832	630,211	8.13%

Table 19 - Weighted Average Revenue

Table 19 demonstrates that Powercor Australia's 2015 network Pricing Proposal complies with the WAPC constraints indicated in Table 18 above.

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

⁸ 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 2015 is set out in Table 20.

Criterion	2015 value
Consumer Price Index	2.31%
X Factor	(7.20)%
L Factor	(0.00)%
S Factor	(1.41) %
Side constraint $(1+CPI) \times (1-X) \times (1+S) \times (1+L) \times (1+2\%) - 1$	10.29%

Table 20 - 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 I). A summary of the tariff class revenue and price changes is presented in Table 21.

Tariff Class	2014	2015
	Pt-1Qt-2 (\$,000)	PtQt-2 (\$,000)
Residential	248,393	273,957
Non-Residential	168,182	174,149
Large Low Voltage	115,489	127,375
High voltage	44,544	49,128
Subtransmission	6,224	5,602

Table 21 - Compliance with the side constraint

To demonstrate Powercor Australia's compliance with the provisions of clause 6.18.6 of the Rules and the AER's side constraint formula, the percentage change from 2014 and side constraints for each tariff class are given below:

Residential class has increased 10.29%, Non residential class has increased 3.55%, Large Low Voltage has increased 10.29%, High voltage class has increased 10.29% and the Subtransmission class has decreased 9.99%. These are all less than the side constraint of 10.29%.

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.

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The Stand-alone and Avoidable cost methodologies are described in detail in Appendix H (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 G (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.

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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 2015 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	100,720	253,851	512,572
Non-Residential	56,968	203,378	425,459
Large Low Voltage	19,041	119,553	308,203
High voltage	5,762	47,539	251,053
Subtransmission	1,024	5,348	205,778

Table 22 - 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).

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A comparison of the stand-alone, avoidable, LRMC and 2015 tariff rates for Powercor Australia's tariff classes is shown in following Figure 2⁹.

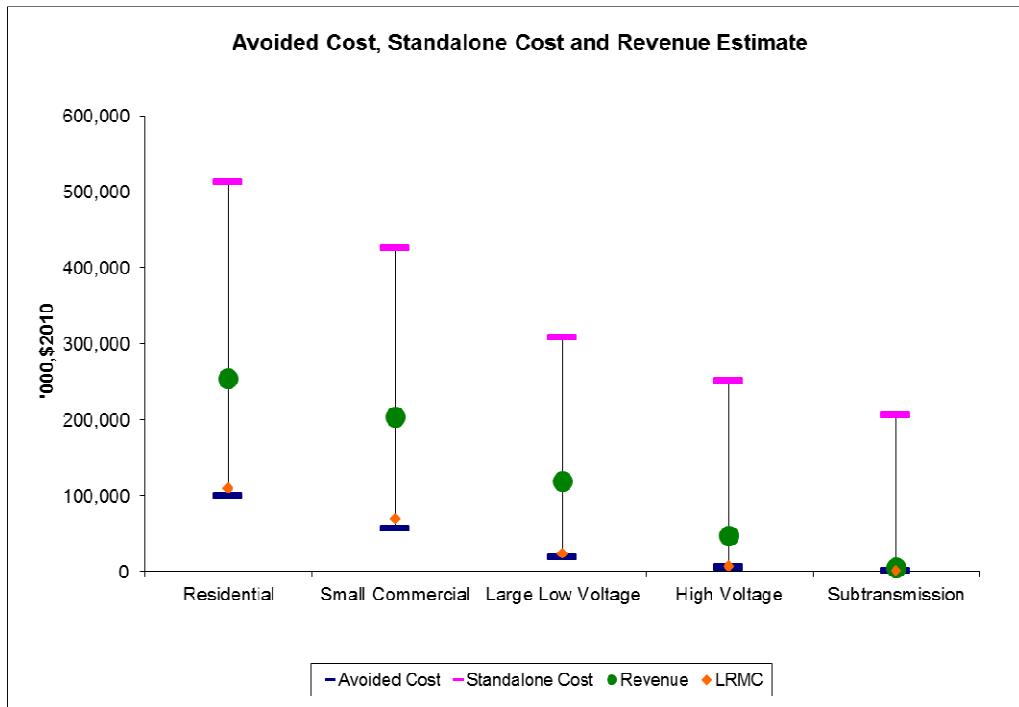


Figure 2 - Cost comparison (\$/kVA per annum)

It can be noted that:

- The 2015 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 2015 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 2015 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.

⁹ The stand-alone, 2013 tariff and avoidable tariff class rates are expressed as their \$ contribution divided by the forecast coincident peak kVA for Powercor's system demand in 2013, with a 10% PoE.

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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 2015 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 has not introduced new tariffs and tariff structures in 2015. Therefore this will have no impact on transaction costs.

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 designated pricing proposal charges

- (a) A *pricing proposal* must provide for tariffs designed to pass on to *retail 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 *retail 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 *retail 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 *allowed 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 2015

Powercor Australia has prepared prices for 2015 in accordance with appendix F of the decision. 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.

10 Recovery of Jurisdictional Scheme Amounts

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*;

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- (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 *allowed 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 a *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.

In the National Electricity (Victoria) Act 2005 the Victorian Transitional Feed-in tariff (**TFiT**) is considered a jurisdictional scheme in accordance with rule requirement clause 6.18.7A(d)(1). Powercor Australia submits that the Victorian Transitional Feed-in tariff (**TFiT**) scheme fulfils the criteria for eligibility as a jurisdictional scheme.

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.

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).

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

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

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

11 Pass Through Costs

On 13 December 2011, Powercor submitted a pass through application to the AER resulting from the implementation in Victoria of two recommendations of the Victoria Bushfire Royal Commission (VBRC).

On 23 June 2011, the Victorian Government introduced the F-factor scheme which provides incentives for DNSPs to reduce the risk of fire starts and damages caused by fire starts. In accordance with clause 12(2) of the Order, the AER has made a determination for F-factor amounts to be passed through in the regulatory years that commence 1 January 2014 and 1 January 2015.

This section outlines the requirements and obligations in relation to the recovery of amounts relating to the pass through costs.

11.1 Regulatory Requirements

The requirements concerning the pass through costs are set out in clause 6.6.1 of the Rules and Chapter 16.7 and Appendix E3 of the AER's Final Decision.

11.1.1 Rules requirements

6.6.1 Cost Pass Through

- (a) Any of the following is a *pass through event* for a distribution determination:
 - (1) a *regulatory change event*;
 - (2) a *service standard event*;
 - (3) a *tax change event*;
 - (4) a *retailer insolvency event*; and
 - (5) any other event specified in a distribution determination as a *pass through event* for the determination.
- (a) If a *positive change event* occurs, a *Distribution Network Service Provider* may seek the approval of the AER to pass through to *Distribution Network Users* a *positive pass through amount*.
- (b) If a *negative change event* occurs, the *AER* may require the *Distribution Network Service Provider* to pass through to *Distribution Network Users* a *negative pass through amount* as determined by the *AER* under paragraph (g).

Positive Pass through

- (c) To seek the approval of the AER to pass through a *positive pass through amount*, a *Distribution Network Service Provider* must submit to the AER, within 90 *business days* of the relevant *positive change event* occurring, a written statement which specifies:
 - (1) the details of the *positive change event*;

- (2) the date on which the *positive change event* occurred;
- (3) the *eligible pass through amount* in respect of that *positive change event*;
- (4) the *positive pass through amount* the *Distribution Network Service Provider* proposes in relation to the *positive change event*;
- (5) the amount of the *positive pass through amount* that the *Distribution Network Service Provider* proposes should be passed through to *Distribution Network Users* in the *regulatory year* in which, and each *regulatory year* after that in which, the *positive change event* occurred;
- (6) evidence:
 - (i) of the actual and likely increase in costs referred to in subparagraph (3);
 - (ii) that such costs occur solely as a consequence of the *positive change event*; and
 - (iii) in relation to a *retailer insolvency event*, of:
 - (A) the amount to which the *Distribution Network Service Provider* is entitled under any relevant *credit support*;
 - (B) the maximum amount of *credit support* (if any) that the *Distribution Network Service Provider* was entitled to request the *retailer* to provide under the *credit support rules*; and
 - (C) any amount that the *Distribution Network Service Provider* is likely to receive on a winding-up of the *retailer*; and
- (7) such other information as may be required under any relevant *regulatory information instrument*.

11.1.2 Requirements of the AER's Final Decision

The calculation of the pass through factor is found in Appendix E3 of the AER's Final Decision.

E.3.2 Implementation mechanism

Maximum Pass through Revenue (MPR_t)

1. *MPR_t* is expressed by the formula as set out below:

$$MPR_t = PC_t - K_t$$

where:

MPR_t (in ϕ) is the maximum revenue the DNSP is allowed to receive from its pass through tariffs from all distribution customers for the calendar year t ;

PC_t (in ϕ) is the aggregate amount of all positive and negative change events approved for pass through by the AER, during calendar year t ; and K_t (in ϕ) is determined in accordance with clause E.3.3 of this appendix.

2. The *passthrough* factor in the WAPC and side constraint set out respectively in chapter 4 sections 4.5.1 and 4.5.2 of this final decision represent the incremental charges (incremental pass through charges) derived from MPR_t and the forecast quantities for year t .

11.2 Verification of Pass through event

Section 7 of the “Final Decision for Powercor cost pass through application of 13 December 2011 for Costs arising from the Victorian Bushfire Royal Commission”, is in accordance with section 6.6.1 of the Rules. Powercor submits that this decision qualifies for the pass through event to be recovered in this pricing proposal.

Table 5.1 of the Final determination for the ‘F-factor amount determinations for 2012 for Victorian electricity distribution network service providers’ summarises the pass through amounts proposed by the AER allowed to be passed through Powercor’s 2015 distribution tariffs.

11.3 Calculation of MPR_t

Powercor submits that it has satisfied the AER’s MPR_t calculation requirements as demonstrated in Appendix M of the Pricing Proposal.

12 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.

12.1 Regulatory Requirements

12.1.1 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 retail customers to tariff classes and assessment and review of basis of charging

- (a) In formulating provisions of a distribution determination governing the assignment of *retail customers* to *tariff classes* or the re-assignment of *retail customers* from one *tariff class* to another, the *AER* must have regard to the following principles:
- (1) *retail 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 *retail customer's* premises as a result of a *regulatory obligation or requirement*;
 - (2) *retail customers* with a similar *connection* and usage profile should be treated on an equal basis;
 - (3) however, *retail customers* with micro-generation facilities should be treated no less favourably than *retail 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.

12.1.2 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 reassessments;
- 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 2011-15 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 paragraphs 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 network¹⁰
 - (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.
4. In addition to the requirements under paragraph 3 of this appendix, a Victorian DNSP, when assigning or reassigning a customer to a tariff class, must ensure the following:

¹⁰ The AER interprets '*connection*' to include the installation of any technology capable of supporting time based tariffs.

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- (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 class during the 2011-15 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. In determining the tariff class to which a customer will be reassigned, a DNSP must take into account paragraphs 3 and 4 of this appendix.

Objections to proposed assignments and reassessments

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. A notice under paragraph 6 must include advice that the customer may request further information from the DNSP and that the customer may object to the proposed 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 the DNSP's website
 - b. that if the objection is not resolved to the satisfaction of the customer under the 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 paragraph 7.b, then the customer is entitled to seek a decision of the AER through the dispute resolution process available under Part 10 of the NEL.
8. If, in response to a notice issued in accordance with paragraph 7, 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 paragraph 7, a customer makes an objection to a Victorian DNSP about the

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proposed reassignment, the relevant Victorian DNSP must reconsider the proposed reassignment, taking into consideration the factors in paragraphs 3 and 4 of this appendix, 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 reassignment is upheld by the relevant body noted in paragraphs 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 paragraph 12 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 (see paragraphs 12 and 13) is not reasonable it will advise the DNSP in writing.

Installation of interval meters and assignment of customers to TOU tariffs

15. If a DNSP installs an interval meter for an existing distribution customer the DNSP may reassign that distribution customer to a time of use 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.

12.2 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.

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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.

12.2.1 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) or to provide a feed-in tariff as required under a jurisdictional scheme.

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.

12.3 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.

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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.

12.3.1 Obsolete tariffs

In addition to the current tariffs, in common with most utilities, Powercor Australia has a range of obsolete tariffs. No new 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.

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 12.2 of this Pricing Proposal.

With the introduction of the Flexible Pricing tariffs the Victorian Government has indicated that existing legacy network tariffs should be available to customers that were assigned to them prior to the introduction of Flexible Pricing. The reversion to existing legacy network tariffs will only be for a set period of time, ceasing 1 April 2015, as outlined in the Victorian Government's policy¹¹.

12.4 Objections to proposed assignments and reassessments

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 for Powercor Australia are outlined in the following sections.

12.4.1 Information provided to customers concerning tariff class assignment and Reassessment

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

¹¹ Essential Services Commission, Changes to regulatory instruments relating to flexible pricing of electricity, Final Decision, August 2013

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- 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.

12.4.2 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.

12.4.3 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.

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12.5 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.

12.6 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.

13 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.

13.1 Regulatory Requirements

13.1.1 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 *retail 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 *retail customers* to whom *standard control services* are supplied and *retail 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 *retail 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 retail customers to tariff classes and assessment and review of basis of charging

- (a) In formulating provisions of a distribution determination governing the assignment of *retail customers* to *tariff classes* or the re-assignment of *retail customers* from one *tariff class* to another, the *AER* must have regard to the following principles:
 - (1) *retail 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) *retail customers* with a similar *connection* and usage profile should be treated on an equal basis;
 - (3) however, *retail customers* with micro-generation facilities should be treated no less favourably than *retail 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 *retail customers* who belong to that class; and

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- (2) a lower bound representing the avoidable cost of not serving those *retail 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 *retail 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.

13.2 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 therefore 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.

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The tariff classes that are to apply for the 2015 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. This satisfies the requirements of clause 6.18.2(b)(1), (2), and (3) of the Rules.

13.3 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.

13.4 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.

13.4.1 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.

13.4.2 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

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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.

13.5 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.

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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 23 - X Factor for fee based connection services (real)

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

Table 24 - X Factor for other fee based services (real)

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

Table 25 - 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 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

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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.

13.6 Public Lighting Operation, Maintenance and Replacement

Powercor Australia has submitted its public lighting OM&R prices in accordance with the AER's instruction¹² to update the limited building blocks model developed as part of the Final Decision with CPI. This model incorporates the nominal price increases as approved by the AER in the Re-Determination (Section 2.2, Table 1).

13.7 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 2015 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.

¹² E-mail received from Craig Madden, 17 November 2010

14 Appendices

A Tariff schedules

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NETWORK TARIFF SCHEDULE

(GST EXCLUSIVE)

1 JANUARY 2015 – 31 DECEMBER 2015

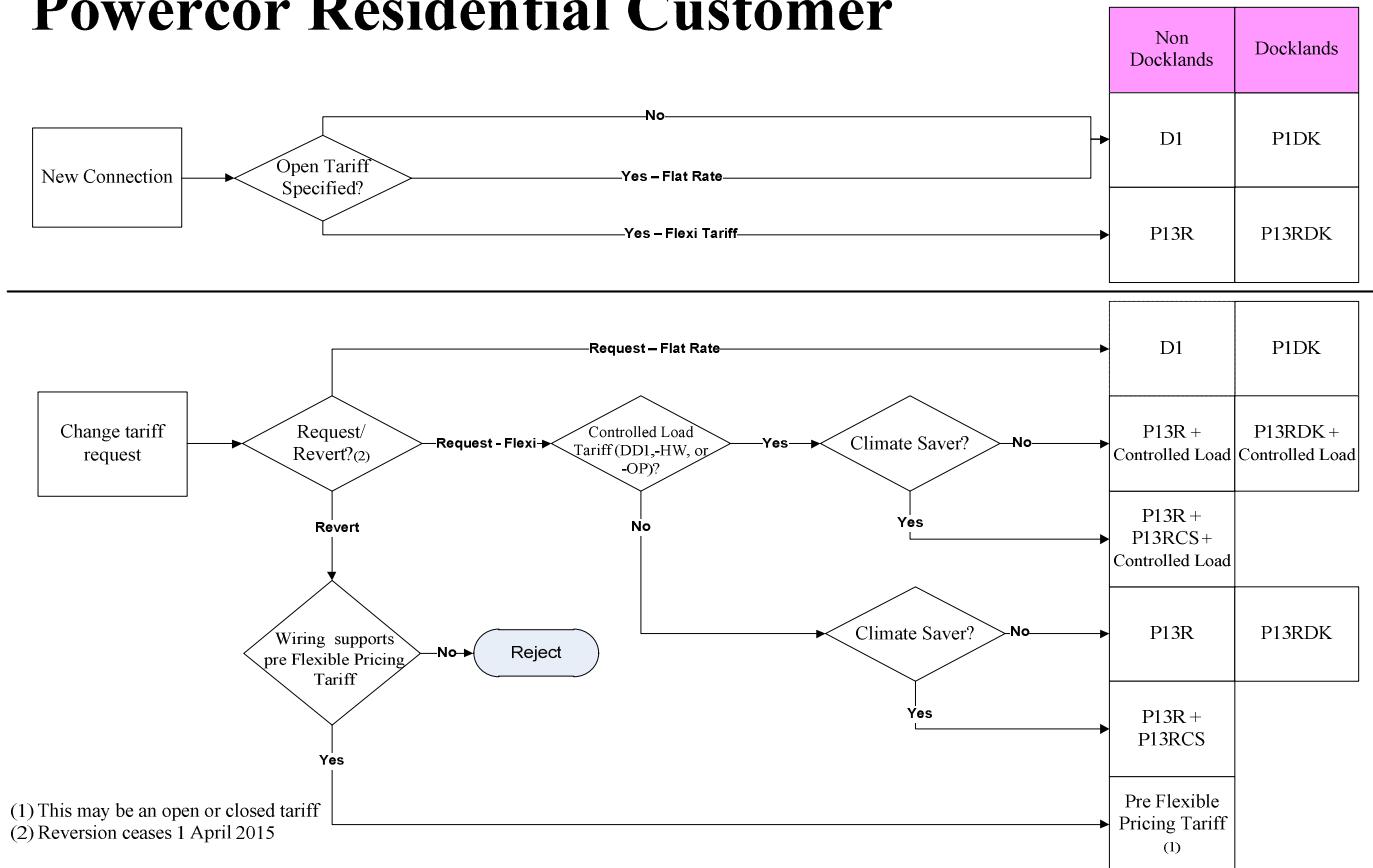
NUoS Tariff	Code	Available to new customers?	Minimum Demand	Demand	Peak	Peak	Peak	Peak	Off-Peak	Summer ToU	Summer ToU	Summer ToU	Non-Summer	Non-Summer	Non-Summer		
				Standing charges	kW	Block 1	Block 2	Block 3	Block 4	Block 1	Pk	Sh	Opk	Pk	Sh	Opk	
				\$/cust pa	\$/kW pa	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh		
Residential Single Rate	D1	Yes		103.2209		9.6889	10.5352	13.5944	13.6944								
Climate Saver	D1CS	No				11.5644	13.1876	15.4703	15.4713	2.7178							
Climate Saver Interval	D3CS	No				11.5644	13.1876	15.4703	15.4713	2.7178							
Residential - Flexible Pricing	P13R	Yes		117.0744								17.8897	7.6898	2.8768	17.8897	7.6898	
Residential Docklands - Flexible Pricing	P13RDK	Yes		84.3386								7.8912	3.4997	1.3033	7.8912	3.4997	
Climate Saver - Flexible Pricing	P13RCS	No										11.5644		2.7178			
Docklands single rate	P1DK	Yes		117.0563		4.9715											
Residential Two Rate 5d	D2	No		130.4215		13.7395	17.5921	18.0704	18.0714	2.9458							
Docklands Two Rate 5d	D2DK	No		128.4597		16.4864	18.5891	18.7402	18.7412	2.3666							
Residential Interval	D3	No		130.4215		13.7395	17.5921	18.0704	18.0714	2.9458							
Residential Two Rate 5d - controlled load	D2OP	No								2.9458							
Docklands Two Rate 5d - controlled load	D2DKOP	No								2.3666							
Dedicated circuit	DD1	No								3.0443							
Hot Water Interval	D3HW	No								3.0443							
Non-Residential Single Rate	ND1	Yes		94.2882		9.6624	11.3586	13.5226	13.6494								
Non-Residential	P14G	Yes		142.8422								15.4129	3.7640	2.7640	15.4129	3.7640	2.7640
Non-Residential Two Rate 5d	ND2	No		121.1066		8.1307	8.3560	15.5685	17.9730	2.7104							
Non-Residential Interval	ND5	No		121.1066		8.1307	8.3560	15.5685	17.9730	2.7104							
Non-Residential Two Rate 7d	ND3	No		134.8456		7.5953	7.5963	7.5973	16.7954	2.9100							
Public Lighting	PL2	No				16.0790				4.8373							
Large Low Voltage Demand	DL	Yes	250		141.8136	5.0426					3.0015						
Large Low Voltage Demand A	DLA	No	250		126.8678	2.4814					1.4770						
Large Low Voltage Demand C	DLC	No	250		137.6577	5.0610					2.8705						
Large Low Voltage Demand S	DLS	No	120		143.1766	5.3476					3.1827						
Large Low Voltage Demand Docklands	DLDK	Yes	120		128.4849	3.9245					2.8738						
Large Low Voltage Demand CXX	DLCXX	Yes	120		154.1396	5.5527					3.2719						
Large Low Voltage Demand EN.R	DLR	Yes	250		133.9421	4.7434					2.8382						
Large Low Voltage Demand EN.NR	DLNR	Yes	250		149.4179	5.3547					3.2128						
Large Low Voltage Demand EN.R.CXX	DLCXXR	Yes	120		156.5304	5.3459					3.8727						
Large Low Voltage Demand EN.NRCXX	DLCXXNR	Yes	120		156.5304	5.3459					3.8727						
High Voltage Demand	DH	Yes	1000		121.5516	3.3940					1.1023						
High Voltage Demand A	DHA	No	1000		89.8608	2.8018					0.9146						
High Voltage Demand C	DHC	No	1000		119.1375	3.3934					1.0547						
High Voltage Demand D1	DHD1	No	20000		97.0516	2.1967					0.7422						
High Voltage Demand D2	DHD2	No	8000		102.7938	1.9303					0.2591						
High Voltage Demand Docklands	DHDK	Yes	1000		90.0908	2.9067					1.2558						
High Voltage Demand D3	DHD3	No	10000		94.2821	1.5019					0.7532						
High Voltage Demand D4	DHD4	No	11000		0.4711	0.0003					0.0003						
Subtransmission Demand A	DSA	No	10000		25.3439	3.5565					0.7152						
Subtransmission Demand G	DSG	Yes	10000		25.6564	3.5575					0.7196						
Subtransmission Demand S	DSS	No	10000		25.6724	3.5332					0.7188						

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B Tariff eligibility

The following appendix details the tariffs available to new and existing customers in 2015.

Powercor Residential Customer



Note: Changing customer's characteristics will no longer require a mandatory change to an open tariff

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Tariffs Available to New and Existing Customers in 2015

All times are in Eastern Standard Times unless otherwise specified.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V) ¹³	MIN BILL DEMAND (kW) ¹⁴	PEAK PERIODS	SHOULDER PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS
EMBEDDED GENERATION							
GENR13	Embedded Generation	N/A	N/A	7 days, 24 hrs	N/A	N/A	<ul style="list-style-type: none"> – Must have an interval meter – May be required for Feed-In tariffs (FiT), refer to retailer for details
RESIDENTIAL CUSTOMERS							
D1	Residential Single Rate	<1,000	<120	7 days, 24 hrs	N/A	N/A	<ul style="list-style-type: none"> – This is the default tariff for greenfield new connections not located in the Docklands where the retailer does not specify an alternative open tariff – No controlled load
P1DK	Residential Single Rate - docklands	<1,000	<120	7 days, 24 hours	N/A	N/A	<ul style="list-style-type: none"> – 1-phase residential customers connected in the Docklands area – This is the default tariff for greenfield new connections in the Docklands area where the retailer does not specify an alternative open tariff – No controlled load
P13R	Flexible Pricing - Residential	<1,000	<120	Mon-Fri 0700-1500-2100 Mon-Fri 2100-2200 Sat-Sun 0700-2200	Mon-Fri 0700-1500 Mon-Sun 2200-0700	Mon-Sun 2200-0700	<ul style="list-style-type: none"> – Residential customers not connected in Docklands area. – Requires an active market interval read meter – Times are in local time. – Reversion ceases 1 April 2015

¹³ The supply voltage is the first minimum criteria a customer must satisfy to be eligible for each tariff.

Where a customer requests to transfer from a capacity based tariff to an energy based tariff and the customer is capable of a greater supply capacity than the energy based tariff allows for, then a supply capacity control device is to be installed by the customer before the tariff reassignment can occur.

¹⁴ Connection capacity is the determining factor in tariff selection not actual capacity

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V) ¹³	MIN BILL DEMAND (kW) ¹⁴	PEAK PERIODS	SHOULDER PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS
P13RDK	Flexible Pricing – Residential - docklands	<1,000	<120	Mon-Fri 1500-2100	Mon-Fri 0700-1500 Mon-Fri 2100-2200 Sat-Sun 0700-2200	Mon-Sun 2200-0700	<ul style="list-style-type: none"> - Residential customers connected in the Docklands area - Requires an active market interval read meter - Times are in local time - Reversion ceases 1 April 2015
NON-RESIDENTIAL CUSTOMERS							
ND1	Non-Residential Single Rate	<1,000	<120	7 days, 24 hrs	N/A	- N/A	<ul style="list-style-type: none"> - Non-residential customers or - Builder's temporary supplies - No controlled load
P14G	Non-Residential	<1,000	<120	Mon-Fri 0700-1900	Sat-Sun 0700-1900	Mon-Sun 1900-0700	<ul style="list-style-type: none"> - Non-residential customers - Requires an AMI meter - Times are in local time
PL2	Unmetered Supplies / Public Lighting	<1,000	N/A	Mon-Fri 0700-2300	N/A	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Customers with an approved unmetered load - Public Lighting to a public lighting customer <p>Note: New customer connections are required to install a load-limiting device</p>
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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Large Customers with demands up to 250kW

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V) ¹³	MIN BILL DEMAND (kW) ¹⁴	PEAK PERIODS	SHOULDER PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS
DL.CXXR	Large Low Voltage Demand Embedded Network Residential	<1,000	≥120	Mon-Sun 0700-2300	N/A	Mon-Sun 2300-0700	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Embedded network customers with demand up to 250kW - Connection points within the Embedded Network will be predominantly non-residential
DL.R	Large Low Voltage Demand Embedded Network Residential	<1,000	≥250	Mon-Sun 0700-2300	N/A	Mon-Sun 2300-0700	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Subtransmission voltage customer

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Tariffs Only Available to Existing Customers Already Assigned this Tariff @ 1 January 2015. (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	Premium Feed-in tariff	N/A	N/A	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - 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 criteria¹⁵ 	<u>New or changed:</u> <ul style="list-style-type: none"> - None <u>Existing:</u> <ul style="list-style-type: none"> - Must forfeit controlled load and climate saver
TFIT	Solar Feed-in tariff	N/A	N/A	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - 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 - Must forfeit controlled load and climate saver - Must meet other legislative eligibility criteria¹⁶ 	

¹⁵ Eligibility criteria as specified in the "Electricity Industry Amendment (Premium Solar Feed-in Tariff) Act 2009"

¹⁶ Eligibility criteria as specified in the "National Electricity (Victoria) Act 2005"

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
GENR	Embedded generation (non PFiT or TFiT)	N/A	N/A	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - Must have a compliant meter. - May be required for Feed-In tariffs, refer to your retailer for details 	
RESIDENTIAL CUSTOMERS							
P13CS	Climate Saver	<1,000	<120	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - This tariff is "stapled" to the flexible pricing parent tariff P13R, the conditions applicable to P13R also apply to this tariff - Must be on an existing Climate Saver tariff - Existing residential customers only (non-docklands) - Requires an active market interval read meter - Residential customers with dedicated circuit connected to a reverse-cycle air-conditioning load <p>Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification:</p> <ul style="list-style-type: none"> - 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 <p>OR</p> <ul style="list-style-type: none"> - Ducted system or inverter technology system, regardless of star rating or whether they are a split system - Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated circuit 	
D2	Residential Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Residential customers who requested a 2-rate tariff - Existing customers only 	<u>Existing customers:</u> <ul style="list-style-type: none"> - 1-phase electric hot water service with a total load of <30Amps. - Slab heating and Heat banks

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
							<u>Changed customers:</u> None
D2OP	Residential Two Rate 5d – controlled load	<1,000	<120	N/A	7 Days, 24 hours	<ul style="list-style-type: none"> – 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. <u>Switching Times:</u> <ul style="list-style-type: none"> – Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities.
D2DK	Docklands Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> – Existing Residential customers connected in the Docklands area. – 	N/A
D2DKOP	Docklands Two Rate 5d – controlled load	<1,000	<120	N/A	7 Days, 24 hours	<ul style="list-style-type: none"> – Where GP&L is connected to D2DK – Applicable to hot water only – Where metering permits – Existing customers connected in the Docklands area 	1-phase electric hot water service with a total load of <30Amps. <u>Switching Times:</u> <ul style="list-style-type: none"> – Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities.
D3	Residential	<1,000	<120	Mon-Fri 0700-2300	– Mon-Thurs 2300-	– Existing Residential customers not in Docklands	N/A

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
					0700 Fri 2300 - Mon 0700	area	
DD1	Dedicated Circuit	<1,000	<120	N/A	7 days	<ul style="list-style-type: none"> - Residential customers with dedicated circuit connected to a controlled load - Existing customers only 	<p>1-phase electric hot water service with a total load of <30Amps.</p> <p><u>Switching Times:</u></p> <ul style="list-style-type: none"> - Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities. <p>Slab heating</p> <p>Typically switching times will vary depending on localised demand management activities.</p> <ul style="list-style-type: none"> - 11pm and 7am. <p>An afternoon boost between 1pm and 4pm may occur during winter.</p>
D1CS	ClimateSaver	<1,000	<120	01 Nov – 31 Mar	01 Apr – 31 Oct	<ul style="list-style-type: none"> - Existing customers only (non-docklands) - Residential customers with dedicated circuit connected to a reverse-cycle air-conditioning load <p>Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification:</p> <ul style="list-style-type: none"> - 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 	N/A

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
						<p>OR</p> <ul style="list-style-type: none"> - Ducted system or inverter technology system, regardless of star rating or whether they are a split system - Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated circuit 	
D3CS	ClimateSaver Interval	<1,000	<120	01 Nov – 31 Mar	01 Apr – 31 Oct	<ul style="list-style-type: none"> - Existing customers only (non-docklands) - Residential customers with GP&L supply on D3 tariff with dedicated circuit connected to a reverse-cycle air-conditioning load <p>Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification:</p> <ul style="list-style-type: none"> - 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 <p>OR</p> <ul style="list-style-type: none"> - Ducted system or inverter technology system, regardless of star rating or whether they are a split system <p>Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated circuit</p>	N/A

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
D3HW	Hot Water Interval	<1,000	<120	N/A	7 days	<ul style="list-style-type: none"> - 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. <u>Switching Times:</u> 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							
ND2	Non-Residential Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Existing customers only 	<u>Existing customers:</u> - 1-phase electric hot water service with a total load of <30Amps. <u>Changed customers:</u> - None
ND3	Non-Residential Two Rate 7d	<1,000	<120	Mon-Sun 0700-2300	Mon-Sun 2300-0700	<ul style="list-style-type: none"> - Existing customers only - Non-residential customers 	None
ND5	Non-Residential	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Non-residential customers not connected in Docklands area - Builder's temporary supply 	N/A
D2DK	Docklands Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - 1-phase customers connected in the Docklands area. 	N/A
DD1	Dedicated Circuit	<1,000	<120	N/A	7 days	<ul style="list-style-type: none"> - 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. <u>Switching Times:</u> - Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
							<p>management activities.</p> <p>Slab heating</p> <p>Typically switching times will vary depending on localised demand management activities.</p> <ul style="list-style-type: none"> - 12am and 7am. - An afternoon boost between 1pm and 4pm will occur during winter.
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
DLC	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
DLS	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

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TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
DH.D2	High Voltage Demand D2	$\geq 1,000$ and $\leq 22,000$	$\geq 8,000$	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	$\geq 1,000$ and $\leq 22,000$	$\geq 10,000$	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	$\geq 1,000$ and $\leq 22,000$	$\geq 10,000$	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							
DS.A	Subtransmission Demand A	>22,000	$\geq 10,000$	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	$\geq 10,000$	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 NUoS and 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	2014	2015	Variance
Standing charges	\$/cust pa	65.2764	103.2209	37.9445
Demand charges	kW	\$/kW pa	0.0000	0.0000
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	8.2020	9.6889
	Block 2	c/kWh	8.9184	10.5352
	Block 3	c/kWh	11.5081	13.5944
	Block 4	c/kWh	11.5928	13.6944
Off Peak charges	Block 1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Docklands single rate			
Tariff Code	P1DK			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	99.0919	117.0563	17.9644
Demand charges	kW	\$/kW pa	0.0000	0.0000
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	8.5524	4.9715
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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C.1.2 Low voltage residential Flexible Pricing tariff

Tariff	Residential - Flexible Pricing			
Tariff Code	P13R			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	74.0373	117.0744	43.0371
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	0.0000	0.0000	0.0000
	Block 2	0.0000	0.0000	0.0000
	Block 3	0.0000	0.0000	0.0000
	Block 4	0.0000	0.0000	0.0000
Off Peak charges	Block 1	0.0000	0.0000	0.0000
	Block 2	0.0000	0.0000	0.0000
Summer	Peak	15.1442	17.8897	2.7455
	Shoulder	6.5097	7.6898	1.1801
	Off-Peak	2.4353	2.8768	0.4415
	n/a	0.0000	0.0000	0.0000
Non-Summer	Peak	15.1442	17.8897	2.7455
	Shoulder	6.5097	7.6898	1.1801
	Off-Peak	2.4353	2.8768	0.4415
	n/a	0.0000	0.0000	0.0000

Tariff	Residential Docklands - Flexible Pricing			
Tariff Code	P13RDK			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	71.3953	84.3386	12.9433
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	0.0000	0.0000	0.0000
	Block 2	0.0000	0.0000	0.0000
	Block 3	0.0000	0.0000	0.0000
	Block 4	0.0000	0.0000	0.0000
Off Peak charges	Block 1	0.0000	0.0000	0.0000
	Block 2	0.0000	0.0000	0.0000
Summer	Peak	13.5754	7.8912	-5.6842
	Shoulder	6.0206	3.4997	-2.5209
	Off-Peak	2.1087	1.3033	-0.8054
	n/a	0.0000	0.0000	0.0000
Non-Summer	Peak	13.5754	7.8912	-5.6842
	Shoulder	6.0206	3.4997	-2.5209
	Off-Peak	2.1087	1.3033	-0.8054
	n/a	0.0000	0.0000	0.0000

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C.1.3 Low voltage residential ToU tariffs

Tariff	Residential Two Rate 5d			
Tariff Code	D2			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	82.4779	130.4215	47.9436
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	13.4423	13.7395
	Block 2	c/kWh	14.8923	17.5921
	Block 3	c/kWh	15.7407	18.0704
	Block 4	c/kWh	18.2261	18.0714
Off Peak charges	Block 1	c/kWh	2.4937	2.9458
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Docklands Two Rate 5d			
Tariff Code	D2DK			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	81.2373	128.4597	47.2224
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	13.9563	16.4864
	Block 2	c/kWh	15.7363	18.5891
	Block 3	c/kWh	15.8642	18.7402
	Block 4	c/kWh	18.2723	18.7412
Off Peak charges	Block 1	c/kWh	2.0034	2.3666
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Residential Interval			
Tariff Code	D3			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	82.4779	130.4215	47.9436
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	13.4423	13.7395
	Block 2	c/kWh	14.8923	17.5921
	Block 3	c/kWh	15.7407	18.0704
	Block 4	c/kWh	18.2261	18.0714
Off Peak charges	Block 1	c/kWh	2.4937	2.9458
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Residential Two Rate 5d - controlled load			
Tariff Code	D2OP			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.4937	2.9458
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Docklands Two Rate 5d - controlled load			
Tariff Code	D2DKOP			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	0.0000	0.0000
	kVA	\$/kVa pa	0.0000	0.0000
	Block1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.0034	2.3666
	Block 2	c/kWh	0.0000	0.0000
	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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C.1.4 Climate Saver tariffs

Tariff	Climate Saver				
Tariff Code	D1CS				
Charging parameter	UoM	2014	2015	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	9.7897	11.5644	1.7747
	Block 2	c/kWh	11.1637	13.1876	2.0239
	Block 3	c/kWh	13.0961	15.4703	2.3742
	Block 4	c/kWh	17.0947	15.4713	-1.6234
Off Peak charges	Block 1	c/kWh	4.6754	2.7178	-1.9576
	Block 2	c/kWh	0.0000	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000	0.0000

Tariff	Climate Saver Interval				
Tariff Code	D3CS				
Charging parameter	UoM	2014	2015	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	9.7897	11.5644	1.7747
	Block 2	c/kWh	11.1637	13.1876	2.0239
	Block 3	c/kWh	13.0961	15.4703	2.3742
	Block 4	c/kWh	17.0947	15.4713	-1.6234
Off Peak charges	Block 1	c/kWh	4.6754	2.7178	-1.9576
	Block 2	c/kWh	0.0000	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000	0.0000

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C.1.5 Climate Saver Flexible Pricing tariffs

Tariff	Climate Saver - Flexible Pricing			
Tariff Code	P13RCS			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	11.1123	11.5644
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	4.6714	2.7178
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

C.1.6 Controlled load tariffs

Tariff	Dedicated circuit			
Tariff Code	DD1			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.5771	3.0443
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Hot Water Interval			
Tariff Code	D3HW			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	0.0000	0.0000
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.5771	3.0443
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	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	2014	2015	Variance
Standing charges	\$/cust pa	59.6274	94.2882	34.6608
Demand charges	kW	\$/kW pa	0.0000	0.0000
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	8.1795	9.6624
	Block 2	c/kWh	9.6155	11.3586
	Block 3	c/kWh	11.4474	13.5226
	Block 4	c/kWh	11.5547	13.6494
Off Peak charges	Block 1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

C.2.2 Low voltage business tariff P14G

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	Non-Residential			
Tariff Code	P14G			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	90.3327	142.8422	52.5095
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.0000	0.0000
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	13.0475	15.4129
	Shoulder	c/kWh	6.4752	3.7640
	Off-Peak	c/kWh	2.4754	2.7640
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	13.0475	15.4129
	Shoulder	c/kWh	6.4752	3.7640
	Off-Peak	c/kWh	2.4754	2.7640
	n/a	c/kWh	0.0000	0.0000

Tariff	Non-Residential Two Rate 5d			
Tariff Code	ND2			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	76.5872	121.1066	44.5194
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	13.9874	8.1307
	Block 2	c/kWh	14.3750	8.3560
	Block 3	c/kWh	15.0205	15.5685
	Block 4	c/kWh	15.2147	17.9730
Off Peak charges	Block 1	c/kWh	2.2944	2.7104
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	Non-Residential Interval			
Tariff Code	ND5			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	76.5872	121.1066	44.5194
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	13.9874	8.1307
	Block 2	c/kWh	14.3750	8.3560
	Block 3	c/kWh	15.0205	15.5685
	Block 4	c/kWh	15.2147	17.9730
Off Peak charges	Block 1	c/kWh	2.2944	2.7104
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Non-Residential Two Rate 7d			
Tariff Code	ND3			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	85.2757	134.8456	49.5699
Demand charges	kW	0.0000	0.0000	0.0000
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	11.0038	7.5953
	Block 2	c/kWh	11.7284	7.5963
	Block 3	c/kWh	13.0697	7.5973
	Block 4	c/kWh	14.2179	16.7954
Off Peak charges	Block 1	c/kWh	2.4634	2.9100
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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C.2.3 Unmetered supply tariffs

Tariff	Public Lighting			
Tariff Code	PL2			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	0.0000	0.0000
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	13.6114	16.0790
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	4.0949	4.8373
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

C.3 Large Low Voltage Business tariff class

Tariff	Large Low Voltage Demand			
Tariff Code	DL			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	120.0498	141.8136
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.2687	5.0426
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.5409	3.0015
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Large Low Voltage Demand A			
Tariff Code	DLA			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	120.0498	126.8678
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.2687	2.4814
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.5409	1.4770
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Large Low Voltage Demand C			
Tariff Code	DLC			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	116.5317	137.6577
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.2843	5.0610
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.4300	2.8705
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Large Low Voltage Demand S			
Tariff Code	DLS			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	121.2036	143.1766
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.5269	5.3476
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.6943	3.1827
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Large Low Voltage Demand Docklands			
Tariff Code	DLDK			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	108.7666	128.4849
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	3.3222	3.9245
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.4328	2.8738
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Large Low Voltage Demand CXX			
Tariff Code	DLCXX			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	130.4841	154.1396
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.7005	5.5527
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.7698	3.2719
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Large Low Voltage Demand EN.R			
Tariff Code	DLR			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	126.4871	133.9421
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.5329	4.7434
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.7197	2.8382
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	Large Low Voltage Demand EN.NR			
Tariff Code	DLNR			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	126.4871	149.4179
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.5329	5.3547
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	2.7197	3.2128
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	Large Low Voltage Demand EN.R CXX			
Tariff Code	DLCXXR			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	132.5080	156.5304
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	4.5255	5.3459
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	3.2784	3.8727
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	Large Low Voltage Demand EN.NRCXX			
Tariff Code	DLCXXNR			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	132.5080	156.5304	24.0224
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	4.5255	5.3459
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	3.2784	3.8727
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

C.4 High Voltage Business tariff class

Tariff	High Voltage Demand			
Tariff Code	DH			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	102.8973	121.5516	18.6543
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.8731	3.3940
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.9331	1.1023
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	High Voltage Demand A			
Tariff Code	DHA			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
	kW	76.0701	89.8608	13.7907
Demand charges	kVA	0.0000	0.0000	0.0000
	Block1	2.3718	2.8018	0.4300
Peak charges	Block 2	0.0000	0.0000	0.0000
	Block 3	0.0000	0.0000	0.0000
	Block 4	0.0000	0.0000	0.0000
	Off Peak charges	0.7742	0.9146	0.1404
Summer	Block 1	0.0000	0.0000	0.0000
	Block 2	0.0000	0.0000	0.0000
	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
Non-Summer	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000
	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
Non-Summer	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000

Tariff	High Voltage Demand C			
Tariff Code	DHC			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
	kW	100.8537	119.1375	18.2838
Demand charges	kVA	0.0000	0.0000	0.0000
	Block1	2.8726	3.3934	0.5208
Peak charges	Block 2	0.0000	0.0000	0.0000
	Block 3	0.0000	0.0000	0.0000
	Block 4	0.0000	0.0000	0.0000
	Off Peak charges	0.8928	1.0547	0.1619
Summer	Block 1	0.0000	0.0000	0.0000
	Block 2	0.0000	0.0000	0.0000
	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
Non-Summer	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000
	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
Non-Summer	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	High Voltage Demand D1			
Tariff Code	DHD1			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	82.1573	97.0516	14.8943
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.8596	2.1967
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.6283	0.7422
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	High Voltage Demand D2			
Tariff Code	DHD2			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	87.0183	102.7938	15.7755
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.6341	1.9303
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.2193	0.2591
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

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Tariff	High Voltage Demand Docklands			
Tariff Code	DHDK			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	76.2648	90.0908
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	2.4606	2.9067
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	1.0631	1.2558
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

Tariff	High Voltage Demand D3			
Tariff Code	DHD3			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	\$/kW pa	79.8128	94.2821
	kVA	\$/kVa pa	0.0000	0.0000
Peak charges	Block1	c/kWh	1.2714	1.5019
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.6376	0.7532
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	High Voltage Demand D4			
Tariff Code	DHD4			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	53.4001	0.4711	-52.9290
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	1.9193	0.0003
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.6840	0.0003
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000

C.5 Sub-transmission tariff class

Tariff	Subtransmission Demand A			
Tariff Code	DSA			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	21.4544	25.3439	3.8895
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	3.0107	3.5565	0.5458
	Block 2	0.0000	0.0000	0.0000
	Block 3	0.0000	0.0000	0.0000
	Block 4	0.0000	0.0000	0.0000
Off Peak charges	Block 1	0.6054	0.7152	0.1098
	Block 2	0.0000	0.0000	0.0000
Summer	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000
Non-Summer	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000

Tariff	Subtransmission Demand G			
Tariff Code	DSG			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	21.7190	25.6564	3.9374
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	3.0115	3.5575	0.5460
	Block 2	0.0000	0.0000	0.0000
	Block 3	0.0000	0.0000	0.0000
	Block 4	0.0000	0.0000	0.0000
Off Peak charges	Block 1	0.6092	0.7196	0.1104
	Block 2	0.0000	0.0000	0.0000
Summer	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000
Non-Summer	Peak	0.0000	0.0000	0.0000
	Shoulder	0.0000	0.0000	0.0000
	Off-Peak	0.0000	0.0000	0.0000
	n/a	0.0000	0.0000	0.0000

POWERCOR AUSTRALIA LTD'S 2015 PRICING PROPOSAL

Tariff	Subtransmission Demand S			
Tariff Code	DSS			
Charging parameter	UoM	2014	2015	Variance
Standing charges	\$/cust pa	0.0000	0.0000	0.0000
Demand charges	kW	21.7325	25.6724	3.9399
	kVA	0.0000	0.0000	0.0000
Peak charges	Block1	c/kWh	2.9910	3.5332
	Block 2	c/kWh	0.0000	0.0000
	Block 3	c/kWh	0.0000	0.0000
	Block 4	c/kWh	0.0000	0.0000
Off Peak charges	Block 1	c/kWh	0.6085	0.7188
	Block 2	c/kWh	0.0000	0.0000
Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	0.0000	0.0000
Non-Summer	Peak	c/kWh	0.0000	0.0000
	Shoulder	c/kWh	0.0000	0.0000
	Off-Peak	c/kWh	0.0000	0.0000
	n/a	c/kWh	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) ¹⁷
After Hours	All other times and only where resources are available ¹⁸

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.

¹⁷ Times for disconnections (Section D1.1.3) and reconnections (Section D1.1.4) differ from these times

¹⁸ 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 Decision¹⁹, Service Classification, classifies the following service groupings as Alternative Control Services - fee based:

- Metering Services;
- Public Lighting Services; and
- 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 malfunction²⁰;
- 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 a meter 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.

¹⁹ <http://www.aer.gov.au/content/index.phtml/itemId/740791>

²⁰ 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 may be applicable once the defect is repaired. 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 or other resource 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, including a veranda restricting access to the main fuse;
- No isolation point, necessitating disconnection at the pole;
- Multiple NMI's fused at a common isolation point;
- CT metered site;
- Isolation point in restricted area – substation;
- Safety disconnection for non-prescribed electrical works.

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; and
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 or other resource 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, including a veranda restricting access to the main fuse;
- No isolation point, necessitating disconnection at the pole;
- Multiple NMI's fused at a common isolation point;
- CT metered site;
- Isolation point in restricted area – substation;
- Safety reconnection for non-prescribed electrical works.

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.1.2 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.

Where a public lighting customer requests the replacement of a light with another light of a different type, then the activities required to fulfil this request fall outside of general OM&R activities. In this circumstance the following charges (rebates) are applied:

- Replacement luminaire - WDV recovery (charge);
- Replacement luminaire - avoided costs (rebate); and
- Installation costs of new light (refer to section on negotiated services).

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 or other resource visit is required for larger scale works or when the crew are required for longer than 1 hour a Quoted Services charge will apply (refer to section D.2.12 ‘After hours truck by appointment’).

In the situation where it is identified during works that additional work is required on the customer’s installation which will take longer than 1 hour, a quoted service charge will apply.

A service truck visit charge is not applicable to an appointment made to upgrade a basic meter site to a CT meter site. In this situation a quoted service charge will apply.

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;
- 24 hours notice is not provided for a cancellation;
- the site is locked with a non industry lock;
- asbestos removal or warning on site;
- scaffolding obstructing meter position;
- non adherence to VESI SIR’s; or
- other issues associated with safety assessment of the site.

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.

The Reserve Feeder service is not available to new customers from 1 January 2015.

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 persons connecting to 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 lighting²¹ (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 an additional charge will apply for the checking of the installation for compliance to Service and Installations Rules and other related Connection Standards. Further, 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

²¹ Watchman lighting is a contestable service.

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Registered Electrical Contractor (REC)).²² 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 / disconnection of the overhead service / underground cable and meter supplying the temporary supply pole where applicable.

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 90 Amperes per active conductor, then CT metering will be required.

Customers moving from direct connect metering to CT metering due to an increase in load on site will attract a quoted service for the removal of the direct connect meter and service for a new CT site connection. This is in addition to the augmentation project costs to upgrade the supply assets in the street to supply the additional load.

²² 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).

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; and
- After hours truck by appointment.

Labour rates on which quotes are based on include:

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

All Quoted Services are based on the greater of actual hours worked or minimum chargeable hours, 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; and
- 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 per site.

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; and
- 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; and

- 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 > than 40 amperes per phase.

Customers moving from direct connect metering to CT metering due to an increase in load on site will attract a quoted service for the removal of the direct connect meter and service for a new CT site connection. This is in addition to the augmentation project costs to upgrade the supply assets in the street to supply the additional load.

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 along with costs of other resources when necessary. 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; and
- Shutdowns (includes preparation works)

D.3 Alternative Control Service Rates for 2015

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	\$303.08	\$331.74
D.1.1.2	Meter Accuracy Test - single phase	\$382.22	\$419.42
D.1.1.2	Meter Accuracy Test - Single phase additional meter	\$156.02	n/a
D.1.1.2	Meter Accuracy Test - multi phase	\$489.46	\$538.32
D.1.1.2	Meter Accuracy Test - Multi phase additional meter	\$263.72	n/a
D.1.1.2	Meter Accuracy Test - CT	\$479.79	\$527.58
D.1.1.2	Re-test of type 5 & 6 metering installations for first tier customers with annual consumption greater than 160MWh\	\$376.14	\$415.36
D.1.1.3	Disconnection	\$39.02	n/a
D.1.1.3	Disconnection for non payment	\$39.02	n/a
D.1.1.4	Reconnections (incl Customer Transfer)	\$36.87	\$153.15
D.1.1.4	Reconnections (same day)	\$58.30	n/a
D.1.1.5	Special reading	\$30.96	n/a

D.3.2 Public Lighting Services Fee Based

Section Reference	Public Lighting Type	Annual charge GST Exclusive
D.1.2	Fluorescent T5 (2 X 14W)	\$33.61
D.1.2	Replacement luminaire - WDV recovery	\$25.11
D.1.2	Replacement luminaire - avoided costs	-\$29.08
D.1.2	Fluorescent 20 watt	\$147.38
D.1.2	Fluorescent 40 watt	\$147.38
D.1.2	Mercury vapour 50 watt	\$73.69
D.1.2	Mercury vapour 80 watt	\$53.01
D.1.2	Mercury vapour 125 watt	\$71.57
D.1.2	Mercury vapour 250 watt	\$68.60
D.1.2	Mercury vapour 400 watt	\$79.44
D.1.2	Mercury vapour 700 watt	\$120.06
D.1.2	Sodium 90 watt	\$117.98
D.1.2	Sodium 150 watt	\$87.39
D.1.2	Sodium 180 watt	\$117.28
D.1.2	Sodium 250 watt	\$90.27
D.1.2	Sodium 400 watt	\$120.06
D.1.2	Incandescent 100 watt	\$147.38
D.1.2	Incandescent 150 watt	\$147.38
D.1.2	Metal halide 250 watt	\$120.06
D.1.2	Metal halide 400 watt	\$120.06

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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	\$474.89	\$527.94
D.1.3.2	Wasted Truck Visit	\$253.87	\$280.38
D.1.3.3	Reserve Feeder - Subtransmission - \$ per KVA pa	\$0.92	n/a
D.1.3.3	Reserve Feeder - High Voltage - \$ per KVA pa	\$4.81	n/a
D.1.3.3	Reserve Feeder - Low Voltage - \$ per KVA pa	\$17.51	n/a
D.1.3.4	PV Installation	\$243.52	\$260.19
	New Connections Responsible for metering		
D.1.3.5	Single phase	\$395.62	\$425.60
D.1.3.5	Multi phase DC	\$516.49	\$546.48
D.1.3.5	Multi phase CT	\$2,135.30	\$2,321.69
	New Connections Not Responsible for metering		
D.1.3.5	Single phase	\$325.71	\$355.70
D.1.3.5	Multi phase DC	\$446.59	\$476.58
D.1.3.5	Multi phase CT	\$2,065.41	\$2,251.78

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	\$132.60	\$146.97
D.2	Design/survey	\$126.13	\$148.62
D.2	Administration	\$55.27	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 – Standalone, Avoidable and Long Run Marginal Cost Model

Refer Attachment 3

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

Refer Attachment 4

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

Refer Attachment 5

**J CONFIDENTIAL – Price Cap Compliance Model
(alternate control)**

Refer Attachment 6

**K CONFIDENTIAL – Public Lighting Operation,
Maintenance and Replacement (limited building blocks
model)**

Refer Attachment 7

L CONFIDENTIAL – Changes from previous regulatory year

Refer Attachment 8

M CONFIDENTIAL - Maximum Pass through Revenue Control Calculation

Refer Attachment 9