



2010 Annual Tariff Report

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1. CURRENT TARIFFS

This document provides information for distribution customers on current and closed tariffs, annual adjustment variables and recent updates of information provided in the Tariff Strategy Report.

1.1 Regulatory Arrangements

Use of Powercor Australia's distribution systems and a number of other excluded services are regulated by the Australian Energy Regulator (AER). Distribution tariffs must satisfy the constraints set out in the *Electricity Distribution Price Review 2006-10 Final Decision Volume 2 Price Determination* ("Determination").

1.1.1 Distribution Tariffs

Distribution tariffs must conform to price controls and rebalancing controls set out in the *Determination*. The *Determination* provides a price control formula that specifies a maximum percentage change to annual tariffs. The maximum limit is based on four controls:

- *X-factor*: X-factor accounts for the expectation that distributors will achieve year-on-year efficiency gains and that these gains will be passed on to consumers. For 2010, the *Determination* requires Powercor to deliver an average real decrease in distribution tariffs of 2.5 percent.
- *S-factor*: S-factor provides an incentive for distributors to meet service obligations. Tariffs may be adjusted where service targets are exceeded and customers are compensated through reduced tariffs if service provision is not to the required standards.
- *L-factor*: L-factor ensures tariffs accurately reflect licence fees. Distributors must pay a licence fee, which is recovered through distribution tariffs.
- *CPI*: tariffs are indexed to account for inflation.

The price control formula constrains aggregate tariff revenue increases to the movement of these four factors. In addition, the *Determination* specifies a rebalancing control that prohibits individual tariff increases of more than CPI + 2 per cent (adjusted for S-Factor and L-Factor).

1.1.2 Transmission Tariffs

Transmission use of system charges are levied on Powercor Australia by Vencorp and SP Ausnet. Powercor Australia recovers these costs through transmission tariffs regulated by the AER. Transmission tariffs must satisfy the constraints set out in the *Determination*. Increases to individual transmission tariffs have an upper limit of the real average increase in transmission costs plus 2 per cent. The average increase in transmission costs is capped at 18 per cent per year. For the 2009/10 year the transmission businesses have increased charges beyond these caps and therefore a special application for a variation to these constraints was made to allow for full recovery.

1.1.3 Excluded Services

Powercor Australia provides services that are generally non-competitive and therefore regulated. For the 2010 calendar year Powercor Australia does not propose changing any of these rates except for the Operation, Maintenance and Repair (OM&R) charges for public lighting.

1.1.4 Prescribed Metering

In 2010 Powercor Australia is exclusively responsible for metering services to customers who's consumption is below 160 MWh p/a. The rates for these services has been determined in accordance with the review undertaken by the AER.

1.2 Tariffs.

The following distribution, transmission and prescribed metering tariffs are available to Powercor customers:

1.2.1 Distribution Tariffs

Powercor Australia's 2010 distribution tariffs are shown in the tariff schedule.

1.2.2 Transmission Tariffs

Powercor Australia's 2010 transmission tariffs are shown in the tariff schedule.

1.2.3 Network Tariffs

Powercor Australia's 2010 network tariffs are shown in the tariff schedule.

1.2.4 Prescribed Metering Tariffs

Powercor Australia's 2010 prescribed metering tariffs are shown in the tariff schedule.

1.2.5 Eligibility of Each Tariff

Powercor Australia takes into account the customer's load and connection characteristics to determine which distribution tariff will be assigned to a distribution customer. Criteria for assigning tariffs include: whether the customer is residential or non-residential, whether the customer has an interval or accumulation meter, coincident demand requirements, whether the customer generates electricity and whether the customer requires a high or low voltage supply.

Table 1 outlines Powercor Australia's network tariffs and defines connection characteristics for each tariff.

Table 1: Eligibility of Network Tariffs

Tariffs Available to New and Existing Customers in 2010

For the purposes of tariff assignment, “interval metered” is defined as having an interval meter installed (be it an AMI meter or MRIM meter) and interval data is being sent to the market.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS ¹
EMBEDDED GENERATION							
PFIT	Premium Feed-in tariff	N/A	N/A	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - Must have a single element interval meter or a two register accumulation meter capable of recording import and export loads on each register. - Produces electricity from a photo voltaic generation unit - Has a name-plate generation capacity <= 5kW - Is not a part of an embedded network - Has accepted a retailer offer for the premium feed-in tariff. 	<p><u>New:</u></p> <ul style="list-style-type: none"> - None <p><u>Existing:</u></p> <ul style="list-style-type: none"> - Must forfeit controlled load and climate saver
RESIDENTIAL CUSTOMERS							
D1	Residential Single Rate	<1,000	<120	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Tariff only open to new customers if a suitable interval meter is not installed 	<p><u>New:</u></p> <ul style="list-style-type: none"> - No controlled load allowed <p><u>Existing:</u></p> <ul style="list-style-type: none"> - 1-phase electric hot water service with a total load of <30Amps. - Slab heating - Heat banks

¹ Existing customers are those connected to the distribution network on or before 31st December, 2009

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS ¹
D2	Residential Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Residential customers who requested a 2-rate tariff - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Tariff only open to new customers if a suitable interval meter is not installed 	<p><u>New:</u></p> <ul style="list-style-type: none"> - No controlled load allowed <p><u>Existing:</u></p> <ul style="list-style-type: none"> - 1-phase electric hot water service with a total load of <30Amps. - Slab heating - Heat banks
D2DK	Docklands Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - 1-phase residential customers connected to in the Docklands area. 	<p><u>New:</u></p> <ul style="list-style-type: none"> - No controlled load allowed <p><u>Existing:</u></p> <ul style="list-style-type: none"> - 1-phase electric hot water service with a total load of <30Amps. - Slab heating - Heat banks
D3	Residential Interval	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Interval metered residential customers - Customers on this tariff prior to their AMI meter exchange will remain on this tariff 	<p><u>New:</u></p> <ul style="list-style-type: none"> - No controlled load allowed <p><u>Existing:</u></p> <ul style="list-style-type: none"> - 1-phase electric hot water service with a total load of <30Amps. - Slab heating - Heat banks

NON-RESIDENTIAL CUSTOMERS

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS ¹
ND1	Non-Residential Single Rate	<1,000	<120	7 days, 24 hrs	N/A	<ul style="list-style-type: none"> - Non-interval metered non-residential customers - Non-interval metered, builder's temporary supplies - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. <p>Note: Tariff only open to new customers if a suitable interval meter is not available</p>	<p><u>New:</u></p> <ul style="list-style-type: none"> - No controlled load allowed <p><u>Existing:</u></p> <ul style="list-style-type: none"> - 1-phase electric hot water service with a total load of <30Amps. - Slab heating - Heat banks
ND2	Non-Residential Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Non Domestic customers who requested a 2 rate tariff - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Tariff only open to new customers if a suitable interval meter is not available 	<p><u>New:</u></p> <ul style="list-style-type: none"> - No controlled load allowed <p><u>Existing:</u></p> <p>1-phase electric hot water service with a total load of <30Amps.</p>
ND5	Non-Residential Interval	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Interval metered non-residential customers - Interval metered builder's temporary supply 	None
D2DK	Docklands Two Rate 5d	<1,000	<120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Non-residential customers connected to the Docklands area 	None
PL2	Unmetered Supplies	<1,000	N/A	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	<ul style="list-style-type: none"> - Customers with an approved unmetered load <p>Note: New customer connections are required to install a load-limiting device</p>	None
LARGE LOW VOLTAGE CONTRACT DEMAND CUSTOMERS							
DL	Large Low Voltage Demand	<1,000	≥250	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers	None
DL.DK	Large Low Voltage Demand Docklands	<1,000	≥120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers connected in Docklands area	None

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS ¹
DL.CXX	Large Low Voltage Demand CXX	<1,000	≥120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers with demands up to 250kW	None
DL.CXXR	Large Low Voltage Demand Embedded Network Residential	<1,000	≥120	Mon-Sun 0700-2300	Mon-Sun 2300-0700	- Large customers with demand up to 250kW either registered by the ESC or AER as an Embedded Network or have an exemption from holding a distribution licence - Connection points within the Embedded Network will be predominantly residential	None
DL.CXXNR	Large Low Voltage Demand Embedded Network Non-Residential	<1,000	≥120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large customers with demands up to 250kW either registered by the ESC or AER as an Embedded Network or have an exemption from holding a distribution licence - Connection points within the Embedded Network will be predominantly non-residential	None
DL.R	Large Low Voltage Demand Embedded Network Residential	<1,000	≥250	Mon-Sun 0700-2300	Mon-Sun 2300-0700	- Large customers either registered by the ESC or AER as an Embedded Network or have an exemption from holding a distribution licence - Connection points within the Embedded Network will be predominantly residential	None
DL.NR	Large Low Voltage Demand Embedded Network Non-Residential	<1,000	≥250	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large customers either registered by the ESC or AER as an Embedded Network or have an exemption from holding a distribution licence - Connection points within the Embedded Network will be predominantly non-residential	None
HIGH VOLTAGE CONTRACT DEMAND CUSTOMERS							
DH	High Voltage Demand	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers	None
DH.A	High Voltage Demand A	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers connected to nominated feeders	None
DH.C	High Voltage Demand C	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers connected to nominated feeders	None
DH.D1	High Voltage Demand D1	≥1,000 and ≤22,000	≥20,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with dual parallel dedicated 22kV jumbo feeders connected to Brooklyn zone substation (BLT)	None

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (kW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS ¹
DH.D2	High Voltage Demand D2	≥1,000 and ≤22,000	≥8,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with a high load factor (>80%) connected to 11kV high voltage feeders with interruptible supply from Laverton North (LVN) zone substation	None
DH.D3	High Voltage Demand D3	≥1,000 and ≤22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with a dedicated feeder of length less than 50m.	None
DH.D4	High Voltage Demand D4	≥1,000 and ≤22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers with 2 shared overhead feeders of less than 1km from the Powercor Supply point	None
DH.DK	High Voltage Demand Docklands	≥1,000 and ≤22,000	≥1,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- High voltage customers connected to the Docklands Area	None
SUBTRANSMISSION VOLTAGE DEMAND CUSTOMERS							
DS.A	Subtransmission Demand A	>22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Subtransmission voltage customers supplied by a Altona terminal station - Brooklyn terminal station 66kV loop	None
DS.G	Subtransmission Demand G	>22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Subtransmission voltage customer	None
DS.S	Subtransmission Demand S	>22,000	≥10,000	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Subtransmission voltage customer directly supplied from both Altona terminal station and Brooklyn terminal station	None

Table 2: Closed Tariffs

Tariffs Only Available to Existing Customers Already Assigned this Tariff @ 1 January 2010. (closed to new customers)

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
RESIDENTIAL CUSTOMERS							
DD1	Dedicated Circuit	<1,000	<120	N/A	7 days	<ul style="list-style-type: none"> - Residential customers with dedicated circuit connected to a controlled load - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. 	<p>1-phase electric hot water service with a total load of <30Amps.</p> <p><u>Switching Times:</u></p> <ul style="list-style-type: none"> - Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities. <p>Slab heating</p> <p>Typically switching times will may vary depending on localised demand management activities.</p> <ul style="list-style-type: none"> - 11pm and 7am. - An afternoon boost between 1pm and 4pm will occur during winter.
D1.CS	ClimateSaver	<1,000	<120	01 Nov – 31 Mar	01 Apr – 31 Oct	<ul style="list-style-type: none"> - Residential customers with dedicated circuit connected to a reverse-cycle air-conditioning load <p>Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification:</p> <ul style="list-style-type: none"> - must be split system and have a minimum output capacity of 4.0kW on the heating cycle - must have a minimum 3 star rating according to the Australian Energy 	None

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
						labelling program OR <ul style="list-style-type: none"> - Ducted system or inverter technology system, regardless of star rating or whether they are a spilt system - Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated circuit - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. 	
D3.CS	ClimateSaver Interval	<1,000	<120	01 Nov – 31 Mar	01 Apr – 31 Oct	<ul style="list-style-type: none"> - Interval metered residential customers on D3 tariff with dedicated circuit connected to a reverse-cycle air-conditioning load Notes: Dedicated circuit must include a primary reverse-cycle air-conditioner (RCAC) load with the following specification: <ul style="list-style-type: none"> - must be split system and have a minimum output capacity of 4.0kW on the heating cycle - must have a minimum 3 star rating according to the Australian Energy labelling program OR <ul style="list-style-type: none"> - Ducted system or inverter technology system, regardless of star rating or whether they are a spilt system Provided primary RCAC meets requirements, any additional hard-wired RCAC or hard-wired electric heater may be connected to the dedicated circuit <ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. 	None

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
D3.HW	Hot Water Interval	<1,000	<120	N/A	7 days	<ul style="list-style-type: none"> - Interval metered 1-phase residential customers on D3 tariff with dedicated circuit connected to a controlled load - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. 	<p>1-phase electric hot water service with a total load of <30Amps.</p> <p><u>Switching Times:</u></p> <p>Any 7-day switching configuration (at Powercor's discretion) providing a total of up to 8 hours supply daily between 2100-0700 only.</p>
NON-RESIDENTIAL CUSTOMERS							
ND1.R	Non-Residential Single Rate (R)	<1,000	<120	7 days, 24 Hours	N/A	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Non-residential road bridge heating 	None
ND3	Non-Residential Two Rate 7d	<1,000	<120	Mon-Sun 0700-2300	Mon-Sun 2300-0700	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Non-residential customers 	None
DD1	Dedicated Circuit	<1,000	<120	N/A	7 days	<ul style="list-style-type: none"> - Customers on this tariff prior to their AMI meter exchange will remain on this tariff. - Non-residential customers with dedicated circuit connected to a controlled load 	<p>1-phase electric hot water service with a total load of <30Amps.</p> <p><u>Switching Times:</u></p> <ul style="list-style-type: none"> - Typically switching times will occur between 11pm and 7am. These times may vary depending on localised demand management activities. <p>Slab heating</p> <p>Typically switching times will may vary depending on localised demand management activities.</p> <ul style="list-style-type: none"> - 11pm and 7am. - An afternoon boost between 1pm and 4pm will occur during winter.

TARIFF CODE	TARIFF DESCRIPTION	SUPPLY VOLTAGE (V)	DEMAND (KW)	PEAK PERIODS	OFF-PEAK PERIODS	ELIGIBLE CUSTOMERS	ALLOWED CONTROLLED LOADS
LARGE LOW VOLTAGE CONTRACT DEMAND CUSTOMERS							
DLA	Large Low Voltage Demand A	<1,000	≥250	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers connected to nominated feeders	None
DLC	Large Low Voltage Demand C	<1,000	≥250	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large Customers connected to nominated feeders	None
DLS	Large Low Voltage Demand S	<1,000	≥120	Mon-Fri 0700-2300	Mon-Thurs 2300-0700 Fri 2300 - Mon 0700	- Large customers who were on retail tariff "L", or "V" as at 1st April 1998	None

1.3 Parent Tariffs

Table 3 maps parent tariff categories to sub categories and descriptions.

Table 3: Parent Tariffs

PARENT TARIFF DESCRIPTION	PARENT TARIFF CODE	SUB TARIFF DESCRIPTION	TARIFF CODE
Residential single rate	D1	Climate Saver	D1.CS
Residential Interval	D3	Climate Saver Interval	D3.CS
Residential single rate	D1	Dedicated Circuit	DD1
Non-Residential Single Rate	ND1	Dedicated Circuit	DD1
Residential Interval	D3	Hot Water Interval	D3.HW

1.4 2010 Tariff Changes

Powercor's network tariffs increased uniformly across most tariff classes in accordance with the price controls and rebalancing constraints. Most network tariffs will rise in 2010 due to increases in the transmission charges.

The rollout of advanced interval metering technology is scheduled to commence in 2009. During 2010, Powercor will be developing dedicated AMI tariffs for implementation in 2011. For 2010 Powercor will assign AMI metered customers to existing interval metered tariffs.

1.5 Upper and Lower Bounds on Tariffs

Under clauses 2.3.16 and 3.3.6 of the *Determination*, Distributors are required to set distribution tariffs and transmission tariffs with regard to the following principles:

- *Lower Bound*: each tariff should be above the avoidable cost of serving customers assigned to that tariff;
- *Upper Bound*: each tariff should be below the cost of providing the service on a stand alone basis to customers assigned to that tariff; and
- *Impact*: each tariff should signal the impact of additional usage on future investment costs.

Powercor Australia engaged Harding Katz to undertake a detailed study to ensure all distribution tariffs were within the efficient cost window set by these upper and lower bounds. The Harding Katz report defined the cost of serving customers as the cost attributable to an 'average' customer within the class of customers covered by each tariff. Cost per customer was established net of fixed costs, sunk costs and general overheads and formulated as the sum of average usage costs and an allocation of fixed costs per customer.

The upper bound for tariffs was established by estimating the costs likely to be incurred by a notional efficient competitor to the network business. This approach was taken as economies of scale dictate that the stand-alone cost of providing for a single customer would set the upper bound so high as to provide no meaningful limit. The cost of providing for customers on a stand alone basis was then established as the network and usage costs of providing for an 'average' customer within each tariff.

Powercor Australia's tariffs fall within the efficient window established by these bounds. Powercor Australia will continue to monitor its existing tariffs and all proposed tariffs to ensure they remain efficient.

The requirement that tariffs signal the impact of additional usage on future investment costs are reflected in Powercor Australia's use of block tariffs and time-of-use structure. Incrementally increasing rates for high-demand users reflect the additional investment required for increased usage. Demand charges for larger customers reflect the network capacity requirements of these customers and enable investment to meet their needs.

1.6 Demonstration of How Prices Account for Future Investment Requirements

In setting of distribution and transmission tariffs distributors are required under clauses 2.3.16 and 3.3.6 of the *Determination* to have regard to the principle that each tariff should signal the impact of additional usage on future investment costs.

Powercor Australia notes that the present state of metering technology imposes practical limitations on the precision of pricing signals that can be provided to customers. Data from the rollout of advanced interval meters will provide Powercor Australia with a more accurate profile of customer demand. To date this profiling has been limited due to an insufficient number of installed interval meters and insufficient data on usage patterns over time. Data made available from interval meters is expected to lead to more accurate predictions of future investment requirements. When more data is available for modelling Powercor Australia will reassess tariffs accordingly.

1.7 Excluded Service Charges and Prescribed Metering Service Charges

Powercor Australia's current schedule of Excluded Service charges can be found at:
http://www.powercor.com.au/Electricity_Networks/Powercor_Network/Powercor_-_Network_Tariffs/Powercor_Network_-_Excluded_Service_Charges/

Excluded Service charges are updated from time to time to reflect increasing business costs. Price changes are submitted to the Commission for review and approval prior to taking effect.

1.7.1 Prescribed Metering Service Tariffs

Prescribed metering service tariffs are charged for the provision of meters and meter data services where the customer consumes less than 160 MWh per annum. Tariffs for these services have been approved by the AER through the "Victorian advanced metering infrastructure review, 2009-11 AMI budget and charges application."

This charge applies regardless of whether the meter is accumulation, manually read interval or remotely read interval.

1.8 Reassignments

Powercor Australia does not intend to reassign customers between tariffs in 2010.

1.9 Demand Resets

Powercor Australia processed demand resets for 265 customers between January 1 and December 31 2008.

2. USAGE/QUANTITY INFORMATION

2.1 Quantities and Usage

Powercor Australia's customer numbers and consumption associated with each tariff for 2008 are shown in Table 5 of the Appendix.

Powercor Australia's forecast customer numbers and consumption associated with each tariff for 2010 are shown in Table 6 of the Appendix.

2.2 Network Constraints

Powercor Australia produces a Distribution System Planning Report each year that details network capacity issues and future network investment requirements at a zone substation and subtransmission level. Network capacity constraints are a significant business driver for Powercor Australia and a key driver of distribution costs. For more detailed information on network constraints please refer to Powercor Australia's Network Planning Report. The most recent report can be found at:

<http://www.powercor.com.au/docs/pdf/Electricity%20Networks/Powercor%20Network/Powercor%202009%20Distribution%20System%20Planning%20Report.pdf>

3. ANNUAL ADJUSTMENT VARIABLES

3.1 Adjustment Variables

Table 4: Annual Adjustment Variables

Variable	%
CPI	1.26%
X Factor	(2.5%)
L Factor	0.08%
S-Factor	2.12% ²

3.2 Impact on Tariffs

Table 7 shows individual distribution and transmission tariff rebalancing constraints, calculated in accordance with the Commission's tariff approval process. These constraints define the allowable annual movement of individual tariffs.

4. RATIONALE FOR AMENDMENT

4.1 Comparison with Tariff Strategy Report

The key tariff development for 2010 will be the formulation of advanced interval meter tariffs for introduction in 2011. As the progress of advanced metering infrastructure was not fully foreseen in 2005, this development was not documented in the Tariff Strategy Report. Additionally, the Tariff Strategy Report predicts the introduction of reactive demand excluded service charge; however this has been deferred pending the implementation of advanced interval metering.

5. CONSULTATION

Powercor Australia has undertaken the following process in the development of the 2010 Annual Tariff Report:

- Regular updates and consultation regarding tariff issues with the Powercor and CitiPower Customer Consultative Committee (PACCCC), including extensive consultation regarding new tariffs
- Tariff Strategy Report made available to all stakeholders via the Powercor Australia website
- Maintenance of the Powercor Australia stakeholder register
- Informal consultation with larger retailers on tariff development and structure

Any customers, retailers or other interested parties who would like to be included on the stakeholder register are requested to email their details to register@powercor.com.au.

Powercor Australia intends to consult with the PACCCC and other key stakeholders on the Annual Tariff Report each year as part of its tariff development process. Further information regarding the future development of the Annual Tariff Reports will be provided to all parties on the stakeholder register.

² Excludes S-Factor banking

Table 5: 2008 Actual Quantities by Tariff

Network Tariffs	Network Tariff Category	Customer No	Demand charges	Peak charges				Off Peak charges
			kW	Block1 kWh	Block 2 kWh	Block 3 kWh	Block 4 kWh	Block 1 kWh
Residential Single Rate	D1	512,161	-	1,594,652,152	787,700,306,2467	23,419,511	5,007,215	-
ClimateSaver	D1.CS	19,295	-	11,793,946	2,869,892	67,263	-	27,751,746
ClimateSaver Interval	D3.CS	3,587	-	1,620,521	402,494	17,657	4,701	5,273,304
Residential Two Rate 5d	D2	51,647	-	130,573,682	33,678,447	994,665	231,396	276,105,248
Docklands Two Rate 5d	D2.DK	586	-	1,825,623	377,908	64,617	4,154	2,311,089
Residential Interval	D3	11,799	-	26,710,221	10,548,959	860,295	669,395	37,623,473
Dedicated circuit	DD1	182,425	-	-	-	-	-	531,626,403
Hot Water Interval	D3.HW	4,229	-	-	-	-	-	7,559,696
Non-Residential Single Rate	ND1	46,825	-	90,122,549	117,907,041	63,680,025	21,390,121	-
Non-Residential Two Rate 5d	ND2	35,189	-	101,324,530	231,917,788	243,753,347	159,740,593	599,884,727
Non-Residential Interval	ND5	4,978	-	13,142,292	27,377,306	27,298,558	14,060,333	55,390,226
Non-Residential Two Rate 7d	ND3	9,842	-	24,109,189	46,606,827	40,197,395	42,163,380	68,525,460
Unmetered supplies	PL2	6,255	-	27,267,412	-	-	-	68,181,689
Large Low Voltage Demand	DL	711	332,631	550,110,255	-	-	-	410,142,892
Large Low Voltage Demand A	DL.A	2	1,016	2,477,211	-	-	-	2,513,330
Large Low Voltage Demand C	DL.C	464	218,763	404,975,851	-	-	-	286,690,907
Large Low Voltage Demand S	DL.S	62	16,099	18,740,540	-	-	-	11,636,808
Large Low Voltage Demand Docklands	DL.DK	8	1,826	3,640,608	-	-	-	3,759,019
Large Low Voltage Demand CXX	DL.CXX	639	111,032	173,236,175	-	-	-	124,556,344
Large Low Voltage Demand EN.R	DL.R	-	-	-	-	-	-	-
Large Low Voltage Demand EN.NR	DL.NR	8	3,892	10,985,849	-	-	-	6,973,287
Large Low Voltage Demand EN.R CXX	DL.CXXR	-	-	5,405	-	-	-	4,434
Large Low Voltage Demand EN.NRCXX	DL.CXXNR	-	-	-	-	-	-	-
High Voltage Demand	DH	101	249,922	497,421,655	-	-	-	455,288,152
High Voltage Demand A	DH.A	3	4,390	6,795,132	-	-	-	6,807,749
High Voltage Demand C	DH.C	47	123,487	285,564,693	-	-	-	263,523,404
High Voltage Demand D1	DH.D1	1	22,140	77,928,955	-	-	-	85,024,430
High Voltage Demand D2	DH.D2	1	12,386	40,820,796	-	-	-	45,209,333
High Voltage Demand Docklands	DH.DK	1	1,000	1,298,936	-	-	-	540,672
High Voltage Demand D3	DH.D3	1	14,491	14,690,909	-	-	-	18,754,893
High Voltage Demand D4	DH.D4	1	11,000	23,097,434	-	-	-	25,469,838
Subtransmission Demand A	DS.A	3	42,704	116,884,299	-	-	-	97,330,921
Subtransmission Demand G	DS.G	4	80,148	207,895,160	-	-	-	214,953,936
Subtransmission Demand S	DS.S	2	93,811	180,628,178	-	-	-	227,562,261
Total		681,341	1,340,739	4,640,340,158	1,259,386,967	400,353,333	243,271,288	3,966,975,671

Table 6: 2010 Forecast Quantities by Tariff

Network Tariffs	Network Tariff Category	Customer No	Max Demand		Peak consumption				Off Peak cons		2010 Total Quantities
			kW	kVA	Block1	Block 2	Block 3	Block 4	Block 1		
					kWh	kWh	kWh	kWh	kWh	kWh	
Residential Single Rate	D1	528,577	-	-	1,612,578,690	787,312,619	22,608,379	4,300,312	-	2,426,800,000	
ClimateSaver	D1.CS	27,420	-	-	11,768,843	2,932,550	58,818	33	29,268,679	44,028,924	
ClimateSaver Interval	D3.CS	6,654	-	-	2,744,801	713,608	13,346	-	7,245,321	10,717,076	
Residential Two Rate 5d	D2	52,241	-	-	128,348,711	31,854,946	996,946	240,781	278,061,512	439,502,896	
Docklands Two Rate 5d	D2.DK	591	-	-	1,864,361	324,659	39,144	8,136	2,323,500	4,559,800	
Residential Interval	D3	15,539	-	-	37,189,359	13,958,473	1,154,698	696,086	52,968,488	105,967,104	
Dedicated circuit	DD1	160,285	-	-	-	-	-	-	497,711,812	497,711,812	
Hot Water Interval	D3.HW	4,825	-	-	-	-	-	-	10,688,188	10,688,188	
Non-Residential Single Rate	ND1	45,242	-	-	87,136,380	112,824,938	61,077,356	22,201,326	-	283,240,000	
Non-Residential Two Rate 5d	ND2	36,236	-	-	101,019,861	230,529,040	242,828,424	158,765,943	612,252,717	1,345,395,986	
Non-Residential Interval	ND5	6,708	-	-	18,262,268	38,729,910	39,295,512	21,269,041	87,647,283	205,204,014	
Non-Residential Two Rate 7d	ND3	9,506	-	-	22,512,103	43,327,722	36,857,006	36,383,168	61,310,000	200,390,000	
Unmetered supplies	PL2	6,404	-	-	26,744,000	-	-	-	67,768,000	94,512,000	
Large Low Voltage Demand	DL	703	334,260	-	453,119,707	-	-	-	335,125,957	788,245,663	
Large Low Voltage Demand A	DL.A	1	838	-	3,004,289	-	-	-	2,183,922	5,188,211	
Large Low Voltage Demand C	DL.C	468	219,810	-	416,381,078	-	-	-	302,681,881	719,062,959	
Large Low Voltage Demand S	DL.S	59	15,452	-	18,287,062	-	-	-	13,293,501	31,580,564	
Large Low Voltage Demand Docklan	DL.DK	8	1,837	-	4,454,551	-	-	-	3,238,168	7,692,719	
Large Low Voltage Demand CXX	DL.CXX	681	116,701	-	179,270,102	-	-	-	130,317,669	309,587,771	
Large Low Voltage Demand EN.R	DL.R	-	0	-	1	-	-	-	0	1	
Large Low Voltage Demand EN.NR	DL.NR	11	9,687	-	11,951,460	-	-	-	7,566,637	19,518,098	
Large Low Voltage Demand EN.R C	DL.CXXR	1	100	-	681	-	-	-	77,525,994	77,526,676	
Large Low Voltage Demand EN.NRC	DL.CXXN	-	0	-	112,997,339	-	-	-	-	112,997,339	
High Voltage Demand	DH	102	251,065	-	495,726,617	-	-	-	471,139,539	966,866,156	
High Voltage Demand A	DH.A	3	4,980	-	7,078,032	-	-	-	6,726,975	13,805,006	
High Voltage Demand C	DH.C	47	123,689	-	285,708,810	-	-	-	271,538,207	557,247,017	
High Voltage Demand D1	DH.D1	1	22,042	-	84,790,069	-	-	-	80,584,646	165,374,715	
High Voltage Demand D2	DH.D2	1	12,342	-	44,764,339	-	-	-	42,544,115	87,308,454	
High Voltage Demand Docklands	DH.DK	1	997	-	957,209	-	-	-	909,734	1,866,943	
High Voltage Demand D3	DH.D3	1	14,437	-	17,402,964	-	-	-	16,539,811	33,942,774	
High Voltage Demand D4	DH.D4	1	10,959	-	25,271,168	-	-	-	24,017,767	49,288,935	
Subtransmission Demand A	DS.A	3	40,508	-	105,559,821	-	-	-	105,559,821	211,119,641	
Subtransmission Demand G	DS.G	4	85,199	-	208,369,297	-	-	-	208,369,297	416,738,593	
Subtransmission Demand S	DS.S	2	89,223	-	201,145,883	-	-	-	201,145,883	402,291,765	
Total		703,140	1,354,125	-	4,726,409,856	1,262,508,466	404,929,629	243,864,827	4,008,255,023	10,645,967,801	

Table 7: DUOS and TUOS Rebalancing Constraints

Network Tariffs	Network Tariff Category	DUOS Rebal	TUOS Rebal
Residential Single Rate	D1	95.87%	149.71%
ClimateSaver	D1.CS	97.56%	149.77%
ClimateSaver Interval	D3.CS	97.56%	149.77%
Residential Two Rate 5d	D2	98.24%	149.73%
Docklands Two Rate 5d	D2.DK	97.56%	95.34%
Residential Interval	D3	98.62%	149.75%
Dedicated circuit	DD1	97.68%	149.71%
Hot Water Interval	D3.HW	97.68%	149.71%
Non-Residential Single Rate	ND1	96.84%	149.70%
Non-Residential Two Rate 5d	ND2	101.47%	149.76%
Non-Residential Interval	ND5	101.33%	149.76%
Non-Residential Two Rate 7d	ND3	97.56%	149.80%
Unmetered supplies	PL2	97.56%	149.73%
Large Low Voltage Demand	DL	97.56%	149.74%
Large Low Voltage Demand A	DL.A	97.56%	149.77%
Large Low Voltage Demand C	DL.C	97.56%	149.76%
Large Low Voltage Demand S	DL.S	97.56%	149.76%
Large Low Voltage Demand Docklands	DL.DK	97.56%	149.79%
Large Low Voltage Demand CXX	DL.CXX	97.56%	149.74%
Large Low Voltage Demand EN.R	DL.R	97.56%	149.76%
Large Low Voltage Demand EN.NR	DL.NR	97.56%	149.74%
Large Low Voltage Demand EN.R CXX	DL.CXXR	97.56%	149.67%
Large Low Voltage Demand EN.NRCXX	DL.CXXNR	97.56%	149.80%
High Voltage Demand	DH	97.57%	149.78%
High Voltage Demand A	DH.A	97.57%	149.76%
High Voltage Demand C	DH.C	97.56%	149.75%
High Voltage Demand D1	DH.D1	100.18%	149.76%
High Voltage Demand D2	DH.D2	100.20%	149.75%
High Voltage Demand Docklands	DH.DK	97.57%	149.76%
High Voltage Demand D3	DH.D3	101.26%	149.75%
High Voltage Demand D4	DH.D4	101.27%	149.75%
Subtransmission Demand A	DS.A	97.56%	149.74%
Subtransmission Demand G	DS.G	97.54%	149.74%
Subtransmission Demand S	DS.S	97.55%	149.77%