UED Pricing Proposal 2011

UNITED ENERGY
Distribution

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1 Introduction and structure

UED is one of five electricity distribution businesses operating under licence[1] within the State of Victoria. UED manages network assets with a replacement value of approximately $3.7 billion, comprising 45 zone substations, approximately 208,000 poles, 11,500 distribution substations, 10,000 km of overhead power lines and 2,300 km of underground cables. UED's electricity distribution network provides services to almost 630,000 end-use customers, located in an area of 1,472 km^2 in south-east Melbourne and the Mornington Peninsula. UED's distribution area is shown in Figure 1-1 below.

Figure 1-1: UED Distribution Territory

UED's network prices today are 39 per cent lower compared to 1994.

This document is UED's initial Pricing Proposal (Pricing Proposal) to the Australian Energy Regulator (AER), in accordance with the requirements of the National Electricity Rules (Rules). Clause 6.18.2(b) requires that a Pricing Proposal must:

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

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

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

[1] UED's electricity distribution licence is issued by the Essential Services Commission Victoria, pursuant to the Essential Services Commission Act 2001 and the Electricity Industry Act 2000.

d) 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

e) 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

f) set out how charges incurred by the *Distribution Network Service Provider* for *transmission use of system services* 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

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

h) 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 addition to the above provisions:

- clause 6.18.3 sets out requirements in relation to the definition of tariff classes;
- clause 6.18.4 sets out principles for the reassignment of customers to tariff classes;
- clause 6.18.5 describes the pricing principles that must apply to tariff classes;
- clause 6.18.6 provides for a side constraint on tariffs for standard control services;
- clause 6.18.7 defines the arrangements for the recovery of charges for transmission use of system;
- clause 6.18.8 sets out the arrangements for approving the Pricing Proposal; and
- clause 6.18.9 sets out provisions regarding the website publication of pricing information prior to the commencement of the regulatory year.

On 29 October 2010, the AER published its final decision for the Victorian electricity network distribution determination for the 2011-2015 regulatory period (the AER's final determination). This Pricing Proposal highlights important aspects of the AER's final determination that UED has taken into account in developing this Pricing Proposal. The remainder of this Pricing Proposal is structured as follows;

- Section 2 identifies the pricing issues arising from the AER's final determination;
- Section 3 sets out UED's proposed tariff classes and charging parameters;
- Section 4 describes UED's tariff strategy and the application of the pricing principles in the Rules;

- Section 5 sets out UED's proposed standard control tariffs for 2011 and the average charges to customers;
- Section 6 demonstrates that UED's proposed tariffs for 2011 complies with the Rules and the AER's final determination;
- Section 7 provides information in relation to the transmission component in the network tariffs;
- Section 8 provides details of UED's approach to tariff assignment and reassignment;
- Section 9 sets out information in relation to UED's alternative control services;
- Section 10 sets out information in relation to UED's public lighting charges; and
- The appendix provides details of UED's proposed tariffs for 2011.

In summary, this Pricing Proposal demonstrates compliance with the Rules and also provides helpful information to stakeholders regarding the issues, principles and rationale that have shaped UED's approach to setting its network tariffs for 2011. UED welcomes comments from interested parties as UED continually evolves its approach to tariff and price setting.

2 Pricing issues arising from the AER's final determination

2.1 UED's expected revenues for standard control services and X factors

In accordance with clause 6.12.1(2) and 6.12.1(11) of the Rules, the AER's final determination on UED's revenue requirements and X factors is set out below.

Table 2.1: AER final determination – revenues and X factors

	2011	2012	2013	2014	2015
Expected Revenues	$301.9m	$313.6m	$324.5m	$349.5m	$379.4m
AER's CPI estimate	2.57%	2.57%	2.57%	2.57%	2.57%
X factor	-0.37%	-1.0%	-1.0%	-6.0%	-6.0%

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

2.2 Weighted average price cap formula (WAPC)

As part of their pricing proposals, UED must submit to the AER proposed tariffs and charging parameters which correspond to the price terms contained in the WAPC and side constraint equations.

The WAPC formula to apply to the Victorian DNSPs for the forthcoming regulatory control period is:

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

where a DNSP 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 j;

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

- CPI_t is calculated as follows:

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

  divided by

  The Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the September Quarter immediately preceding the start of regulatory year t-1;

  minus one.

- X_t is the value of X for year t of the regulatory control period as determined by the AER;

- 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 the AER's final determination; and

- Pass through $_t$ represents approved pass through amounts with respect to regulatory year t as determined by the AER under clause 6.6 of the Rules, chapter 16 and appendix E of the AER's final determination.

2.3 Side constraint formula

The side constraints formula to apply to the Victorian DNSPs for the forthcoming regulatory control period is set out below.

Where for each tariff class a DNSP has *n* distribution tariffs, which each have up to *m* distribution tariff components:

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

- 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} t is the quantity of component j of distribution tariff i that was delivered in regulatory year t-2;
- CPI_t is calculated as described in section 2.1 above.
- X_t is the value of X for year t of the regulatory control period as determined by the AER;
- 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 the AER's final determination; and
- Pass through $_t$ represents approved pass through amounts with respect to regulatory year t as determined by the AER under clause 6.6 of the Rules, chapter 16 and appendix E of the AER's final determination.

2.4 Tariff class assignment and reassignment procedures

The AER's procedures for assigning and reassigning customers to tariff classes for the Victorian DNSPs are set out in appendix G of the AER's final determination. These procedures require that in determining the tariff class to which a customer or potential customer will be assigned, or reassigned, UED must take into account one or more of the following factors:

a) the nature and extent of the customer's usage;

b) the nature of the customer's connection to the network; and

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.

In addition to these requirements, when assigning or reassigning a customer to a tariff class, UED must ensure the following:

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

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

In addition to these guiding principles, the AER's procedures for tariff assignment and reassignment:

- describe the arrangements that DNSPs must adopt to notify their customers of a tariff assignment or reassignment, and to address a customer's objections;

- require the DNSP's Pricing Proposal to describe its system for assessing and reviewing the basis on which a customer is charged; and

- confirms that 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.

UED is currently in the process of replacing all meters with advanced interval metering (AMI). Once an AMI meter is installed UED has the capability to read the meter remotely and to offer a "time of use" tariff structure. It was UED's intention to automatically reassign customers to the new "time of use" tariff structure at the time a meter was replaced.

The Victorian Government has requested UED (and all Victorian DNSP's) to not automatically reassign customers to a time of use tariff structure for 2011. UED has agreed to this request and will therefore not automatically re-assign customer to a time of use tariff (see further details for PFIT customers in chapter 8. UED is participating in an industry working group that will determine whether this moratorium is extended beyond 2011.

In this Pricing Proposal, UED confirms that will comply fully with the AER's procedures for assigning and reassigning customers to tariff classes as set out in Appendix G of the AER's final determination. Further details of UED's approach to tariff assignment and reassignment are provided in section 8 of this Pricing Proposal.

2.5 Recovering the costs of Transmission and Premium Feed-In Tariffs

The AER's final determination concluded that transmission connection, inter-DNSP and avoided TUOS costs could not be recovered through clause 6.18.7 of the Rules. UED notes that prior to the AER's final determination it had been standard practice for DNSPs to recover these costs through network charges. The AER's conclusion highlights a deficiency in the drafting of the Rules, which is currently under consideration by the AEMC in the form of a Rule change proposal to address this anomaly.

As a result of the AER's final determination UED will be required to pay approximately $10m in connection costs to AEMO which it will not be able to recover in 2011. Provisions are in place to recover these costs in subsequent years. Therefore TOUS revenue (and prices) in 2011 will be artificially low due to the anomaly in the Rules and subsequent years will be artificially high as the 2011 costs are recovered.

Appendix F of the AER's final determination sets out the approach that will apply to the recovery of transmission charges in accordance with the current requirements of clause 6.18.7 of the Rules. The AER's interpretation of 6.18.7 also precludes DNSPs from recovering the administrative costs associated with Premium Feed-In Tariffs.

UED's network tariffs presented in this Pricing Proposal comply with the AER's interpretation of clause 6.18.7. UED will adjust network tariffs in future regulatory periods to recover the shortfall in cost recovery if the AEMC's final determination in relation to amending clause 6.18.7 provides for such an adjustment.

3 Tariff classes and charging parameters

3.1 Regulatory requirements

This section addresses the Rules requirements in relation to tariff classes. In particular, it provides the following information:

- the *tariff classes* that are to apply for 2011, in accordance with clause 6.18.2(b)(1);
- the proposed tariffs for each *tariff class*, in accordance with clause 6.18.2(b)(2); and
- for each proposed tariff, the *charging parameters* and the elements of service to which each *charging parameter* relates, in accordance with clause 6.18.2(b)(3); and
- the *tariff classes* into which customers for *direct control services* are divided, in accordance with clause 6.18.3, noting that:
  - Separate *tariff classes* must be constituted for customers to whom *standard control services* are supplied and customers to who *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*).
  - 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.

3.2 Service classification

Before addressing the provisions outlined in section 3.1 above, to assist stakeholders' understanding of the Rules requirements it is useful to summarise the AER's final determination for UED's classification of services into Standard Control Services, Alternative Control Services; Negotiated Services; and Unregulated Services.

3.2.1 Standard control services - Network services

The following services are provided within this classification.

- Constructing the distribution network
- Maintaining the distribution network and connection assets
- Operating the distribution network and connection assets (for DNSP purposes)
- Designing the distribution network
- Planning the distribution network
- Emergency response

- Administrative support (for example, call centre, network billing)
- Location of underground cables

3.2.2 Standard control services - Connection services

The following services are provided within this classification.

- New connections requiring augmentations

3.2.3 Alternative control services - Fee based services

The following services are provided within this classification.

- Fault response (not DNSP fault)
- Energisation of new connections
- Temporary disconnect / reconnect services
- Wasted attendance (not DNSP fault)
- Service truck visits
- Fault level compliance service
- Reserve feeder
- Photovoltaic installation
- Routine connections (customers below 100 amps)
- Temporary supply services

3.2.4 Alternative control services - Quoted services

The following services are provided within this classification.

- Rearrangement of network assets at customer request, excluding alteration and relocation of existing public lighting assets
- Supply enhancement at customer request
- Emergency recoverable works (that is, emergency works where customer is at fault and immediate action needs to be taken by the DNSP)
- Auditing of design and construction
- Specification and design enquiry fees

- Elective underground service where an existing overhead service exists
- Covering of low voltage mains for safety reasons
- Damage to overhead service cables caused by high load vehicles
- High load escorts (lifting overhead lines)
- Routine connections (customers above 100 amps)
- Supply abolishment
- After hours truck by appointment.

3.2.5 Alternative control services - Public lighting services – fee based

The following services are provided within this classification.

- Operation, repair, replacement and maintenance of DNSP public lighting assets

3.2.6 Alternative control services - Metering services – fee based

The following services are provided within this classification.

- De-energisation of existing connections
- Re-energisation of existing connections
- Meter investigation
- Special meter reading
- Re-test of types 5 and 6 metering installations for first tier customers with annual consumption greater than 160 MWh

3.2.7 Negotiated services

The following services are provided within this classification.

- 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 green field sites)

3.2.8 Unregulated services

The following services are provided within this classification.

- The installation, maintenance and provision and repair of watchman (security) lights
- Provision of possum guards.

It should be noted that Section 9 of this Pricing Proposal outlines the arrangements for UED's alternative control metering service tariffs, which in accordance with clause 6.18.3(c) of the Rules has been constituted as a separate tariff class with separate charging parameters. The remainder of this section 3 addresses the Rules tariff class requirements in relation to the standard control services.

3.3 Standard control service tariff classes

UED has established five tariff classes for standard control services as follows:

- **Low Voltage Small:**
  The predominant tariff in this category is the Low Voltage Small One Rate (LVS1R). The "typical" customer within this category is residential with an average consumption of 5 MWh per annum. This customer may also have a dedicated circuit tariff (for hot water/slab heating) which has an average consumption of 2 MWh per annum.

- **Low Voltage Medium:**
  The predominant tariff in this category is the Low Voltage Medium One Rate (LVM1R). The "typical" customer within this category is small commercial with an average consumption of 15 MWh per annum.

- **Low Voltage Large:**
  The predominant tariff in this category is the Low Voltage Large KVA Time of Use (LVkVATOU). The "typical" customer within this category is large commercial with an average consumption of 825 MWh per annum.

- **High Voltage Large:**
  The predominant tariff in this category is the High Voltage KVA Time of Use (HVkVATOU). The "typical" customer within this category is large industrial with an average consumption of 12,200 MWh per annum.

- **Sub-transmission Large:**
  The only tariff (now closed) in this category is the Sub transmission KVA Time of Use (SubTkVATOU) with an average consumption of 30,500 MWh per annum.

UED's proposed allocation of individual tariffs into tariff classes is shown below. This table includes closed tariffs to new connections.

Table 3.1: Proposed Tariff Class Allocation

Tariff Code	Tariff Open	Tariff Description	Tariff Class
Unmet	Yes	Unmetered supplies	Low Voltage Small
LVS1R	Yes	Low voltage small 1 rate	
LVS2R	No	Low voltage small 2 rate	
LVDed	Yes	Dedicated circuit	
WET2Step	No	Winter economy tariff	
TOD	Yes	Time of Day	
LVM1R	Yes	Low voltage medium 1 rate	Low Voltage

Tariff Code	Tariff Open	Tariff Description	Tariff Class
LVM2R5D	No	Low voltage medium 2 rate 5 day	Medium
LVM2R7D	No	Low voltage medium 2 rate 7 day	
LVkWTOU	No	Low voltage KW time of use	
LVkWTOUH	No	Low voltage KW time of use – HOT	
RCACkWTOU	No	Reverse cycle air-conditioning time of use	
TOU	Yes	Time of use	
LVL2R	No	Low voltage large 2 rate	Low Voltage Large
LVL1R	No	Low voltage large 1 rate	
LVkVATOU	Yes	Low voltage large KVA time of use	
LVkVATOUH	No	Low voltage large KVA time of use - HOT	
HVkVATOU	Yes	High voltage KVA time of use	High Voltage Large
HVkVATOUH	No	High voltage KVA time of use - HOT	
SubTkVATOU	No	Subtransmission KVA time of use	Subtransmission Large

*LVDed not available to any premium feed in tariff customer.

NB: Where the tariff also includes PFIT, a prefix of “F” for each applicable tariff will apply eg. FLVS1R

UED’s 2011 Network Use of System tariffs (NUoS) for standard control services reflect the underlying structure of both the TUoS and DUoS charges. That is, the structures of the Transmission Use of System (TUoS) and Distribution Use of System (DUoS) tariffs are identical and the NUoS rates are the simple addition of the two.

The following sections set out the charging parameters for each proposed tariff, in accordance with clause 6.18.2(b)(3) of the Rules.

3.4 Charging parameters

3.4.1 Charging Parameters for DUoS Tariffs

Table 3.2: Charging parameters - DUOS

DUoS Tariffs									
Charging Parameter	**Units**	**Unmet**	**LVS1R**	**LVDed**	**TOD**	**LVM1R**	**TOU**	**LVkVATOU**	**HVkVATOU**
Standing Charge	c/day		✓		✓	✓			
Summer Peak Energy	c/kWh	✓	✓		✓	✓	✓	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓		✓	✓	✓	✓	✓
Summer Shoulder	c/kWh				✓				

Energy									
Non Summer Shoulder Energy	c/kWh				✓				
Off Peak Energy	c/kWh	✓		✓	✓		✓	✓	✓
Rolling Peal Demand	c/kVA/day							✓	✓
Summer Demand Incentive Charge	c/kVA/day						✓	✓	✓

3.4.2 Charging Parameters for TUoS Tariffs

Table 3.3: Charging parameters - TUOS

TUoS Tariffs									
Charging Parameter	Units	Unmet	LVS1R	LVDed	TOD	LVM1R	TOU	LVkVATOU	HVkVATOU
Standing Charge	c/day								
Summer Peak Energy	c/kWh	✓	✓		✓	✓	✓	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓		✓	✓	✓	✓	✓
Summer Shoulder Energy	c/kWh				✓				
Non Summer Shoulder Energy	c/kWh				✓				
Off Peak Energy	c/kWh								
Rolling Peal Demand	c/kVA/day							✓	✓
Summer Demand Incentive Charge	c/kVA/day						✓	✓	✓

Table 3.4: Low Voltage Dedicated Tariff Charging Parameters

Low Voltage Dedicated Tariff Charging Parameters

Low Voltage Dedicated Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day		
Summer Peak Energy	c/kWh		
Non Summer Peak Energy	c/kWh		
Summer Shoulder Energy	c/kWh		
Non Summer Shoulder Energy	c/kWh		
Off Peak Energy	c/kWh	✓	
Rolling Peak Demand	c/kVA/day		
Summer Demand Incentive Charge	c/kVA/day		

Table 3.5: Time of Day (TOD) Tariff Charging Parameters

Time of Day (TOD) Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day	✓	
Summer Peak Energy	c/kWh	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓
Summer Shoulder Energy	c/kWh	✓	✓
Non Summer Shoulder Energy	c/kWh	✓	✓
Off Peak Energy	c/kWh	✓	
Rolling Peak Demand	c/kVA/day		
Summer Demand Incentive Charge	c/kVA/day		

Table 3.6: Unmetered Supply Tariff Charging Parameters

Unmetered Supplies Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day		
Summer Peak Energy	c/kWh	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓
Summer Shoulder Energy	c/kWh		

Unmetered Supplies Tariff Charging Parameters			
Non Summer Shoulder Energy	c/kWh		
Off Peak Energy	c/kWh	✓	
Rolling Peak Demand	c/kVA/day		
Summer Demand Incentive Charge	c/kVA/day		

Table 3.7: Low Voltage Medium Single Rate Tariff Charging Parameters

Low Voltage Medium Single Rate Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day	✓	
Summer Peak Energy	c/kWh	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓
Summer Shoulder Energy	c/kWh		
Non Summer Shoulder Energy	c/kWh		
Off Peak Energy	c/kWh		
Rolling Peak Demand	c/kVA/day		
Summer Demand Incentive Charge	c/kVA/day		

Table 3.8: Time of Use (TOU) Tariff Charging Parameters

Time of Use (ToU) Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day		
Summer Peak Energy	c/kWh	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓
Summer Shoulder Energy	c/kWh		
Non Summer Shoulder Energy	c/kWh		
Off Peak Energy	c/kWh	✓	
Rolling Peak Demand	c/kVA/day		
Summer Demand Incentive Charge	c/kVA/day	✓	✓

Table 3.9: Low Voltage Large kVA Time of Use Tariff Charging Parameters

Low Voltage Large kVA Time of Use Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day		
Summer Peak Energy	c/kWh	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓
Summer Shoulder Energy	c/kWh		
Non Summer Shoulder Energy	c/kWh		
Off Peak Energy	c/kWh	✓	
Rolling Peak Demand	c/kVA/day	✓	✓
Summer Demand Incentive Charge	c/kVA/day	✓	✓

Table 3.10: High Voltage kVA Time of Use Tariff Charging Parameters

High Voltage kVA Time of Use Tariff Charging Parameters			
Charging Parameter	**Units**	**DUoS**	**TUoS**
Standing Charge	c/day		
Summer Peak Energy	c/kWh	✓	✓
Non Summer Peak Energy	c/kWh	✓	✓
Summer Shoulder Energy	c/kWh		
Non Summer Shoulder Energy	c/kWh		
Off Peak Energy	c/kWh	✓	
Rolling Peak Demand	c/kVA/day	✓	✓
Summer Demand Incentive Charge	c/kVA/day	✓	✓

3.5 Tariff Availability per Tariff Class

Low Voltage Small

- Unmet: Available to unmetered supplies.
- LVS1R: The Low Voltage Small Single Rate tariff is available to new residential customers consuming less than 20 MWh per annum (existing customers <70MWh per annum).

- LVDed: The low voltage dedicated circuit tariff is available on request to residential customers on the LVS1R tariff with hot water and or slab heating and no PFIT consuming less than 20MWh per annum.
- TOD: The Time of Day tariff is available to customers consuming less than 20MWh per annum with an interval meter.

Low Voltage Medium

- LVM1R: The low voltage medium single rate tariff is available to business customers consuming between 20MWh and 400 MWh per annum.
- TOU: The Time of Use tariff is available to customers consuming between 20 MWh and 400 MWh per annum, and with a demand of less than 150kVA per annum with an interval meter.

Low Voltage Large

- LVkVATOU: The Low Voltage Large kVA Time of Use tariff is available to large customers consuming 400 MWh or above, and/or a demand of 150 kVA or above. A minimum chargeable rolling demand of 150 KVA applies.

High Voltage Large

- HVkVATOU: The High Voltage kVA Time of Use tariff is available to large customers consuming 400 MWh or above, and/or a demand of 150 kVA or above. A minimum chargeable rolling demand of 1,150 KVA applies.

Subtransmission Large

- SubTkVATOU: The Subtransmission KVA Time of Use tariff is closed to new connections. It has a similar makeup (different rates) to the High Voltage kVA Time of Use Tariff; however a minimum chargeable demand of 11,100 kVA applies.

3.6 Operating periods, time of day and season definitions

The tables below provide a reference showing the time of day for peak, off peak and shoulder periods together with providing details of UED seasonal charging parameters.

Table 311: Tariff - HVkVATOU, LVkVATOU, ST22KVATOU

Business Days	Off Peak																								Off Peak						
Business Days									Rolling Demand																						
Business Days									Peak																						
Week Days Summer Only															Summer Demand																
Weekend and Public Hols	Off Peak																														
1/2hr Interval	1	2			13	14	15	16			27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			47	48		
Local Time	12.00am		to		6.00am		7.00am		to		1.00pm		2.00pm		3.00pm		4.00pm		5.00pm		6.00pm		7.00pm		8.00pm		to		11.00pm		

Table 3.12: Tariff - TOU

Business Days	Off Peak																												Off Peak		
Business Days							Peak																								
Week Days Summer Only													Summer Demand																		
Weekend and Public Hols	Off Peak																														
1/2hr Interval	1	2			13	14	15	16			27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			47	48		
Local Time	12.00am		to		6.00am		7.00am		to		1.00pm		2.00pm		3.00pm		4.00pm		5.00pm		6.00pm		7.00pm		8.00pm		to		11.00pm		

Table 3.13: Tariff - TOD

Business Days	Off Peak																												Off Peak		
Business Days																			Peak												
Business Days															Shoulder																
Weekend and Public Hols	Off Peak																														
1/2hr Interval	1	2			13	14	15	16			27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			47	48		
Local Time	12.00am		to		6.00am		7.00am		to		1.00pm		2.00pm		3.00pm		4.00pm		5.00pm		6.00pm		7.00pm		8.00pm		to		11.00pm		

Table 3.14: Tariff - LVDED (Dedicated Load)

Any Day			Off Peak																												
1/2hr Interval	1	2	3	4	13	14	15	16			27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			47	48		
EST	12.00am		1.00am		6.00am		7.00am		to		1.00pm		2.00pm		3.00pm		4.00pm		5.00pm		6.00pm		7.00pm		8.00pm		to		11.00pm		

Table 3.15: Tariff - LVS1R, LVM1R

All times	Peak																											
1/2hr Interval	1	2	3	4	13	14	15	16			27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			47	48
EST	12.00am		1.00am		6.00am		7.00am		to		1.00pm		2.00pm		3.00pm		4.00pm		5.00pm		6.00pm		7.00pm		8.00pm		to		11.00pm	

NOTE: In order to maintain the same time limits during Eastern Standard Time (EST) and Daylight Saving Time (DST), billing data is adjusted by shifting the data forward an hour to accommodate for the time shift during DST.

Table 3.16: Seasonal Periods

Months	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Period					Summer							
Period	Non Summer									Non Summer		

4 Pricing principles and UED's tariff strategy

4.1 Regulatory requirements

Clause 6.18.5 of the Rules requires UED to comply with the following 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.

This section provides an overview of UED's approach to tariff-setting, including its application of the pricing principles described above. Section 6 of this Pricing Proposal demonstrates that UED's tariff proposals for 2011 comply with the Rules requirements and the AER's final determination.

4.2 UED's Network Tariff Objectives

UED adopts the following objectives in developing its network tariffs:

- **Regulatory compliance.** UED must comply with the pricing principles set out above and any other requirements in the AER's final determination. As noted above, the Rules require that the revenue for each tariff class must lie between the avoidable cost (lower bound) and the stand-alone costs (upper bound). This regulatory requirement ensures that charges for tariff classes are economically efficient.
- **Customer choice.** UED provides customers with meaningful choices of tariff options, taking account of customers' likely behavioural response.
- **Market equity.** UED considers existing price levels and seeks to ensure that proposed changes do not introduce price shocks. UED also ensures that all retailers are treated equitably and to minimise any potential impediments to effective full retail contestability.

- **Cost reflectivity.** UED ensures that its pricing is cost-reflective so that efficient price signals are provided to customers. Individual charging parameters within each tariff take account of the long run marginal costs. UED also considers inter-customer group equity.
- **Responsiveness to price signals**. UED recognises that some (but not all) consumers will change their behaviour in response to pricing signals, both in terms of usage and tariff switching. The time of use tariffs are intended to provide pricing signals to customers (especially in relation to air conditioning load) to assist in managing growth in peak demand and to avoid increases in UED's capital expenditure requirements. UED also provides customers with an opportunity to shift their loads away from peak to off-peak periods.
- **Cost recovery and rebalancing.** UED intends to set tariffs to recover the revenue allowance defined by the AER's price controls. Full cost recovery enables UED to recover the efficient costs of operating the network business, including a commercial return on invested capital for "business as usual" service levels. UED also intends to use inter-tariff class rebalancing where necessary to provide improved pricing signals.
- **Practicality.** Where possible, UED seeks to simplify its charging mechanisms in order to assist customers and reduce administration costs.
- **Environmental.** Within the limitations of the scope and context of electricity distribution pricing, UED has regard to opportunities to improve asset utilisation and accommodate emerging energy technologies, particularly in respect of reducing greenhouse gas emissions.

UED's tariff proposals will necessarily reflect a compromise between these competing pricing objectives. UED's overall approach is to satisfy the above principles to the greatest extent possible, subject to ensuring that UED's regulatory obligations are fully satisfied.

4.3 Recent tariff initiatives

Presently, the majority of smaller customers have basic meters. These meters have kWh usage totals measured and summated over a period of between 30-90 days. This type of metering enables only the simplest of pricing signals to be imparted, and requires UED to assume that customers with similar usage have the same average profile. By contrast, interval metering logs usage data every half-hour, which enables UED to provide improved price signals and reward customers for beneficial changes in usage patterns.

From January 2010, UED introduced two new time of use tariffs to coincide with the Advanced Interval Meter Rollout program. These tariffs were introduced to encourage a more efficient and equitable use of the electricity distribution network, whilst providing incentives for customers to shift some of their consumption away from times where costly peak demands occur.

The Victorian Government has requested UED (and all Victorian DNSP's) to not automatically reassign customers to a time of use tariff structure. UED has agreed to this request and will therefore not automatically re-assign customer to a time of use tariff (see further details for PFIT customers in section 8.6 for 2012. UED is participating in an industry working group that will determine whether this moratorium is extended beyond 2011.

4.4 Future tariff developments

Clause 6.18.2 (b)(5) requires UED 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. For the forthcoming regulatory period, UED does not anticipate any variation to the tariffs set out in this Pricing Proposal.

In general, future prices will be affected by UED's network performance (through the service target performance incentive scheme) and any additional unexpected costs that are allowed tpo be passed through to customers. UED's network tariffs may be affected by the AEMC's final determination in relation to the Rule change proposal to allow DNSP's to recover transmission costs. UED will provide updated information on future price changes in accordance with the requirements of Clause 6.18.9 of the Rules.

UED will continue to review the effectiveness of its existing tariffs and will maintain a watching brief on the need for future tariff changes taking into account the following:

- Encouraging an increased uptake of interval-metering based tariffs such as the current time of use series;
- The Summer Demand Incentive Charge (SDIC) concept will remain, but the time window may be updated from time to time in order that it remain aligned with the key network peak demands;
- Cost-of-supply modelling updated to reflect changes in relative contributions from segments;
- Daily and Monthly peak and shoulder time periods. These periods may change over time to align with the system peak demand.
- Further accentuating the emphasis on peak season (summer), day of week and time of day in order to stimulate Demand Side Management (DSM) response;
- Properly integrate the contribution that distribution-connected generator customers should be making to the costs of providing network services that all users share and derive value from;
- Further closure of tariffs based on obsolete metering;
- Premium service tariffs whereby customers get a choice of above code-level supply reliability and services, for a premium on top of the standard tariff. This must be seen in the overall context of customer service as well as relationship strategies;
- An increased number of time-of-day bands, with greater peak / off peak differential, and energy and distribution tariff components peaking at different times; and
- Demand management (DM) programs aimed at different customer classes may be investigated, for example:
- Interruptible tariffs for business customers whereby customers agree to reduce their power consumption for agreed periods at the request of the distributor (likely to be at a time like a hot summer afternoon when the time when the system is heavily stressed), and in return get some compensation payments from the distributor; and

- DM aggregation program, which involves working with a range of customers and bidding their combined interruptible load in either the wholesale energy or ancillary services market.
- Investigate positive pricing incentives such as rewards and rebates as motivational mechanisms for DM.

4.5 Publication of information regarding tariffs and tariff classes

Clause 6.18.9 of the Rules requires that a DNSP 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 DNSP expects prices to change over the regulatory control period and the reasons for the expected changes.

The Rules also require that 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. In accordance with the Rules requirements, UED will make this information available on its website within the specified timeframe. At this stage, UED expects annual prices for all tariffs to change broadly in line with the AER's X factors in its final determination as set out in Table 2.1 of this Pricing Proposal.

4.6 Expected DUoS price trends 2012-2015

The following table summarises UED's indicative movement in tariff charging parameters. The actual price movements in each year will remain subject to review at the time, following consideration of the objectives set out in section 4.2.

Table 4.1: Indicative charging component movement in the 2012-15 Regulatory Control Period

Distribution Tariff Class and Tariff	Standing Charge	Summer Peak Energy	Non Summer Peak Energy	Summer Shoulder Energy	Non Summer Shoulder Energy	Off Peak Energy	Rolling Peak Demand	Summer Demand Incentive Charge
Low Voltage Small								
Unmetered Supplies		-	-			-		
Low Voltage Small 1 rate	↓	↑	↑					
Dedicated Circuit						-		
Time of Day	-	↑	↑	↓	↓	↓		
Low Voltage Medium								
Low Voltage medium	↓	↑	↑					

1 rate								
Time of Use		↓	↓	↓	↓	↓		↑
Low Voltage Large								
Low Volatge large KVA time of use		↑	↑	↓	↓	↓	↑	↑
High Voltage Large								
High Voltage KVA time of use		↑	↑	↓	↓	↓	↑	↑
Subtransmissional Large								
Subtransmission KVA time of use		↑	↑	↓	↓	↓	↑	↑

↑ Increase relative to the average price movement per tariff.

↓ Decrease relative to the average price movement per tariff.

- In line with average price movement per tariff.

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

5 Standard control services - Tariffs and average charges

5.1 Regulatory Requirements

This section of the Pricing Proposal addresses clause 6.18.2(b)(4) of the Rules, which requires UED to provide details of the expected weighted average revenue for each tariff class for standard control services for the relevant regulatory year, 2011, and also for the current regulatory year, 2010. This section also provides useful information regarding the proposed average price change for each standard control tariff.

5.2 Proposed average increases and weighted average revenue

The following table provides the percentage movement of DUoS, TUoS and NUoS for each tariff between 2010 to 2011.

Table 5.1: UED 2011 Tariff Price Movements

Description	Tariff Code	DUOS % Price Movement	TUOS % Price Movement	NUOS % Price Movement
Class – Low Voltage Small				
Unmetered supplies	UnMet	3.2%	-9.9%	-0.2%
Low voltage small 1 rate	LVS1R	5.3%	-9.9%	1.5%
Low voltage small 2 rate	LVS2R*	3.2%	-9.9%	0.3%
Dedicated circuit	LVDed	5.2%	0.0%	5.2%
Winter economy tariff	WET2Step*	3.2%	-9.9%	-1.6%
Time of Day	TOD	-0.8%	-9.9%	-2.1%
Class – Low Voltage Medium				
Low voltage medium 1 rate	LVM1R	3.2%	-9.9%	0.0%
Low voltage medium 2 rate 5 day	LVM2R5D*	3.2%	-9.9%	0.9%
Low voltage medium 2 rate 7 day	LVM2R7D*	3.2%	-9.9%	0.4%
Low voltage KW time of use	LVkWTOU*	3.2%	-9.9%	0.8%
Low voltage KW time of use - HOT	LVkWTOUH*	3.2%	-9.9%	2.3%
Reverse cycle air-conditioning time of use	RCACkWTOU*	3.2%	-9.9%	-0.9%
Time of Use	TOU	3.2%	-9.9%	0.8%
Class – Low Voltage Large				

Description	Tariff Code	DUOS % Price Movement	TUOS % Price Movement	NUOS % Price Movement
Low voltage large 2 rate	LVL2R*	3.2%	-9.9%	0.9%
Low voltage large 1 rate	LVL1R*	3.2%	-9.9%	-1.0%
Low voltage KVA time of use	LVkVATOU	3.2%	-9.9%	-0.9%
Low voltage large KVA time of use - HOT	LVkVATOUH*	3.2%	-9.9%	0.1%
Class – High Voltage Large				
High voltage KVA time of use	HVkVATOU	3.2%	-9.9%	-1.9%
High voltage KVA time of use - HOT	HVkVATOUH*	3.2%	-9.9%	0.1%
Class – Subtransmission Large				
Subtransmission KVA time of use	SubTkVATOU*	3.2%	-9.9%	-6.1%

*Tariffs closed to premises not already taking supply under this tariff and new connections

The average price movement allowed for the 2011 DUOS tariffs is 3.2%. This is determined by the price path CPI-X, with a CPI of 2.79% and an X of -0.37% (a negative x factor represents a price increase). The above table shows this price movement has been applied to the majority of DUOS tariffs, except for tariffs LVS1R and TOD, which have been rebalanced to provide customers with time of use pricing signals (as discussed in section 4.2).

The average price movement allowed for the 2011 TUOS tariffs is -9.9% (a price decrease). This is determined by the maximum transmission revenue allowed for 2011. The price movement of -9.9% can be attributed to the correction of prior year estimates of -0.4% and the disallowing of transmission connection fees of -9.5%. The above table shows this price movement has been applied to the all TUOS tariffs, except Dedicated which does not have a TUOS tariff.

The table below shows the expected the expected weighted average revenue for each tariff class for standard control services for the relevant regulatory year, 2011, and also for the current regulatory year, 2010. For completeness, it also shows that UED's Pricing Proposal complies with the weighted average price cap and tariff class side constraints as set out in the AER's final determination.

Table 5.2: UED DUOS Revenue by Tariff Class

Class	2010 Revenue $M	2011 Revenue $M	% Movement	Weighted Average Price Control
Low Voltage Small	154.4	159.3	3.2%	
Low Voltage Medium	64.7	66.8	3.2%	

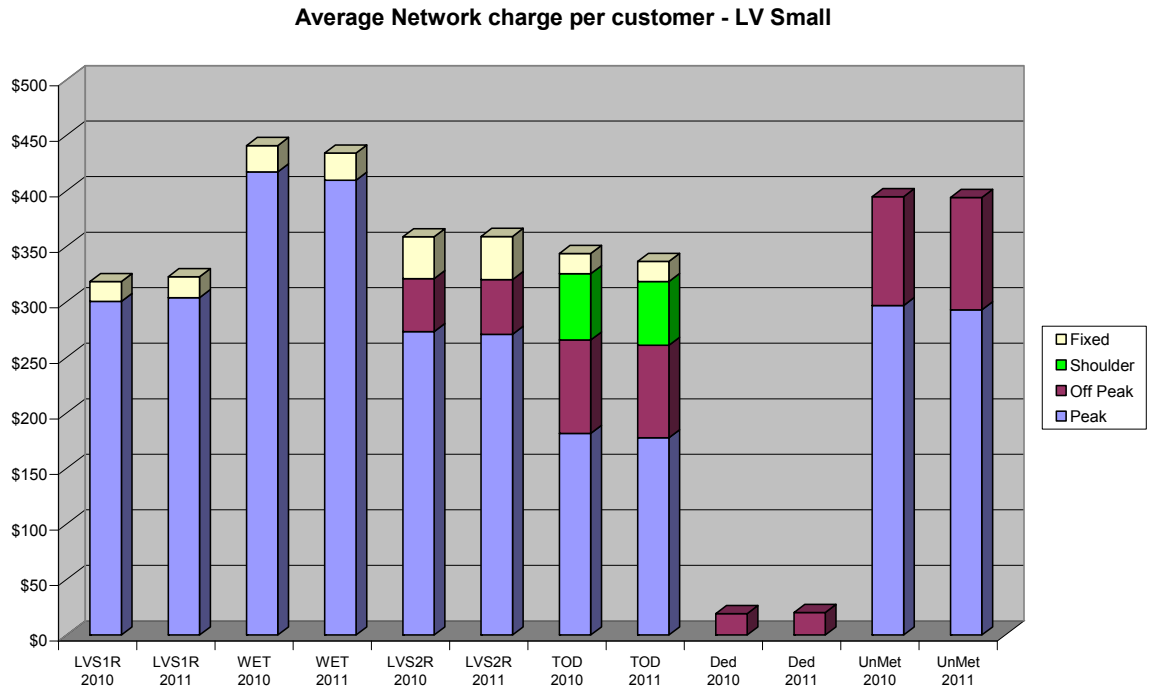
Class	2010 Revenue $M	2011 Revenue $M	% Movement	Weighted Average Price Control
Low Voltage Large	64.6	66.7	3.2%	
High Voltage Large	12.2	12.6	3.2%	
Subtransmission Large	0.1	0.1	3.2%	
Total	**296.1**	**305.6**	**3.2%**	**3.2%**

5.3 Average tariff charges per customer for 2010 and 2011

This section presents the average yearly charges for UED's customers in 2010 and 2011. The following graphs are presented for each tariff class for standard control services.

5.3.1 Low Voltage Small Class

Figure 5-1: Average Distribution and Transmission charge per customer – LV Small



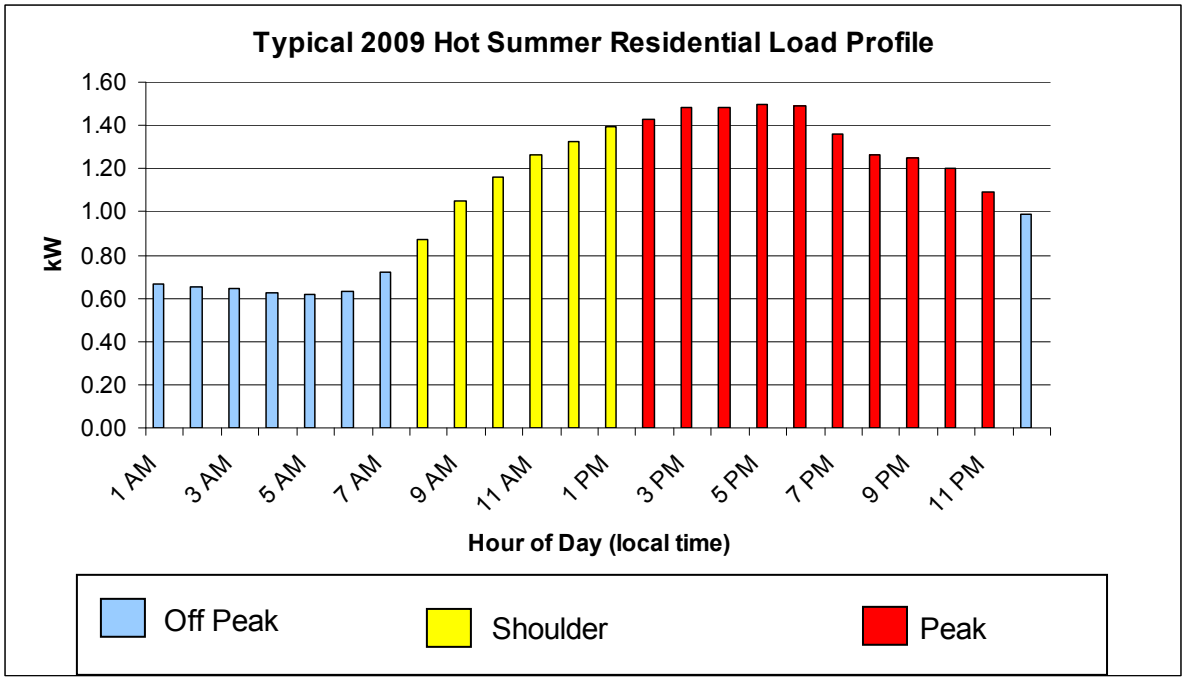
Each customer's price will vary depending upon their level of consumption. The follow table outlines the annual NUoS and DUoS bills and % change between 2010 and 2011 based on different residential consumption levels by tariff. NUoS makes up approximately 40% of the end customer's final bill.

Table 5.3: Residential Customer Impact

Tariff	DOUS $ pa 2010	DUOS $ pa 2011	DUOS $ change	DUOS % change	NUOS $ pa 2010	NUOS $ pa 2011	NUOS $ change	NUOS % change
LVS1R								
Low Consumption: 2,500 Kwh pa	$135	$142	$7	5.3%	$178	$181	$3	1.6%
Average Consumption: 5,000 Kwh pa	$251	$265	$14	5.3%	$339	$344	$5	1.4%
High Consumption: 10,000 Kwh pa	$485	$511	$26	5.3%	$660	$668	$8	1.3%
LVS1R + DED								
Low Consumption: Peak 2,500 Kwh pa, Off Peak 1,250 Kwh pa	$150	$158	$8	5.3%	$194	$197	$3	1.8%
Average Consumption: Peak 5,000 Kwh pa, Off Peak: 2,500 Kwh pa	$282	$297	$15	5.3%	$369	$375	$6	1.7%
High Consumption: Peak 10,000 Kwh pa, Off Peak 5,000 Kwh pa	$546	$575	$29	5.3%	$721	$732	$11	1.6%
TOD								
Average Total Consumption: 5,000 Kwh pa, with Low Off Peak 2,012 Kwh pa	$278	$275	-$3	-0.8%	$329	$321	-$8	-2.2%
Average Total Consumption: 5,000 Kwh pa, with Average Off Peak 2,683 Kwh pa	$249	$247	-$2	-0.8%	$288	$282	-$6	-2.1%
Average Total Consumption: 5,000 Kwh pa, with High Off Peak 3,353 Kwh pa	$220	$218	-$2	-0.8%	$248	$243	-$5	-1.8%

The following chart represents an average small customer's daily load on a hot summer day. The TOD tariff has been designed using this load profile.

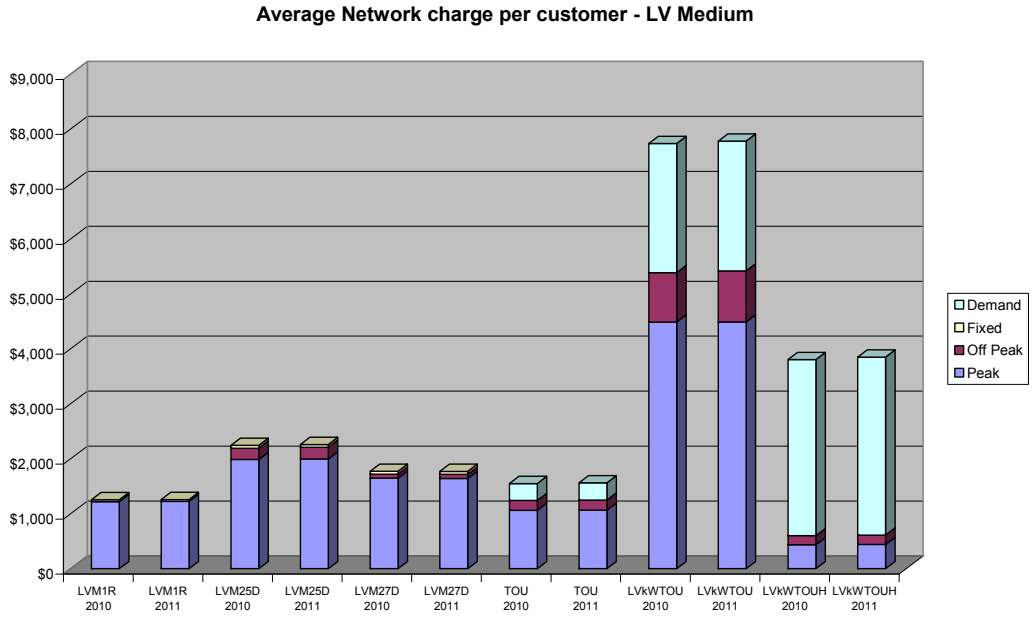
Figure 5-2: Typical 2009 Hot Summer Residential Load Profile



*UED is currently reviewing the possible introduction of an evening shoulder period as from 1 January 2012.

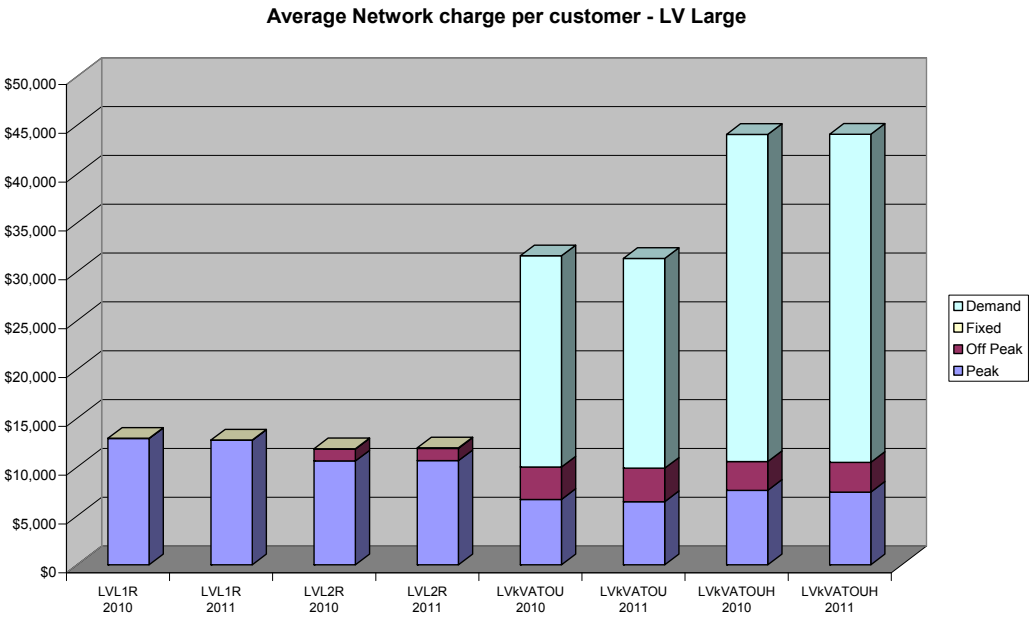
5.4 Low Voltage Medium Class

Figure 5-3: Average network charge per customer – LV Medium



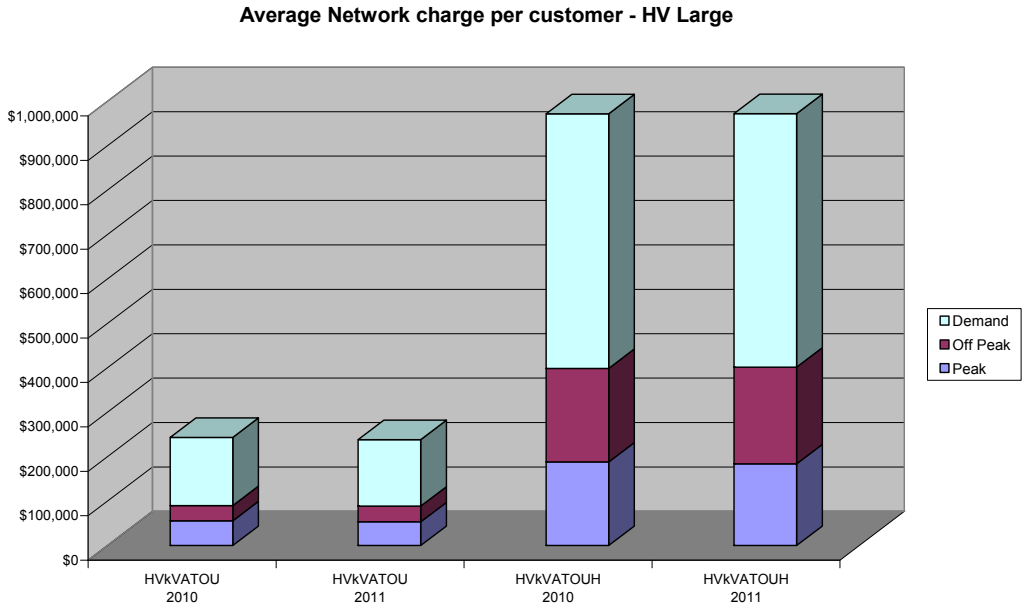
5.4.1 Low Voltage Large Class

Figure 5-4: Average network charge per customer – LV Large



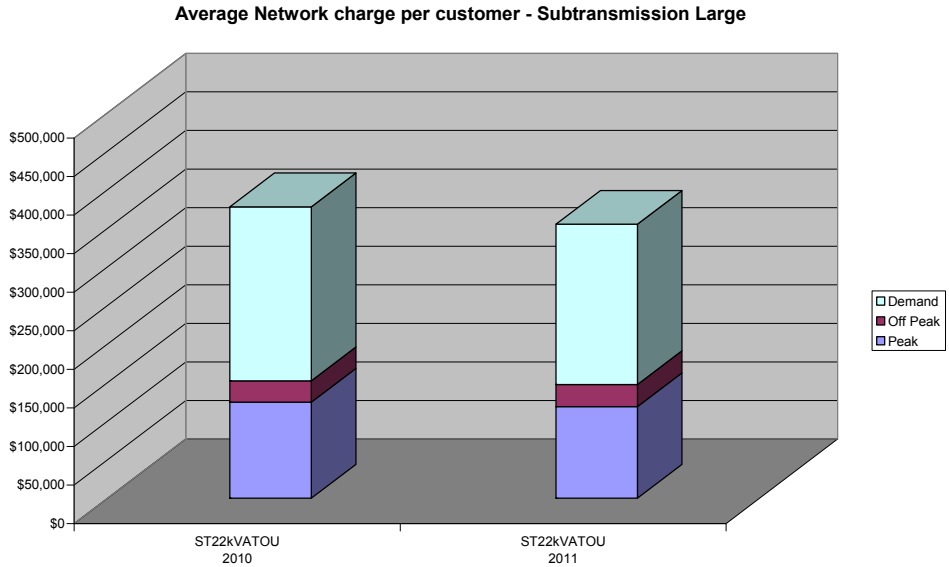
5.4.2 High Voltage Large Class

Figure 5-5: Average network charge per customer – HV Large



5.4.3 Sub-transmission Large Class

Figure 5-6: Average network charge per customer – Subtransmission Large



6 Demonstrating compliance with the Rules

6.1 Regulatory Requirements

Clause 6.18.2(b)(7) requires UED to demonstrate compliance with the Rules and any applicable distribution determination. Section 2 of this Pricing Proposal provided information in relation to the compliance issues arising from the AER's final determination, and the steps that UED has taken to ensure compliance. Furthermore, Section 3 described UED's approach to tariff-setting, including its compliance with the pricing principles in the Rules.

Notwithstanding the information already provided, this section provides further detailed information regarding UED's compliance with the Rules.

6.2 Compliance with the weighted average price cap

Section 2.2 of this Pricing Proposal set out the AER's weighted average price control for UED for the 2011-2015 period. The table below shows the contribution from each element in the formula to UED's average price increase in 2011 for standard control service.

Table 6.1 – 2011 Regulated Price Control Formulae

Component	% Increase/Decrease
CPI	2.79%
Lt	-0.03%
X	-0.37%
St	0.00%
Pass-through *t*	0.00%
DUOS	**103.20%**

- As noted in section 2.2, the L-factor relates to Licence Fees paid by UED in the past financial year. The X-factor is the underlying price path for distribution tariffs over the regulatory period. The S-factor relates to network reliability and reflects the network reliability statistics achieved by UED's management of its network assets. hence is zero for 2011. The Pass through $_t$ represents approved pass through amounts with respect to regulatory year t as determined by the AER under clause 6.6 of the Rules, chapter 16 and appendix E of the AER's final determination.

- You will note that the S term in zero. This is because the close out of the ESC's s factor scheme is included in the building block costs and therefore in the base tariff. There is in new national scheme that will take effect from 1 January 2011 however the revenue implications will first accrue in 2013 due to a two lag between performance and payment.

6.3 Compliance with the side constraints

Section 2.3 provides details of the side constraint that applies to average price changes for tariff classes, and section 5.2 shows the DUoS movement by tariff. UED's Pricing Proposal is compliant with the overall movement allowed per tariff class of 5.27%.

6.4 Standalone and Avoidable Costs

6.4.1 Definition

Standalone Costs:
The Standalone cost for a tariff class is the cost of supplying only the tariff class concerned, with all other tariff classes not being supplied. If customers were to pay above the standalone cost then it would be economically beneficial for customers to switch to an alternate provider, and economically feasible for an alternate provider to operate. This creates the possibility of inefficient bypass of the existing infrastructure.

Avoidable Costs:
The Avoidable cost for a tariff class is the reduction in network cost that would take place if the tariff class were not supplied (whilst all other tariffs remained supplied). If customers were to be charged below the avoidable cost, it would be economically beneficial for the business to stop supplying the customers as the associated costs would exceed the revenue obtained from the customer.

6.4.2 Compliance

As noted in Section 4 of this Pricing Proposal, the Rules require that distribution tariffs should lie between the following upper and lower bounds:

- tariffs for each customer should generate revenue in excess of the avoidable cost to service the customer; and
- tariffs for each customer should generate revenue less than the cost of providing the service on a stand-alone basis to the customer.

To demonstrate that distribution tariffs fall between the avoidable cost "floor" and standalone cost "ceiling", UED must first apply a "cost of supply" methodology to assist in setting tariff rates. Broadly speaking, tariff rates are set to recover the allocated distribution revenue from that customer group. It is noted, however, that UED's approach to setting tariff rates is to consider all the pricing principles outlined in Section 3 of this Pricing Proposal.

The critical issue from a cost of supply modelling perspective is the method by which distribution revenue is allocated across the tariff groups. As network businesses are characterised by relatively high fixed costs and significant asset-sharing between customer groups, there is no unambiguously "correct" method for allocating costs. UED's method of allocation is based on each tariff's relative usage of UED's network assets.

In the model, customers are assigned into tariff groups based on voltage and demand characteristics. The consumption and demand characteristics for each tariff group are calculated as follows:

- For asset based costs, the quantity of assets and supporting infrastructure are assigned to the tariff groups according to the combined consumption and demand characteristics of

all customers using the asset, e.g. HV assets are assigned to LV and HV customers, but not to sub-transmission customers. The cost of providing the assigned assets is then calculated for each customer class.

- For operational and maintenance costs, costs are directly attributed to particular asset classes, where possible, and the remaining costs are assigned to overheads
    - Attributable costs use a weighted averaging to apply to the customers in each class
    - Overheads are averaged over all customers

Combining the overhead, maintenance and infrastructure costs, the overall cost of supply for each customer is calculated.

UED has extended its "cost of supply" methodology to assess the avoidable and standalone costs. The avoidable cost model recognises that only a proportion of total costs are avoidable. In particular, the majority of asset-related costs cannot be avoided even if a particular customer group is no longer served. Inevitably, the assessment of which costs are avoidable is a matter of judgement. It should be noted, however, that as the avoidable costs are less than the total costs, UED's cost of supply methodology will always set tariffs at a level that exceeds avoidable costs.

UED's modelling of standalone costs is similarly based on the cost of supply model. The principal differences between the "basic" cost of supply estimates and standalone costs are:

- Standalone networks to serve a particular tariff class will not enjoy the benefit of diversity in peak demand between tariff classes;
- Economies of scale may be lost in supplying a subset of existing customers or tariffs;
- Greater urban congestion may result in the optimised replacement cost exceeding UED's regulated asset value; and
- It is likely that a notional "standalone" competitor to UED may seek a rate of return that exceeds the regulated cost of capital.

These factors indicate that the standalone costs will exceed the cost of supply estimates on which UED bases its tariff design. It is important to recognise that it is difficult to determine the standalone costs with precision – inevitably a judgement must be made. The results of UED's modelling is summarised in Table 5.2 below:

Table 6.2 Comparison of 2011 Tariff Rates with Existing Estimated "Cost Window"

Tariff Code	Tariff Class	Lower Bound "Avoidable Cost" (c/kWh)	2011 Avg DUOS (Exc GST) (c/kWh)	Upper Bound "Standalone Cost" (c/kWh)
Unmet	Low Voltage Small	0.30	2.39	8.63
LSV1R			5.32	
LSV2R*			4.21	
LVDed			1.28	
WET2Step*			3.43	
TOD			4.87	
LVM1R	Low Voltage Med	0.33	6.94	13.11
LVM2R5D*			4.24	
LVM2R7D*			4.90	
LVkWTOU*			4.48	
LVkWTOUH*			4.64	
RCACKkWTOU*			NA	
TOU			4.92	
LVL2R*	Low Voltage Large	0.13	4.11	4.84
LV1R*			3.84	
LVKVATOU			2.76	
LVKVATOUH			3.03	
HVkVATOU	High Voltage Large	0.07	1.27	2.36
HVkVATOUH*			1.12	
SubTkVATOU*	Subtransmission Large	0.07	0.38	2.36

*Tariff closed to new connections and customers not already taking supply under this tariff

6.5 Long Run Marginal Costs

The Rules require 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.

As explained in section 3 of this Pricing Paper, UED's tariff-setting approach balances the objectives of cost reflectivity against the practical constraints imposed by existing prices; the limitations places on tariff rebalancing; and customers' propensity to change behavior in response to price signals.

UED's approach to estimating the marginal costs to is to estimate the present value of the incremental investment associated with increasing demand divided by the present value of the increment in demand. This approach provides an estimate of marginal costs which is not materially different to the avoidable costs estimates presented in section 6.4 above.

Table 6.3: Long-run Marginal Cost Comparison

Tariff Class	Lower Bound "Avoidable Cost" (c/kWh)	2011 Avg DUOS (Exc GST) (c/kWh)	Upper Bound "Standalone Cost" (c/kWh)	Long-run Marginal Costs
Low Voltage Small	0.30	4.88	8.63	4.85
Low Voltage Med	0.33	5.15	13.11	5.12
Low Voltage Large	0.13	2.77	4.84	2.75
High Voltage Large	0.07	1.26	2.36	1.23
Subtransmission Large	0.07	0.38	2.36	0.37

6.6 Description of price changes

Consistent with the AER 2011-2015 Price Determination, rebalancing has been undertaken of tariffs at the tariff class level.

This rebalancing takes into consideration and is consistent with the Price Determination and tariff policies, balancing the need to:

- recover maximum allowable revenue to recover the efficient costs of operating the network business;
- reduce risk in recovering revenue;
- give pricing signals to customers to provide an incentive for efficient utilisation of the network;
- be consistent with Pricing Principles and Cost of Supply Model where each tariff is;
- above the avoidable cost of serving distribution customers;
- below the cost of providing the service on a stand alone basis;

- signal the impact of additional usage on future investment costs;
- recover NUoS from customers in proportion to the services provided - classified by voltage, demand, and consumption patterns;
- be consistent with UED's tariff strategies;
- be consistent with the UED tariff policy framework.

Given the above considerations, it has been decided not to implement the average price movement across all tariffs as this would be inconsistent with the pricing principles which require signalling of the impact of additional usage on future investment costs. Accordingly some rebalancing has been undertaken at the tariff class level. A revised cost of supply model and other optimisation tools have been used to derive the final prices. Over and above the considerations listed above, the following provides details on how various types of tariffs have been affected by the rebalancing exercise and provide some general guidance by which to interpret the price changes. While most tariffs are generally consistent with these comments, individual tariffs may vary slightly due to the overall optimisation process.

Inter-tariff rebalancing looks at the overall difference between tariffs and how they have been affected by the 2011 price proposals:

- The Time of Day (TOD) tariff has been slightly decreased to incentivise usage, and conversely the Low Voltage Small tariff has been increased above the average price change as an incentive for customers to switch to the TOD tariff. This is in line with UED's policy in regard to giving pricing signals to customers to provide an incentive for efficient utilisation of the network.

7 Transmission Cost Recovery Tariffs

7.1 Transmission Cost Recovery Tariff Methodology

TUoS tariffs are designed to recover the transmission costs (grid fees) incurred by the distribution business. The TUoS tariff structure is compatible with the DUoS tariff structure. This structure has been maintained in order to allow the NUoS tariff to be determined by simply adding the DUoS and TUoS rates. However, UED has restricted the application of TUoS rates to those components of the NUoS which best reflect the underlying Grid Fees (i.e. Peak Energy, Summer Demand Incentive Charge and Rolling Demand). Therefore, off peak energy and fixed charges do not attract TUoS.

7.2 Transmission Use of System Charges and Correction Factors

The following table outlines the transmission charges and correction factors applicable to UED in 2011:

Table 7.1: Transmission Charges and Correction Factors ($'000)

	2009 Actual	2010 Estimated	2011 Forecast
Revenue from TUOS charges*	$65,318	$95,484	$87,059
Transmission charges paid to:			
AEMO	$74,553	$84,574	$93,348
Correction Factor**			$6,287

*Revenue expressed in line with NER 6.18.7

** The correction factor represents the correction of prior year estimates. This factor is deducted from the total transmission charge to calculate the maximum transmission revenue.

8 Customer Tariff Class Assignment and Reassignment

8.1 Network Use of System Tariffs

The table below sets out UED closed network tariffs and the open network tariffs that are available to newly connecting customers.

Table 8.1: Closed and Open Network Tariffs

Tariff Code	Tariff Open	Tariff Description	Tariff Class
Unmet	Yes	Unmetered supplies	Low Voltage Small
LVS1R	Yes	Low voltage small 1 rate	
LVS2R	No	Low voltage small 2 rate	
LVDed*	Yes	Dedicated circuit	
WET2Step	No	Winter economy tariff	
TOD	Yes	Time of Day	
LVM1R	Yes	Low voltage medium 1 rate	Low Voltage Medium
LVM2R5D	No	Low voltage medium 2 rate 5 day	
LVM2R7D	No	Low voltage medium 2 rate 7 day	
LVkWTOU	No	Low voltage KW time of use	
LVkWTOUH	No	Low voltage KW time of use – HOT	
RCACkWTOU	No	Reverse cycle air-conditioning time of use	
TOU	Yes	Time of use	
LVL2R	No	Low voltage large 2 rate	Low Voltage Large
LVL1R	No	Low voltage large 1 rate	
LVkVATOU	Yes	Low voltage large KVA time of use	
LVkVATOUH	No	Low voltage large KVA time of use - HOT	
HVkVATOU	Yes	High voltage KVA time of use	High Voltage Large
HVkVATOUH	No	High voltage KVA timeof use – HOT	
SubTkVATOU	No	Subtransmission KVA time of use	Subtransmission Large

*LVDed not available to any Premium Feed In Tariff (PFIT) customer.

NB: Where the tariff also includes PFIT, a prefix of “F” foreach applicable tariff will apply eg. FLVS1R.

8.2 Tariff Assignment for New Connections

The AER’s procedures for assigning and reassigning customers to tariff classes for the Victorian DNSPs are set out in appendix G of the AER’s final determination. These procedures require that in determining the tariff class to which a customer or potential customer will be assigned, or reassigned, UED must take into account one or more of the following factors:

a) the nature and extent of the customer's usage;

b) the nature of the customer's connection to the network; and

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.

Customers Usage

The table below outlines the customer categories based on energy consumption and maximum demand. The customer category determines the network tariff options.

Category	Maximum Demand (kVA)	Annual Energy Consumption (MWh)
Small	NA	< 20
Medium	NA	20 to 400
Large	> 150 and/or	> 400

In years previous to 2010, the small category threshold was 70MWh pa. This threshold for small and medium new connections has now been set at 20MWh to provide a clear threshold for application of the two time of use tariffs – TOD for small and TOU for medium customer categories.

Metering and regulatory implications

Victorian distributors have an obligation to roll out advanced interval meters to all 160MWh per annum customers and below. The standard metering being rolled out to the meet this regulatory obligation is a single element interval meter.

During 2011, UED expect to complete the roll out of the communication network infrastructure to meet its roll out obligations. Once this is completed, advanced interval meters will become the standard metering for new connections in the commed area.

Where customers have an off peak heating load, a dedicated meter or separate measurement of this off peak load will no longer be available as the standard or default metering arrangement. A network tariff is available with off peak pricing which would apply to all of the customer's off peak load.

Where a customer wishes to receive a premium feed in tariff, a net interval metering configuration is required to provide a net export energy stream. In this circumstance a single measurement element will not be able to provide a dedicated measurement for off peak heating load, a network tariff with an off peak component will be assigned as the default.

Tariff Re-assignment

UED's network tariffs contain summer and non summer components. To avoid tariff arbitrage, a new connection must remain on the initial network tariff for a minimum of 12 consecutive months

unless there is a load or connection characteristic change. It is important that customers speak to retailers to ensure they are well informed about retail and network tariff offerings.

8.3 Network options for newly connecting small customers <20MWh per annum

For customers who use less than 20MWh per annum, the default and optional tariff combinations for new connections are detailed below:

Table 8.2: Default and Tariff Option

	Default UED Network Tariff from 1 January 2011	Optional UED Network Tariff from 1 January 2011 if requested
"Commed" Area		
New connections (no PFIT)		
- Standard	LVS1R (note 1)	TOD
- Plus hot water	TOD (note 2)	
- Plus slab	TOD (note 2)	
- Plus HW and Slab	TOD (note 2)	
New Connections (PFIT)		
- Standard	TOD (note 2)	N/A
- Plus hot water	TOD (note 2)	N/A
- Plus slab	TOD (note 2)	N/A
- Plus HW and Slab	TOD (note 2)	N/A
"Non Commed" area (note 3)		
New connections (no PFIT)		
- Standard	LVS1R (note 1)	
- Plus hot water	LVS1R + Ded (note 1)	
- Plus slab	LVS1R + Ded (note 1)	
- Plus HW and Slab	LVS1R + Ded (note 1)	
New Connections (PFIT)		
- Standard	TOD (note 2)	
- Plus hot water	TOD (note 2)	
- Plus slab	TOD (note 2)	
- Plus HW and Slab	TOD (note 2)	

* NB: A new connection must remain on an existing network tariff for a minimum of 12 consecutive months unless there is a load or connection characteristic change..

Note 1 – an alternative network tariff is TOD, this is available in a commed area, in a non commed area, this is available, however an interval meter would be required

Note 2 – an alternative network tariff for a customer is LVS1R (or FLVS1R with PFIT), this option is only available at the time of connection. If a customer requests this option it is likely that network tariff costs would be slightly higher, particularly for customers with off peak heating

Note 3 – UED expects to complete the rollout of communication infrastructure by around mid 2011, after the communications are in place, all new connections/required meter replacements will be treated as per the commed area section of the table

8.4 Network options for newly connecting medium customers >20MWh per annum and <400MWh per annum

For customers who use 20-400 MWh per annum, the default and optional tariff combinations for new connections are detailed below:

Table 8.3: Default Tariff Option

	Default UED Network Tariff from 1 January 2011	Optional UED Network Tariff from 1 January 2011 if requested
"Commed" Area		
New connections (no PFIT)		
- Standard	LVM1R (note 2)	TOU
- Plus hot water	TOU (note 3)	LVM1R)
- Plus slab	TOU (note 3)	LVM1R
- Plus HW and Slab	TOU (note 3)	LVM1R
New Connections (PFIT)		
- Standard	TOU (note 3)	LVM1R
"Non Commed" area (note 3)		
New connections (no PFIT)		
- Standard	LVM1R (note 2)	TOU
New Connections (PFIT)		
- Standard	TOU (note 3)	LVM1R
- Plus hot water	TOU (note 3)	LVM1R (note 2)
- Plus slab	TOU (note 3)	LVM1R (note 2)

	Default UED Network Tariff from 1 January 2011	Optional UED Network Tariff from 1 January 2011 if requested
- Plus HW and Slab	TOU (note 3)	LVM1R (note 2)

Further information on the above tariffs and tariff eligibility is provided in the following section.

Note 1 – The roll out of advanced interval meters and communications generally applies to connections 160MWhpa and below.

Note 2 – An alternative network tariff is TOU.

Note 3 – An alternative network tariff is LVM1R/FLVM1R.

Further information on the above tariffs and tariff eligibility is provided in the following section.

It should be noted that any customer who chooses LVS1R or LVM1R who has an advanced interval meter, will be changed to the respective time of use tariff in accordance with the lifting of the Victorian Government tariff moratorium in 2012. The change of tariff will be in accordance with the notification obligations on distributors and retailers.

8.5 2011 Default Network Tariffs for New Connections

LVS1R:

- This tariff is available to new connections without PFIT
- Customers must be residential and consume <20 MWh/pa.
- Requires as a minimum basic meter.
- Includes a summer and non summer peak energy charge.
- Customers can make savings by reducing their energy consumption during summer months. Usage during non summer is cheaper.
- Summer is defined as 1 November to 31 March.
- Once on this tariff, customers cannot move onto another tariff for a minimum period of 12 months.

LVM1R:

- This tariff is available to new connections.
- This tariff is not available to new connections where the site has co generation.
- Customers must consume between 20 and 400 MWh/pa.
- Requires as a minimum basic meter.
- Includes a summer and non summer peak energy charge.
- Customers can make savings by reducing their energy consumption during summer months. Usage during non summer is cheaper.
- Summer is defined as 1 November to 31 March.
- Once on this tariff, customers cannot move onto another tariff for a minimum period of 12 months.

LVDED:

- This tariff is only available in conjunction with the LVS1R tariff
- Customer must have a dedicated circuit connected to a controlled electric hot water service and/or storage space heating.
- Requires a separately metered dedicated circuit controlled by UED by means of time switch or other means. Requires a minimum basic meter.
- Is a dedicated off peak charge.
- The Off Peak period is 11pm to 7am EST for new connections from 2010.
- This tariff is not available to New Customers with embedded generation or Existing Customers that install embedded generation.

TIME OF DAY (TOD):

- Customers to consume <20MWh/annum
- Requires an interval meter.
- Includes a seasonal peak energy charge. Customers can make savings by reducing their energy consumption during the peak periods (3pm-11pm Local Time workdays).
- Non-Summer Peak energy charge is lower than Summer Peak energy charge to encourage heating usage.
- Includes a seasonal shoulder energy charge. Customers can make savings by reducing their energy consumption during the shoulder periods (7am-3pm Local Time workdays).
- Non-Summer shoulder energy charge is lower than Summer Shoulder energy charge to encourage heating usage.
- Off-peak energy is all day weekends and public holidays and 11pm to 7am Local Time workdays. Usage during off peak times is cheaper than peak times.
- Includes a daily Standing Charge
- All controlled load is controlled by the meter. Note, if there are any controlled load boosts during peak periods, these will be charged the peak tariff rate.
- Once on this tariff, customers cannot move onto another tariff for a minimum period of 12 months.
- Summer is defined as 1 November to 31 March.

TIME OF USE (TOU):

- Customers must consume >20 and <400MWh/annum.
- Requires an interval meter.
- Includes a seasonal peak energy charge. Customers can make savings by reducing their energy consumption during the peak periods (7am-11pm Local Time workdays).
- Off-peak energy is all day weekends and public holidays and 11pm to 7am Local Time workdays. Usage during off peak times is cheaper than peak times.
- Includes a Summer Demand Incentive Charge measured at maximum kW per billing period between 2pm and 7pm local time workdays in summer. This empowers customers to make savings by altering the time of use of their consumption away from 2pm to 7pm Local Time workdays in summer.
- Once on this tariff, customers cannot move onto another tariff for a minimum period of 12 months.
- Summer is defined as 1 November to 31 March.

LVkVATOU:

- Customers must be in "large" category (>400MWh and/or >150KVA).
- Must have an Interval meter measuring kW and kVar.
- Includes a seasonal peak energy charge. Customers can make savings by reducing their energy consumption during the peak periods (7am-7pm Local Time workdays).
- Includes a Summer Demand Incentive Charge (measured as kVA at maximum kW per billing period). This empowers customers to make savings by altering the time of use of their consumption away from 3pm to 6pm Local Time workdays in summer.
- Off-peak energy is all day weekends and public holidays and 7pm to 7am Local Time workdays. Usage during off peak times is cheaper than peak times.
- The peak rolling demand is 7am - 7pm Local Time workdays and is measured as kVA at maximum kW. The minimum rolling demand applicable is 150 kVA.
- Once on this tariff, customers cannot move onto another tariff for a minimum period of 12 months.
- Summer is defined as 1 November to 31 March.

HVKVATOU:

- Customers must be in "large" category (>400MWh and/or >150KVA).
- Must have an Interval meter measuring kW and kVar Includes a seasonal peak energy charge. Customers can make savings by reducing their energy consumption during the peak periods (7am-7pm Local Time workdays).
- Includes a Summer Demand Incentive Charge (measured as kVA at maximum kW per billing period). This empowers customers to make savings by altering the time of use of their consumption away from 3pm to 6pm Local Time workdays in summer.
- Off-peak energy is all day weekends and public holidays and 7pm to 7am Local Time workdays. Usage during off peak times is cheaper than peak times.
- The peak rolling demand is 7am - 7pm Local Time workdays and is measured as kVA at maximum kW. The minimum rolling demand applicable is 1150 kVA.
- Once on this tariff, customers cannot move onto another tariff for a minimum period of 12 months. .
- Summer is defined as 1 November to 31 March.

8.6 Jurisdictional Scheme: Premium Feed in Tariff (PFIT)

The Victorian Government introduced a premium feed in tariff policy in November 2009. A premium feed in tariff (PFIT) is available to residential and commercial customers consuming less than 100 MWh/annum who install up to 5 kW of solar panels and have net interval metering. . Once the scheme has reached 100MW of installed solar capacity across Victoria or reaches a certain cost limit to all customers the Minister may declare the scheme capacity date.

By September 2010, approximately 27MW of solar capacity had been installed across Victoria.

60 cents per kWh credit will be applied to the NET energy exported i.e. solar energy generated less home/business usage = net energy exported from the customers premise to the UED distribution network.

To define an existing distribution tariff which also has the PFIT, an “F” will be added to the front of the tariff prefix e.g. TOD becomes FTOD.

Your retailer may request this rebate if you are a qualifying customer. The solar rebate may be requested until the declared scheme capacity date.

The National Electricity Rules (NER), Rule 6.18.7A requires a pricing proposal to provide for tariffs to pass on to customers the jurisdictional scheme amounts for approved jurisdictional schemes. This Victorian scheme is listed as a jurisdictional scheme in the NER.

8.6.1 Jurisdictional Scheme Amounts

The following table outlines the jurisdictional charges and correction factors applicable to UED in 2011:

Table 8.4: Jurisdictional (PFIT) Scheme Amounts ($’000)

	2009 Actual	2010 Estimated	2011 Forecast
Revenue from PFIT charges		$1,609	$611
PFIT rebates paid	$3	$760	$1,384
Correction Factor			$771

The 2011 jurisdictional forecast is to be recovered via a jurisdictional tariff per customer per day.

8.6.2 Calculation PFIT Rebate Costs applicable to Jurisdictional revenue forecast

The following table outlines the estimated PFIT rebate cost for 2010 based on prorated customer numbers and kWh exported. These estimates are then used to forecast the 2011 rebate cost using a 2011 forecast of 10,000 customers on PFIT.

Table 8.5: PFIT Rebates

	2010 Estimated	2011 Forecast
PFIT Rebate $/kWh exported	$0.60	$0.60
Customer number on PFIT	5,495	10,000
kWh exported	1,267,406	2,306,610
PFIT rebate cost ('000)	$760	$1,384

8.7 Tariff Reassignments for Existing Customers

Existing customers are eligible to upgrade to a TOU/TOD tariff if they have an interval meter installed. If an existing customer does not have an interval meter, then the tariffs available for customers consuming <400MWh will be the LVS1R or LVM1R.

If an existing customer installs solar, then an interval meter will be installed and the tariff will be changed to either a FTOD or FTOU (depending on consumption) or FLVS1R or FLVM1R.

For existing customers using less than 20MWh per annum, the default and optional tariff combinations are detailed below:

Table 8.6: Default and Optional Tariff Combinations

	Default UED Network Tariff from 1 January 2011	Optional UED Network Tariff from 1 January 2011 if requested
Existing Installation* (No PFIT)		
- Standard	Per existing	LVS1R or TOD (note 1)
- Installing hot water	TOD	LVS1R + Ded
- Installing slab	TOD	LVS1R + Ded
- Installing HW and Slab	TOD	LVS1R + Ded

	Default UED Network Tariff from 1 January 2011	Optional UED Network Tariff from 1 January 2011 if requested
Existing installation* (PFIT)		
- Standard	Per existing (note 2)	TOD
- Installing hot water	TOD (note 3)	N/A
- Installing slab	TOD (note 3)	N/A
- Installing HW and Slab	TOD	N/A

* NB: Existing Installation can only change to new network tariff after 12 consecutive months on the previous UED network tariff unless load or connection characteristic change requires new network tariff.

Note 1 – an alternative network tariff option is FLVS1R

Note 2 – an alternative network tariff option is FLVM1R (consuming 70-400MWh/annum) or FLVS1R if consuming less than 70MWh/annum.

Note 3 – Customer should only have existing LVDed tariff in conjunction with LVS1R tariff (therefore consumption will be >20 and <70MWh/annum)

Tariff Re-assignment

UED's network tariffs contain summer and non summer components. To avoid tariff arbitrage, an existing customer must remain on a re-assigned/assigned network tariff for a minimum of 12 consecutive months unless there is a load or connection characteristic change. It is important that customers speak to retailers to ensure they are well informed about retail and network tariff offerings. This applies to all categories – small, medium and large.

8.8 UED's system of assessing and reviewing a customer's charges

As noted in Section 2.4 of this Pricing Proposal, the AER's final determination requires UED to provide for an appropriate system of assessment and review of the basis on which a customer is charged. In accordance with the AER's requirements, UED's system of assessment and review involves the following three-step process:

- Step 1: UED's critically examines its draft annual tariff changes to identify customers that are likely to experience price changes that are materially different to the tariff average. It is noted that such variations may occur if a customer's load profile contrasts sharply with typical tariff customer and where tariff changes differ across tariff components. UED will amend its draft tariff proposals where appropriate, having regard to the principles that guide tariff prices.

- Step 2: Following UED's annual tariff review, UED contacts customers where the current tariff is inappropriate for the customer's load profile or would likely to result in a substantial increase in network charges. UED would identify alternative network options for the customer's consideration or measures to assist the customer in reducing its network charges.

- Step 3: Where a customer or customer's retailer contacts UED regarding the basis on which a customer is charged, UED will identify alternative network options or measures to assist the customer in reducing network charges. However, UED notes that steps 1 and 2 properly

executed should minimise, if not eliminate, the number of contacts from customers and retailers regarding inappropriately high network charges.

In addition to the above steps, UED will monitor its system of assessment and review in light of experience.

9 Alternative Control Services

9.1 Regulatory Requirements

A number of the Rule requirements in clause 6.18 relating to direct control services are applicable to both standard control services and alternative control services. In contrast to standard control services, however, the pricing arrangements for alternative control services is not generally tariff-based. For this reason, this section provides a brief explanation of UED's approach to alternative control services.

9.2 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.

9.3 Charging parameters for alternative control services metering tariffs

There are only two charging parameters within the alternative control services metering services tariff class: customer numbers; and exit fee transactions.

Meter provision services are charged to each alternative control services network customer on a $/day basis, so the relevant charging parameter is the number of customer days. Meter services exit fee transactions will be charged on an as incurred basis, so the relevant charging parameter is the number of exit fee transactions. The charging parameters for each tariff within the alternative control services metering services tariff class are set out in the table below.

The price path for the regulatory period is CPI – X, where X equals zero. The table below contains prices for each alternative control service.

Table 9.1: AER Final Decision for United Energy – fee based alternative control services prices for 2011 ($, 2010)

Fee based services	AER final decision price
Field Officer Visits – Existing Premises	
Special read (basic meter)	$10.25
Special read (interval meter)	$11.38
Re-energise (fuse insert) - BH (unit rate)	$36.91
De-energise (fuse insert) - BH (unit rate)	$36.91
Express move in re-energise (fuse insert) – BH (unit rate)	$111.23
Re-energise (fuse insert) – AH (unit rate)	$117.97
De-energise (fuse removal) – AH (unit rate)	$117.97
Express move in re-energise (fuse insert) – AH (unit rate)	$117.97
Temporary Supplies (exe inspection) – Coincident Disconnection	

Fee based services	AER final decision price
Standard single phase – BH (unit rate)	$86.31
Multi phase to 100A – BH (unit rate)	$86.31
Standard single phase – AH (unit rate)	$181.89
Multi phase to 100A – AH (unit rate)	$326.76
Temporary Supplies (exe inspection) – Independent Disconnection	
Independent disconnection standard single phase – BH (unit rate)	$172.61
Independent disconnection multi phase to 100A – BH (unit rate)	$342.96
Independent disconnection standard single phase – AH (unit rate)	$363.78
Independent disconnection multi phase to 100A – AH (unit rate)	$868.98
Conversion from Coincidental to Independent Disconnection	
Standard single phase – changed from coincidental to independent (unit rate)	$86.30
Multi Phase – changed from coincidental to independent (unit rate)	$181.89
New Connection where United Energy is the responsible person	
Single phase single element – BH (unit rate)	$206.99
Single phase two element (off peak) – BH (unit arte)	$206.99
Three phase direct connected – BH (unit rate)	$206.99
Single phase single element – AH (unit rate)	$268.64
Single phase two element (off peak) – AH (unit rate)	$326.03
Three phase direct connected – AH (unit rate)	$368.20
Routine new connections – three phase current transformer connected – BH	Quoted
Routine new connections – three phase current transformer connected – AH	Quoted
New Connections – where United Energy is Not the Responsible Person	
Single phase single element – BH (unit rate)	$89.95
Single phase two element (off peak) – BH (unit rate)	$89.95
Three phase direct connected – BH (unit rate)	$89.95
Single phase single element – AH (unit rate)	$256.52

Fee based services	AER final decision price
Single phase two element (off peak) – AH (unit rate)	$334.26
Three phase direct connected – AH (unit rate)	$377.45
Routine new connections – three phase current transformer connected - BH	Quoted
Routine new connections – three phase current transformer connected - AH	Quoted
Service Vehicle Visits (without inspection)	
Service truck – first 30 minutes – BH (unit rate)	$105.01
Each additional 15 minutes – BH (unit rate)	$43.15
Wasted service truck visit - BH (unit rate)	$43.15
Service truck – first 30 minutes – AH (unit rate)	$214.25
Each additional 15 minutes – AH (unit rate)	$46.20
Wasted service truck visit – AH (unit rate)	$106.85
Meter Equipment Test	
Single phase	$51.22
Single phase (each additional meter)	$45.52
Multi phase	$79.67
Multi phase (each additional meter)	$73.98

Table 9.2: Charge out rates for quoted alternative control services

Description	2011 Rate
Hourly labour rate—one person, business hours	$82.02
Hourly labour rate—one person plus vehicle, business hours	$111.94
Hourly labour rate—one person, after hours	$102.53
Hourly labour rate—one person plus vehicle, after hours	$124.95

10 Public Lighting

The table below contains the approved public lighting changes per the AER's final decision updated for CPI applicable to 2011.

Table 10.1: Alternative Control Services - Public Lighting Charges

Light Type	2011 Price* (ex GST)
Mercury Vapour 80 watt	$ 49.23
Sodium High Pressure 150 watt	$ 78.70
Sodium High Pressure 250 watt	$ 80.02
Fluorescent 2x20 watt	$ 63.51
Fluorescent 3x20 watt	$ 63.51
Mercury Vapour 50 watt	$ 72.87
Mercury Vapour 125 watt	$ 72.87
Mercury Vapour 250 watt	$ 72.82
Mercury Vapour 400 watt	$100.83
Mercury Vapour 700 watt	$100.83
Sodium High Pressure 70 watt	$107.82
Sodium High Pressure 100 watt	$ 86.57
Sodium High Pressure 400 watt	$100.83
Metal Halide 70 watt	$106.25
Metal Halide 100 watt	$106.25
Metal Halide 150 watt	$106.25
Metal Halide 250 watt	$108.03
Metal Halide 400 watt	$108.03
T5 2X14W	$ 25.37

*As per Final Decision Public Lighting updated with September 2010 CPI

Appendix A: Tariff Model

Not attached

Appendix B: Tariff Summary

Schedule of Distribution Use of System (DUOS) Tariffs: 1 January 2011 (GST Exclusive)

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage small 1 rate	LVS1R	5.144	6.291	4.050							Residential Customer		
PFIT Low voltage small 1 rate	FLVS1R	5.144	6.291	4.050							Residential Customer		
Low voltage small 2 rate*	LVS2R*	10.648	7.642	5.796				1.325					
Dedicated circuit**	LVDed**							1.276			Residential Customer		
Unmetered supplies	UnMet		6.338	4.637				1.143					
Winter Energy Tariff*	WET2Step*	6.714	5.007	3.710	1.390						<20		<70
Reverse cycle airconditioning time of use*	RCACkWTOU*		4.351	1.094				1.074		54.674	<20		<70

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage medium 1 rate	LVM1R	9.833	8.644	5.393							Business Customer		
PFIT Low voltage medium 1 rate	FLVM1R	9.833	8.644	5.393							Business Customer		
Low voltage medium 2 rate 5 day*	LVM2R5D*	14.118	6.857	5.137				1.280					
Low voltage medium 2 rate 7 day*	LVM2R7D*	15.163	6.583	5.098				1.201					
Low voltage KW time of use*	LVkWTOU*		6.122	3.582				1.425		29.313		<150	<400
Low voltage KW time of use - HOT	LVkWTOUH*		5.481	4.215				1.239		48.240		<150	<400
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*		5.481	4.215				1.239		48.240		<150	<400
Low voltage large 1 rate*	LVL1R*	9.483	4.342	3.426									
Low voltage large 2 rate*	LVL2R*	13.678	6.797	5.404				1.293					

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage large KVA time of use	LVkVATOU		0.959	0.812				0.805	9.675	14.433		>150	>400
Low voltage large KVA time of use - HOT*	LVkVATOUH*		0.853	0.706				0.700	9.819	23.162		>150	>400
High voltage KVA time of use	HVkVATOU		0.577	0.510				0.501	5.885	8.083		>150	>400
High voltage KVA time of use - HOT*	HVkVATOUH*		0.608	0.504				0.498	6.923	16.764		>150	>400
Subtransmission KVA time of use*	SubTkVATOU*		0.336	0.261				0.227	0.586	0.861		>150	>400
Time of Day	TOD	4.959	13.375	7.881		3.769	2.777	2.579					<20
PFIT Time of Day	FTOD	4.959	13.375	7.881		3.769	2.777	2.579					<20
Time of Use	TOU		6.573	3.993				1.929		28.543			>20 & <400

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
PFIT Time of Use	FTOU		6.573	3.993				1.929		28.543			>20 & <400

*Tariff closed to premises not already taking supply under this tariff and new connections
**LVDed not available to any Premium Feed In Tariff (PFIT) customer
Non-summer peak energy rates apply for period 1st April to 31st October
“F” added to the front of the tariff prefix defines an existing distribution tariff which also has PFIT

Schedule of Transmission Use of System (TUOS) Tariffs: 1 January 2011 (GST Exclusive)

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage small 1 rate	LVS1R		1.753	1.465							Residential Customer		
PFIT Low voltage small 1 rate	FLVS1R		1.753	1.465							Residential Customer		
Low voltage small 2 rate*	LVS2R*		2.944	2.357									
Dedicated circuit**	LVDed**										Residential Customer		
Unmetered supplies	UnMet		2.759	2.205									
Winter Energy Tariff*	WET2Step*		1.962	1.569	1.569						<20	<70	
Reverse cycle airconditioning time of use*	RCACkWTOU*		13.294	2.960						8.429	<20	<70	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage medium 1 rate	LVM1R		2.080	1.662							Business Customer		Low voltage medium 1 rate
PFIT Low voltage medium 1 rate	FLVM1R		2.080	1.662							Business Customer		PFIT Low voltage medium 1 rate
Low voltage medium 2 rate 5 day*	LVM2R5D*		1.550	1.241									
Low voltage medium 2 rate 7 day*	LVM2R7D*		2.061	1.650									
Low voltage KW time of use*	LVkWTOU*		1.437	1.150						6.702	<150	<400	
Low voltage KW time of use - HOT	LVkWTOUH*		0.904	0.722						8.101	<150	<400	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*		0.904	0.722						8.101	<150	<400	
Low voltage large 1 rate*	LVL1R*		2.054	1.641									
Low voltage large 2 rate*	LVL2R*		1.579	1.265									
Low voltage large KVA time of use	LVkVATOU		0.899	0.722					3.676	5.024	>150	>400	150
Low voltage large KVA time of use - HOT*	LVkVATOUH*		0.568	0.456					2.319	6.098	>150	>400	150
High voltage KVA time of use	HVkVATOU		0.633	0.507					4.209	4.419	>150	>400	1,150
High voltage KVA time of use - HOT*	HVkVATOUH*		0.363	0.290					2.413	4.872	>150	>400	1,150

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Subtransmission KVA time of use*	SubTkVATOU*		0.426	0.343					3.025	3.671	>150	>400	11,100
Time of Day	TOD		1.803	1.532		1.532	1.352					<20	
PFIT Time of Day	FTOD		1.803	1.532		1.532	1.352					<20	
Time of Use	TOU		1.834	0.843						4.808		>20 & <400	
PFIT Time of Use	FTOU		1.834	0.843						4.808		>20 & <400	

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Non-summer peak energy rates apply for period 1st April to 31st October
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*Tariff closed to premises not already taking supply under this tariff and new connections.

Schedule of Network Use of System (NUOS) Tariffs: 1 January 2011 (GST Exclusive)

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage small 1 rate	LVS1R	5.144	8.044	5.515							Residential Customer		
PFIT Low voltage small 1 rate	FLVS1R	5.144	8.044	5.515							Residential Customer		
Low voltage small 2 rate*	LVS2R*	10.648	10.586	8.153				1.325					
Dedicated circuit**	LVDed**							1.276			Residential Customer		
Unmetered supplies	UnMet		9.097	6.842				1.143					
Winter Energy Tariff*	WET2 Step*	6.714	6.969	5.279	2.959						<20	<70	
Reverse cycle airconditioning time of use*	RCACkWTOU*		17.645	4.054				1.074		63.103	<20	<70	
Low voltage medium 1 rate	LVM1R	9.833	10.724	7.055							Business Customer		

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
PFIT Low voltage medium 1 rate	FLVM1R	9.833	10.724	7.055							Business Customer		
Low voltage medium 2 rate 5 day*	LVM2R5D*	14.118	8.407	6.378				1.280					
Low voltage medium 2 rate 7 day*	LVM2R7D*	15.163	8.644	6.748				1.201					
Low voltage KW time of use*	LVkWTOU*		7.559	4.732				1.425		36.015	<150	<400	
Low voltage KW time of use - HOT	LVkWTOUH*		6.385	4.937				1.239		56.341	<150	<400	
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*		6.385	4.937				1.239		56.341	<150	<400	
Low voltage large 1 rate*	LVL1R*	9.483	6.396	5.067									
Low voltage large 2 rate*	LVL2R*	13.678	8.376	6.669				1.293					

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage large KVA time of use	LVkVA TOU		1.858	1.534				0.805	13.351	19.457	>150	>400	150
Low voltage large KVA time of use - HOT*	LVkVA TOUH*		1.421	1.162				0.700	12.138	29.260	>150	>400	150
High voltage KVA time of use	HVkVA TOU		1.210	1.017				0.501	10.094	12.502	>150	>400	1,150
High voltage KVA time of use - HOT*	HVkVA TOUH*		0.971	0.794				0.498	9.336	21.636	>150	>400	1,150
Subtransmission KVA time of use*	SubTk VATOU*		0.762	0.604				0.227	3.611	4.532	>150	>400	11,100
Time of Day	TOD	4.959	15.178	9.413		5.301	4.129	2.579				<20	
PFIT Time of Day	FTOD	4.959	15.178	9.413		5.301	4.129	2.579				<20	
Time of Use	TOU		8.407	4.836				1.929		33.351		>20 & <400	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)	Summer Shoulder Energy (c/kWh)	Non Summer Shoulder Energy (c/kWh)	Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
PFIT Time of Use	FTOU		8.407	4.836				1.929		33.351		>20 & <400	

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Non-summer peak energy rates apply for period 1st April to 31st October
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UED PFIT pass through charge: 1 January 2011 (GST Exclusive)

UED Network Tariff Description	UED Tariff Code	PFIT Pass Through Charge (c/cust/day)
Low voltage small 1 rate	LVS1R	0.267
PFIT Low voltage small 1 rate	FLVS1R	0.267
Low voltage small 2 rate*	LVS2R*	0.267
Dedicated circuit**	LVDed**	
Unmetered supplies	UnMet	
Winter Energy Tariff*	WET2Step*	0.267
Reverse cycle airconditioning time of use*	RCACkWTOU*	0.267
Low voltage medium 1 rate	LVM1R	0.267
PFIT Low voltage medium 1 rate	FLVM1R	0.267
Low voltage medium 2 rate 5 day*	LVM2R5D*	0.267
Low voltage medium 2 rate 7 day*	LVM2R7D*	0.267
Low voltage KW time of use*	LVkWTOU*	0.267
Low voltage KW time of use - HOT	LVkWTOUH*	0.267
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*	0.267
Low voltage large 1 rate*	LVL1R*	0.267
Low voltage large 2 rate*	LVL2R*	0.267
Low voltage large KVA time of use	LVkVATOU	0.267
Low voltage large KVA time of use - HOT*	LVkVATOUH*	0.267
High voltage KVA time of use	HVkVATOU	0.267
High voltage KVA time of use - HOT*	HVkVATOUH*	0.267
Subtransmission KVA time of use*	SubTkVATOU*	0.267

UED Network Tariff Description	UED Tariff Code	PFIT Pass Through Charge (c/cust/day)
Time of Day	TOD	0.267
PFIT Time of Day	FTOD	0.267
Time of Use	TOU	0.267
PFIT Time of Use	FTOU	0.267

*Tariff closed to premises not already taking supply under this tariff and new connections
**LVDed not available to any Premium Feed In Tariff (PFIT) customer
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2011 Prescribed Metering Service Charges (GST Exclusive)

Metering Data Services (Unmetered Supplies)	$/light/annum
Per light	$1.142

Schedule of Distribution Use of System (DUOS) Tariffs: 1 January 2011 (GST Inclusive)

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage small 1 rate	LVS1R	5.658	6.920	4.455							Residential Customer		
PFIT Low voltage small 1 rate	FLVS1R	5.658	6.920	4.455							Residential Customer		
Low voltage small 2 rate*	LVS2R*	11.713	8.406	6.376				1.458					
Dedicated circuit**	LVDed**							1.404			Residential Customer		
Unmetered supplies	UnMet		6.972	5.101				1.257					
Winter Energy Tariff*	WET2Step*	7.385	5.508	4.081	1.529						<20	<70	
Reverse cycle airconditioning time of use*	RCACkW TOU*		4.786	1.203				1.181		60.141	<20	<70	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage medium 1 rate	LVM1R	10.816	9.508	5.932							Business Customer		
PFIT Low voltage medium 1 rate	FLVM1R	10.816	9.508	5.932									
Low voltage medium 2 rate 5 day*	LVM2R5D*	15.530	7.543	5.651				1.408					
Low voltage medium 2 rate 7 day*	LVM2R7D*	16.679	7.241	5.608				1.321					
Low voltage KW time of use*	LVkWTOU*		6.734	3.940				1.568		32.244	<150	<400	
Low voltage KW time of use - HOT	LVkWTOUH*		6.029	4.637				1.363		53.064	<150	<400	
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*		6.029	4.637				1.363		53.064			
Low voltage large 1 rate*	LVL1R*	10.431	4.776	3.769									
Low voltage large 2 rate*	LVL2R*	15.046	7.477	5.944				1.422					

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage large KVA time of use	LVkVATOU		1.055	0.893				0.886	10.643	15.876	>150	>400	150
Low voltage large KVA time of use - HOT*	LVkVATOUH*		0.938	0.777				0.770	10.801	25.478	>150	>400	150
High voltage KVA time of use	HVkVATOU		0.635	0.561				0.551	6.474	8.891	>150	>400	1,150
High voltage KVA time of use - HOT*	HVkVATOUH*		0.669	0.554				0.548	7.615	18.440	>150	>400	1,150
Subtransmission KVA time of use*	SubTkVATOU*		0.370	0.287				0.250	0.645	0.947	>150	>400	11,100
Time of Day	TOD	5.455	14.713	8.669		4.146	3.055	2.837				<20	
PFIT Time of Day	FTOD	5.455	14.713	8.669		4.146	3.055	2.837				<20	
Time of Use	TOU		7.230	4.392				2.122		31.397		>20 & <400	
PFIT Time of Use	FTOU		7.230	4.392				2.122		31.397		>20 & <400	

*Tariff closed to premises not already taking supply under this tariff and new connections.
**LVDed not available to any Premium Feed In Tariff (PFIT) customer.
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Schedule of Transmission Use of System (TUOS) Tariffs: 1 January 2011 (GST Inclusive)

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)	Minimum Chargeable Rolling Demand	
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage small 1 rate	LVS1R		1.928	1.612							Residential Customer		
PFIT Low voltage small 1 rate	FLVS1R		1.928	1.612							Residential Customer		
Low voltage small 2 rate*	LVS2R*		3.238	2.593									
Dedicated circuit**	LVDed**										Residential Customer		
Unmetered supplies	UnMet		3.035	2.426									
Winter Energy Tariff*	WET2Step*		2.158	1.726	1.726						<20	<70	
Reverse cycle airconditioning time of use*	RCACkW TOU*		14.623	3.256						9.272	<20	<70	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)	Minimum Chargeable Rolling Demand	
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage medium 1 rate	LVM1R		2.288	1.828							Business Customer		Low voltage medium 1 rate
PFIT Low voltage medium 1 rate	FLVM1R		2.288	1.828									
Low voltage medium 2 rate 5 day*	LVM2R5D*		1.705	1.365									
Low voltage medium 2 rate 7 day*	LVM2R7D*		2.267	1.815									
Low voltage KW time of use*	LVkWTOU*		1.581	1.265						7.372	<150	<400	
Low voltage KW time of use - HOT	LVkWTOUH*		0.994	0.794						8.911	<150	<400	
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*		0.994	0.794						8.911			

Description	Tariff Code	Network Tariff Component								Eligibility (consumption/ category)	Minimum Chargeable Rolling Demand	
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage large 1 rate*	LVL1R*		2.259	1.805									
Low voltage large 2 rate*	LVL2R*		1.737	1.392									
Low voltage large KVA time of use	LVkVATOU		0.989	0.794					4.044	5.526	>150	>400	150
Low voltage large KVA time of use - HOT*	LVkVATOUH*		0.625	0.502					2.551	6.708	>150	>400	150
High voltage KVA time of use	HVkVATOU		0.696	0.558					4.630	4.861	>150	>400	1,150
High voltage KVA time of use - HOT*	HVkVATOUH*		0.399	0.319					2.654	5.359	>150	>400	1,150
Subtransmission KVA time of use*	SubTkVATOU*		0.469	0.377					3.328	4.038	>150	>400	11,100
Time of Day	TOD		1.983	1.685		1.685	1.487					<20	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)	Minimum Chargeable Rolling Demand	
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
PFIT Time of Day	FTOD		1.983	1.685		1.685	1.487					<20	
Time of Use	TOU		2.017	0.927						5.289		>20 & <400	
PFIT Time of Use	FTOU		2.017	0.927						5.289		>20 & <400	

*Tariff closed to premises not already taking supply under this tariff and new connections.
**LVDed not available to any Premium Feed In Tariff (PFIT) customer.
Non-summer peak energy rates apply for period 1st April to 31st October
“F” added to the front of the tariff prefix defines an existing distribution tariff which also has PFIT

Schedule of Network Use of System (NUOS) Tariffs: 1 January 2011 (GST Inclusive)

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage small 1 rate	LVS1R	5.658	8.848	6.067							Residential Customer		
PFIT Low voltage small 1 rate	FLVS1R	5.658	8.848	6.067							Residential Customer		
Low voltage small 2 rate*	LVS2R*	11.713	11.644	8.969				1.458					
Dedicated circuit**	LVDed**							1.404			Residential Customer		
Unmetered supplies	UnMet		10.007	7.527				1.257					
Winter Energy Tariff*	WET2Step*	7.385	7.666	5.807	3.255						<20	<70	
Reverse cycle airconditioning time of use*	RCACkWTOU*		19.409	4.459				1.181		69.413	<20	<70	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage medium 1 rate	LVM1R	10.816	11.796	7.760							Business Customer		
PFIT Low voltage medium 1 rate	FLVM1R	10.816	11.796	7.760									
Low voltage medium 2 rate 5 day*	LVM2R5D*	15.530	9.248	7.016				1.408					
Low voltage medium 2 rate 7 day*	LVM2R7D*	16.679	9.508	7.423				1.321					
Low voltage KW time of use*	LVkWTOU*		8.315	5.205				1.568		39.616	<150	<400	
Low voltage KW time of use - HOT	LVkWTOUH*		7.023	5.431				1.363		61.975	<150	<400	
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*		7.023	5.431				1.363		61.975			
Low voltage large 1 rate*	LVL1R*	10.431	7.035	5.574									

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Low voltage large 2 rate*	LVL2R*	15.046	9.214	7.336				1.422					
Low voltage large KVA time of use	LVkVATOU		2.044	1.687				0.886	14.687	21.402	>150	>400	150
Low voltage large KVA time of use - HOT*	LVkVATOUH*		1.563	1.279				0.770	13.352	32.186	>150	>400	150
High voltage KVA time of use	HVkVATOU		1.331	1.119				0.551	11.104	13.752	>150	>400	1,150
High voltage KVA time of use - HOT*	HVkVATOUH*		1.068	0.873				0.548	10.269	23.799	>150	>400	1,150
Subtransmission KVA time of use*	SubTkVATOU*		0.839	0.664				0.250	3.973	4.985	>150	>400	11,100
Time of Day	TOD	5.455	16.696	10.354		5.831	4.542	2.837				<20	
PFIT Time of Day	FTOD	5.455	16.696	10.354		5.831	4.542	2.837				<20	

Description	Tariff Code	Network Tariff Component									Eligibility (consumption/ category)		Minimum Chargeable Rolling Demand
		Standing Charge (c/day)	Summer Peak Energy (c/kWh)	Non Summer Peak Energy Block 1 (c/kWh)	Non Summer Peak Energy Block 2 (c/kWh)			Off Peak Energy (c/kWh)	Rolling Peak Demand c/kVA/day	Summer Demand Incentive Charge c/kW/day or c/kVA/day	kVA	MWh pa	kVA
Time of Use	TOU		9.247	5.319				2.122		36.686		>20 & <400	
PFIT Time of Use	FTOU		9.247	5.319				2.122		36.686		>20 & <400	

*Tariff closed to premises not already taking supply under this tariff and new connections.
**LVDed not available to any Premium Feed In Tariff (PFIT) customer.
Non-summer peak energy rates apply for period 1st April to 31st October
“F” added to the front of the tariff prefix defines an existing distribution tariff which also has PFIT

UED PFIT pass through charge: 1 January 2011 (GST Inclusive)

UED Network Tariff Description	UED Tariff Code	PFIT Pass Through Charge (c/cust/day)
Low voltage small 1 rate	LVS1R	0.294
PFIT Low voltage small 1 rate	FLVS1R	0.294
Low voltage small 2 rate*	LVS2R*	0.294
Dedicated circuit**	LVDed**	
Unmetered supplies	UnMet	
Winter Energy Tariff*	WET2Step*	0.294
Reverse cycle airconditioning time of use*	RCACkWTOU*	0.294
Low voltage medium 1 rate	LVM1R	0.294
PFIT Low voltage medium 1 rate	FLVM1R	0.294
Low voltage medium 2 rate 5 day*	LVM2R5D*	0.294
Low voltage medium 2 rate 7 day*	LVM2R7D*	0.294
Low voltage KW time of use*	LVkWTOU*	0.294
Low voltage KW time of use - HOT	LVkWTOUH*	0.294
PFIT Low voltage KW time of use - HOT*	FLVkWTOUH*	0.294
Low voltage large 1 rate*	LVL1R*	0.294
Low voltage large 2 rate*	LVL2R*	0.294
Low voltage large KVA time of use	LVkVATOU	0.294
Low voltage large KVA time of use - HOT*	LVkVATOUH*	0.294
High voltage KVA time of use	HVkVATOU	0.294
High voltage KVA time of use - HOT*	HVkVATOUH*	0.294
Subtransmission KVA time of use*	SubTkVATOU*	0.294
Time of Day	TOD	0.294
PFIT Time of Day	FTOD	0.294

UED Network Tariff Description	UED Tariff Code	PFIT Pass Through Charge (c/cust/day)
Time of Use	TOU	0.294
PFIT Time of Use	FTOU	0.294

**LVDed not available to any Premium Feed In Tariff (PFIT) customer.
Non-summer peak energy rates apply for period 1st April to 31st October
“F” added to the front of the tariff prefix defines an existing distribution tariff which also has PFIT

2011 Prescribed Metering Service Charges (GST Inclusive)

Metering Data Services (Unmetered Supplies)	$/light/annum
Per light	$1.256

Appendix C: Alternative Control Services

Alternative Control Service - Fee Based	2011 Rate
Field Officer Visits – Existing Premises	
Special read (basic meter)	10.25
Special read (interval meter)	11.38
Re-energise (fuse insert)—BH (unit rate)	36.91
De-energise (fuse removal)—BH (unit rate)	36.91
Express move in re-energise (fuse insert) BH (unit rate)	111.23
Re-energise (fuse insert)—AH (unit rate)	117.97
De-energise (fuse removal)—AH (unit rate)	117.97
Express move in re-energise (fuse insert) AH (unit rate)	117.97
Temporary Supplies (exc inspection) –	
Coincident Disconnection	
Standard single phase—BH (unit rate)	86.31
Multi phase to 100A—BH (unit rate)	86.31
Standard single phase—AH (unit rate)	181.89
Multi phase to 100A—AH (unit rate)	326.76
Temporary Supplies (exc inspection) –	
Independent Disconnection	
Independent disconnection standard single phase—BH (unit rate)	172.61
Independent disconnection multi phase to 100A—BH (unit rate)	342.96
Independent disconnection standard single Variable phase—AH (unit rate)	363.78
Independent disconnection multi phase to Variable 100A—AH (unit rate)	868.98
Conversion from Coincidental to Independent Disconnection	
Standard single phase – changed from coincidental to independent (unit rate)	86.30
Multi Phase – changed from coincidental to independent (unit rate)	181.89
New Connection where United Energy is the Responsible Person	
Single phase single element—BH (unit rate)	206.99
Single phase two element (off-peak)—BH (unit rate)	206.99
Three phase direct connected—BH (unit rate)	206.99
Single phase single element—AH (unit rate)	268.64
Single phase two element (off-peak)—AH (unit rate)	326.03

Three phase direct connected—AH (unit rate)	368.20
New Connections – where United Energy is Not the Responsible Person	
Single phase single element—BH (unit rate)	89.95
Single phase two element (off-peak)—BH (unit rate)	89.95
Three phase direct connected—BH (unit rate)	89.95
Single phase single element—AH (unit rate)	256.52
Single phase two element (off-peak)—AH (unit rate)	334.26
Three phase direct connected—AH (unit rate)	377.45
Service Vehicle Visits (without inspection)	
Service truck – first 30 minutes—BH (unit rate)	105.01
Each additional 15 minutes—BH (unit rate)	43.15
Alternative Control Service - Fee Based	**2011 Rate**
Field Officer Visits – Existing Premises	
Wasted service truck visit—BH (unit rate)	43.15
Service truck – first 30 minutes—AH (unit rate)	214.25
Each additional 15 minutes—AH (unit rate)	46.20
Wasted service truck visit—AH (unit rate)	106.85
Meter Equipment Test	
Single phase	51.22
Single phase (each additional meter)	45.52
Multi phase	79.67
Multi phase (each additional meter)	73.98

United Energy hourly charge out rates for quoted alternative control services		
Description	**AER - EDPR Final 2011 Rate ($2010)**	**2011 Rate**
Hourly labour rate—one person, business hours	79.80	82.02
Hourly labour rate—one person plus vehicle, business hours	108.90	111.94
Hourly labour rate—one person, after hours	99.75	103.37
Hourly labour rate—one person plus vehicle, after hours	121.56	125.97

Appendix D: Public Lighting Charges

Not attached

Appendix E: Audit Report

Not attached