



## **Draft National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014**

Under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria; and
- (g) the Australian Energy Market Act 2004 of the Commonwealth,

the Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce  
Chairman  
Australian Energy Market Commission

## **Draft National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014*.

### **2 Commencement**

Schedules 1, 3 and 4 commence operation on [COMMENCEMENT\_DATE].

Schedule 2 commences on [1 January 2017].

### **3 Amendment of the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 1.

### **4 Amendment of the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 2.

### **5 Amendment of the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 3.

### **6 Savings and Transitional Amendments to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 4.

### **7 Notes**

The note in Schedule 2 does not form part of this Rule.

## **Schedule 1            Amendment to the National Electricity Rules**

(Clause 3)

### **[1] Part E                            Regulatory proposal**

In the heading for Part E, insert "and proposed tariff structure statement" after "proposal".

### **[2] Rule 6.8                        Regulatory proposal**

In the heading for rule 6.8, insert "and proposed tariff structure statement" after "proposal".

### **[3] Clause 6.8.2                Submission of regulatory proposal**

In the heading for clause 6.8.2, insert "and tariff structure statement" after "proposal".

### **[4] Clause 6.8.2                Submission of regulatory proposal**

Omit clause 6.8.2(a) and substitute:

- (a) *A Distribution Network Service Provider must, whenever required to do so under paragraph (b), submit to the AER a regulatory proposal and a proposed tariff structure statement related to the distribution services provided by means of, or in connection with, the Distribution Network Service Provider's distribution system.*

### **[5] Clause 6.8.2                Submission of regulatory proposal**

In clause 6.8.2(b), insert "and a proposed *tariff structure statement*" after "*regulatory proposal*".

### **[6] Clause 6.8.2                Submission of regulatory proposal**

Omit clause 6.8.2(c)(4) and substitute "[Deleted]".

### **[7] Clause 6.8.2                Submission of regulatory proposal**

In clause 6.8.2(c)(5A), omit "and".

### **[8] Clause 6.8.2                Submission of regulatory proposal**

In clause 6.8.2(c)(6), omit "." and substitute "; and".

### **[9] Clause 6.8.2                Submission of regulatory proposal**

After clause 6.8.2(c)(6), insert:

- (7) a description (with supporting materials) of how the proposed *tariff structure statement* complies with the *pricing principles for direct control services* including:
  - (1) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and
  - (2) an explanation of how that departure complies with clause 6.18.5(c).

### **[10] Clause 6.8.2 Submission of regulatory proposal**

In clause 6.8.2(c1)(2), insert "in developing the *regulatory proposal*" after "consumers".

### **[11] Clause 6.8.2 Submission of regulatory proposal**

After clause 6.8.2(c1)(4), insert:

- (c1a) The overview paper must also include a description of how the *Distribution Network Service Provider* has engaged with *retail customers* and *retailers* in developing the proposed *tariff structure statement* and has sought to address any relevant concerns identified as a result of that engagement.

### **[12] Clause 6.8.2 Submission of regulatory proposal**

After clause 6.8.2(d), insert:

- (d1) The proposed *tariff structure statement* must be accompanied by a *pricing schedule*.
- (d2) The proposed *tariff structure statement* must comply with the *pricing principles for direct control services*.

### **[13] Clause 6.8.2 Submission of regulatory proposal**

In clauses 6.8.2(e) and (f), omit "is" after "*regulatory proposal*" and substitute "and a separate *tariff structure statement* are".

### **[14] Clause 6.9.1 Preliminary examination**

Omit clause 6.9.1 (excluding the heading) and substitute:

- (a) If the *AER* considers that:
  - (1) a *regulatory proposal* submitted by a *Distribution Network Service Provider*;
  - (2) a proposed *tariff structure statement* submitted by a *Distribution Network Service Provider*; or

- (3) any information accompanying such a *regulatory proposal* or proposed *tariff structure statement*,

does not comply, in any respect, with a requirement of the Law or the *Rules*, the *AER* may notify the *Distribution Network Service Provider* that it requires resubmission of the relevant *regulatory proposal*, proposed *tariff structure statement* or accompanying information.

- (b) The notice must be given as soon as practicable and must state why, and in what respects, the *AER* considers the *regulatory proposal*, proposed *tariff structure statement* or the accompanying information (as the case may be) to be non-compliant.

### **[15] Clause 6.9.2 Resubmission of proposal**

In clauses 6.9.2(a) and (b), omit "(or the accompanying information)" and substitute ", proposed *tariff structure statement* or the accompanying information (as the case may be)".

### **[16] Clause 6.9.3 Consultation**

Omit clause 6.9.3 (excluding the heading) and substitute:

- (a) Subject to the provisions of the Law and the *Rules* about the disclosure of *confidential information*, the *AER* must *publish*:

- (1) a *regulatory proposal*;
- (2) a proposed *tariff structure statement*; and
- (3) any information accompanying such a *regulatory proposal* or proposed *tariff structure statement*,

submitted or resubmitted to it (as the case may be) by the *Distribution Network Service Provider* under clause 6.8.2 or 6.9.2, together with:

- (4) the *AER's* proposed *Negotiated Distribution Service Criteria* for the *Distribution Network Service Provider*; and
- (5) an invitation for written submissions on the documents and information referred to in sub-paragraphs (1) to (4),

after the *AER* decides that the *regulatory proposal*, proposed *tariff structure statement* and accompanying information comply (or that there is sufficient compliance) with the requirements of the Law and the *Rules*.

- (b) The *AER* must *publish*:

- (1) an issues paper not more than 40 *business days* after the submission, under clause 6.8.2, of the documents and information, but not any resubmitted documents or information, referred to in sub-paragraphs (a)(1) to (a)(3);
  - (2) an invitation for written submissions on the issues paper; and
  - (3) an invitation to attend a public forum on the issues paper.
- (b1) The issues paper referred to in paragraph (b) must identify preliminary issues, whether or not arising out of the documents and information referred to in sub-paragraphs (a)(1) to (a)(3), that the *AER* considers are likely to be relevant to its assessment of those documents or that information (however, nothing in this clause is to be taken as precluding the *AER* from considering other issues in making a distribution determination for the *Distribution Network Service Provider*).
- (b2) The *AER* must hold a public forum on the issues paper not more than 10 *business days* after the *publication* of the issues paper.
- (c) Any person may make a written submission to the *AER* on the documents and information referred to in sub-paragraphs (a)(1) to (a)(4) or the issues paper within the time specified in the invitations referred to in paragraphs (a)(5) and (b), which in each case must be not earlier than 30 *business days* after the *publication* of the issues paper.

### **[17] Clause 6.10.1 Making of draft distribution determination**

Omit clause 6.10.1(b) and substitute:

- (b) In making a draft distribution determination in relation to the *Distribution Network Service Provider*, and subject to clause 6.14, the *AER* must have regard to each of the following:
- (1) the information included in or accompanying the *regulatory proposal* and the proposed *tariff structure statement*;
  - (2) written submissions on the issues paper received under clause 6.9.3 and on the documents and information referred to in sub-paragraphs 6.9.3(a)(1) to 6.9.3(a)(4); and

### **[18] Clause 6.10.3 Submission of revised proposal**

In clauses 6.10.3(a) and (d), insert "or a revised proposed *tariff structure statement* " after "*regulatory proposal*".

### **[19] Clause 6.10.3 Submission of revised proposal**

After 6.10.3(b), insert:

- (b1) A revised proposed *tariff structure statement* must comply with the *pricing principles for direct control services* and must be accompanied by a revised *pricing schedule*.

### **[20] Clause 6.10.3 Submission of revised proposal**

In clause 6.10.3(e), insert "or the revised proposed *tariff structure statement*" after "*regulatory proposal*".

### **[21] Clause 6.10.4 Submissions on specified matters**

In clause 6.10.4, insert "or a revised proposed *tariff structure statement*" after "*regulatory proposal*".

### **[22] Clause 6.11.1 Making of distribution determination**

In clause 6.11.1(b)(1), insert "and the proposed *tariff structure statement*" after "*regulatory proposal*".

### **[23] Clause 6.11.1A Out of scope revised regulatory proposal or late submissions**

Omit clause 6.11.1A(a) and substitute:

- (a) a summary of any revisions to the relevant *regulatory proposal* or proposed *tariff structure statement* that have been made in a revised *regulatory proposal* or revised proposed *tariff structure statement* that do not comply with clause 6.10.3(b), together with an indication of the amount of that information;

### **[24] Clause 6.11.1A Out of scope revised regulatory proposal or late submissions**

Omit clause 6.11.1A(b) and substitute:

- (b) a summary of any submissions on the draft distribution determination, revised *regulatory proposal* or revised proposed *tariff structure statement* that were made by the *Distribution Network Service Provider* and that contain information that the *Distribution Network Service Provider* was entitled to incorporate in the revised *regulatory proposal* or the revised proposed *tariff structure statement* under clause 6.10.3(b), together with an indication of the amount of that information;

### **[25] Clause 6.11.1A Out of scope revised regulatory proposal or late submissions**

In clause 6.11.1A(d), omit "or revised *regulatory proposal*" and substitute ", revised *regulatory proposal* or revised proposed *tariff structure statement* ".

**[26] Clause 6.11.1A Out of scope revised regulatory proposal or late submissions**

In the last sentence of clause 6.11.1A, insert ", proposed *tariff structure statement*" after "*regulatory proposal*".

**[27] Clause 6.12.1 Constituent decisions**

After clause 6.12.1(14), insert:

- (14A) a decision on the *Distribution Network Service Provider's* proposed *tariff structure statement*, in which the *AER* either approves or refuses to approve that statement;

**[28] Clause 6.12.1 Constituent decisions**

In clause 6.12.1(17), insert "policies and" before "procedures".

**[29] Clause 6.12.3 Extent of AER's discretion in making distribution determinations**

In clause 6.12.3(a), insert "or proposed *tariff structure statement*" after "*regulatory proposal*".

**[30] Clause 6.12.3 Extent of AER's discretion in making distribution determinations**

After 6.12.3(j), insert:

- (k) The *AER* must approve a *Distribution Network Service Provider's* proposed *tariff structure statement* unless the *AER* is reasonably satisfied that the proposed *tariff structure statement* does not comply with the *pricing principles for direct control services* or other applicable requirements of the *Rules*.
- (l) If, in making a distribution determination in relation to a *Distribution Network Service Provider*, the *AER* refuses to approve the *Distribution Network Service Provider's* proposed *tariff structure statement*, the *AER* must include in that distribution determination an amended *tariff structure statement* which is:
- (1) determined on the basis of the *Distribution Network Service Provider's* proposed *tariff structure statement*; and
  - (2) amended from that basis only to the extent necessary to enable it to be approved in accordance with the *Rules*.

**[31] New Clause 6.18.1A Tariff structure statement**

After clause 6.18.1, insert:



### 6.18.1A Tariff structure statement

- (a) A *tariff structure statement* of a *Distribution Network Service Provider* must include the following elements:
  - (1) the *tariff classes* into which *retail customers* for *direct control services* will be divided during the relevant *regulatory control period*;
  - (2) the policies and procedures the *Distribution Network Service Provider* will apply for assigning *retail customers* to tariffs or reassigning *retail customers* from one tariff to another (including any applicable restrictions);
  - (3) the structures for each proposed tariff;
  - (4) the *charging parameters* for each proposed tariff; and
  - (5) the pricing methodology that will be used to set each tariff in each *pricing proposal* of the *Distribution Network Service Provider* during the relevant *regulatory control period*.
- (b) A *tariff structure statement* must comply with the *pricing principles* for *direct control services*.
- (c) A *Distribution Network Service Provider* must comply with the *tariff structure statement* approved by the AER and any other applicable requirements in the *Rules*, when the provider is setting the prices that may be charged for *direct control services*.
- (d) Subject to clause 6.18.1B, a *tariff structure statement* may not be amended during a *regulatory control period*.

#### Note

Rule 6.13 still applies in relation to a *tariff structure statement* because that rule deals with the revocation and substitution of a distribution determination (which includes a *tariff structure statement*) as opposed to its amendment.

- (e) A *tariff structure statement* must be accompanied by a *pricing schedule* which sets out, for each tariff for each *regulatory year* of the *regulatory control period*, the indicative price levels determined in accordance with the *tariff structure statement*.

### 6.18.1B Amending a tariff structure statement with the AER's approval

- (a) No later than nine months before the start of a *regulatory year* (other than the first *regulatory year* of a *regulatory control period*) (**relevant regulatory year**), a *Distribution Network Service Provider* may request the AER to approve an amendment to its current *tariff structure statement*.

- (b) A request for an amendment to a *tariff structure statement* under paragraph (a) must include:
  - (1) the proposed amended *tariff structure statement*;
  - (2) a description and justification of the differences between the proposed amended *tariff structure statement* and the *Distribution Network Service Provider's* current *tariff structure statement*;
  - (3) a description of how the differences referred to in sub-paragraph (2) would impact the other elements of the *tariff structure statement*;
  - (4) a description of how the proposed amended *tariff structure statement* would better comply with the *pricing principles for direct control services* than the current *tariff structure statement*; and
  - (5) a description of how the *Distribution Network Service Provider* has engaged with *retail customers* and *retailers* in developing the proposed amended *tariff structure statement* and has sought to address any relevant concerns identified as a result of that engagement.
- (c) The *AER* must, on receipt of a *Distribution Network Service Provider's* request for an amendment to its *tariff structure statement*, *publish* the request.
- (d) The *AER* must approve the request for an amendment to a *tariff structure statement* under paragraph (a) if the *Distribution Network Service Provider* demonstrates to the reasonable satisfaction of the *AER* that:
  - (1) an event has occurred that:
    - (i) is beyond the reasonable control of the *Distribution Network Service Provider*; and
    - (ii) could not reasonably have been foreseen by the *Distribution Network Service Provider* at the time its current *tariff structure statement* was approved by the *AER*; and
  - (2) as a result of the event referred to in sub-paragraph (1), the proposed amended *tariff structure statement* would, or would be likely to, materially better comply with the *pricing principles for direct control services* than the *Distribution Network Service Provider's* current *tariff structure statement*.

- (e) No later than four months before the start of the relevant *regulatory year*, the *AER* must either approve or refuse to approve the request for an amendment to a *tariff structure statement* under paragraph (a) and set out reasons for its decision.
- (f) If the *AER* refuses to approve the request for an amendment to a *tariff structure statement* under paragraph (a), the current *tariff structure statement* will apply for the relevant *regulatory year* and, subject to any subsequent amendment approved under this clause 6.18.1B, the remainder of the *regulatory control period*.

**Note**

Rule 6.13 still applies in relation to a *tariff structure statement* because that rule deals with the revocation and substitution of a distribution determination (which includes a *tariff structure statement*) as opposed to its amendment.

**6.18.1C Sub-threshold tariffs**

- (a) No later than four months before the start of a *regulatory year* (other than the first *regulatory year* of a *regulatory control period*), a *Distribution Network Service Provider* may notify the *AER*, affected *retailers* and affected *retail customers* of a new proposed tariff (a **relevant tariff**) that is determined otherwise than in accordance with the *Distribution Network Service Provider's* current *tariff structure statement*, if both of the following are satisfied:
  - (1) the *Distribution Network Service Provider's* forecast revenue from the relevant tariff during each *regulatory year* in which the tariff is to apply is no greater than 0.5 per cent of the *Distribution Network Service Provider's* *annual revenue requirement* for that *regulatory year* (the **individual threshold**); and
  - (2) the *Distribution Network Service Provider's* forecast revenue from the relevant tariff, as well as from all other relevant tariffs, during each *regulatory year* in which those tariffs are to apply is no greater than one per cent of the *Distribution Network Service Provider's* *annual revenue requirement* for that *regulatory year* (the **cumulative threshold**).
- (b) Notwithstanding any other provision in the *Rules* to the contrary, a relevant tariff notified by the *Distribution Network Service Provider* in accordance with paragraph (a) is, for the remainder of the *regulatory control period* in which the notification is given:
  - (1) not required to comply with the *pricing principles for direct control services*; and
  - (2) for the purposes of the submission and approval of a *pricing proposal*, deemed to comply with the *Distribution Network Service Provider's* current *tariff structure statement*,

unless, at any point in time after the notification of the relevant tariff is given under paragraph (a) (the **post-notification point**), either the individual threshold or the cumulative threshold (in each case calculated using actual rather than forecast revenue) are exceeded by virtue of the amount of revenue that is attributable to the relevant tariff, in which case sub-paragraphs (1) and (2) cease to apply to the relevant tariff in relation to the *regulatory years* that commence after the post-notification point.

- (c) Where sub-paragraphs (b)(1) and (2) cease to apply to a relevant tariff in accordance with paragraph (b), then sub-paragraphs (b)(1) and (2) will be taken to continue to apply to other relevant tariffs that were notified before the post-notification point, but only to the extent that those sub-paragraphs would apply if the first-mentioned relevant tariff were not a relevant tariff.

**[32] Clause 6.18.2 Pricing proposals**

In clause 6.18.2(a)(2), omit "2 months" and substitute "3 months".

**[33] Clause 6.18.2 Pricing proposals**

After each of sub-paragraphs (1) to (7) in clause 6.18.2(b), omit "and".

**[34] Clause 6.18.2 Pricing proposals**

Omit clause 6.18.2(b)(1) and substitute "[Deleted]".

**[35] Clause 6.18.2 Pricing proposals**

In clause 6.18.2(b)(2), insert "that is specified in the *Distribution Network Service Provider's tariff structure statement* for the relevant *regulatory control period*" after "*tariff class*".

**[36] Clause 6.18.2 Pricing proposals**

In clause 6.18.2(b)(7), insert ", including the *Distribution Network Service Provider's tariff structure statement* for the relevant *regulatory control period*" after "distribution determination".

**[37] Clause 6.18.2 Pricing proposals**

After clause 6.18.2(b)(7), insert:

- (7A) demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant *regulatory year* as set out in the relevant *pricing schedule*, or explain any material differences between them; and

**[38] Clause 6.18.2 Pricing proposals**

After clause 6.18.2(c), insert:

- (d) At the same time as a *Distribution Network Service Provider* submits a *pricing proposal* under paragraph (a), the *Distribution Network Service Provider* must submit to the *AER* a revised *pricing schedule* which sets out, for each tariff and for each of the remaining *regulatory years* of the *regulatory control period*, the indicative price levels determined in accordance with the *Distribution Network Service Provider's tariff structure statement* for that *regulatory control period* and updated so as to take into account that *pricing proposal*.
- (e) Where the *Distribution Network Service Provider* submits an annual *pricing proposal*, the revised *pricing schedule* referred to in paragraph (d) must also set out, for each relevant tariff under clause 6.18.1C, the indicative price levels for that relevant tariff for each of the remaining *regulatory years* of the *regulatory control period*, updated so as to take into account that *pricing proposal*.

### **[39] Clause 6.18.3 Tariff classes**

Omit clause 6.18.3(a) and substitute "[Deleted]".

### **[40] Clause 6.18.5 Pricing principles**

Omit clause 6.18.5 and substitute:

#### **6.18.5 Pricing principles**

##### **Network pricing objective**

- (a) The *network pricing objective* is that the tariffs that a *Distribution Network Service Provider* charges in respect of its provision of *direct control services* to a *retail customer* should reflect the *Distribution Network Service Provider's* efficient costs of providing those services to the *retail customer*.

##### **Application of the pricing principles**

- (b) Subject to paragraph (c), a *Distribution Network Service Provider's* tariffs must comply with the pricing principles set out in paragraphs (e) to (g).
- (c) A *Distribution Network Service Provider's* tariffs may vary from tariffs which would result from complying with the pricing principles set out in paragraphs (e) to (g) only to the extent necessary to give effect to the pricing principles set out in paragraphs (h) to (j).

- (d) A *Distribution Network Service Provider* must comply with paragraph (b) in a manner that will contribute to the achievement of the *network pricing objective*.

### **Pricing principles**

- (e) For each *tariff class*, the revenue expected to be recovered must lie on or between:
- (1) an upper bound representing the stand alone cost of serving the *retail customers* who belong to that class; and
  - (2) a lower bound representing the avoidable cost of not serving those *retail customers*.
- (f) Each tariff must be based on the *long run marginal cost* of providing the service to which it relates, with the method of calculating such cost and the manner in which that method is applied to be determined having regard to:
- (1) the costs and benefits associated with calculating, implementing and applying that method as proposed;
  - (2) the extent to which *retail customers* that are assigned to that tariff are able to receive and respond to price signals;
  - (3) the additional costs likely to be associated with meeting demand from *retail customers* that are assigned to that tariff at times of greatest utilisation of the relevant part of the *distribution network*; and
  - (4) the location of *retail customers* that are assigned to that tariff and the extent to which costs vary between different locations in the *distribution network*.
- (g) The revenue expected to be recovered from each tariff must:
- (1) reflect the *Distribution Network Service Provider's* total efficient costs of serving the *retail customers* that are assigned to that tariff;
  - (2) when summed with the revenue expected to be received from all other tariffs, permit the *Distribution Network Service Provider* to recover the expected revenue for the relevant services in accordance with the applicable distribution determination for the *Distribution Network Service Provider*; and
  - (3) comply with sub-paragraphs (1) and (2) in a way that minimises distortions to the price signals for efficient usage

that would result from tariffs that comply with the pricing principle set out in paragraph (f).

- (h) A *Distribution Network Service Provider* must minimise the impact on *retail customers* of changes in tariffs from the previous *regulatory year* having regard to:
  - (1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one *regulatory control period*);
  - (2) the extent to which *retail customers* can choose the tariff to which they are assigned; and
  - (3) the extent to which *retail customers* are able to mitigate the impact of changes in tariffs through their usage decisions.
- (i) The structure of each tariff must be reasonably capable of being understood by *retail customers* that are assigned to that tariff, having regard to:
  - (1) the type and nature of those *retail customers*; and
  - (2) the information provided to, and the consultation undertaken with, those *retail customers*.
- (j) A tariff must comply with the *Rules* and all *applicable regulatory instruments*.

#### **[41] Clause 6.18.6 Side constraints on tariffs for standard control services**

Omit clause 6.18.6(e) and substitute "[Deleted]".

#### **[42] Clause 6.18.8 Approval of pricing proposal**

Omit clause 6.18.8(a) and substitute:

- (a) The *AER* must approve a *pricing proposal* if the *AER* is satisfied that:
  - (1) the proposal complies with this Part, any relevant clauses in Chapter 11 and any applicable distribution determination including any applicable *tariff structure statement*;
  - (2) each proposed tariff set out in the proposal is broadly consistent with the corresponding indicative pricing levels for that tariff for the relevant *regulatory year* as set out in any previously applicable *pricing schedule*, or else any material differences between them have been explained by the *Distribution Network Service Provider*; and

- (3) all forecasts associated with the proposal are reasonable.

### **[43] Clause 6.18.8 Approval of pricing proposal**

Omit clause 6.18.8(c) and substitute:

- (c) If the *Distribution Network Service Provider* fails to comply with a requirement under paragraph (b), or the resubmitted proposal fails to correct the deficiencies in the former proposal, the *AER* may itself amend the proposal to bring it into conformity with the requirements of this Part, any applicable distribution determination and the *Distribution Network Service Provider's tariff structure statement* for the relevant *regulatory control period*.

### **[44] Clause 6.18.8 Approval of pricing proposal**

After clause 6.18.8(c), insert:

- (c1) For the purposes of amending a *pricing proposal* under sub-paragraph (b)(2) or paragraph (c), the *AER* may have regard to the corresponding indicative pricing levels for the relevant *regulatory year* as set out in any previously applicable *pricing schedule*.
- (c2) The *AER* must, as soon as practicable after a *Distribution Network Service Provider* has submitted an initial *pricing proposal* under sub-paragraph 6.18.2(a)(1), *publish* an *approved pricing proposal* (including any amendments made by the *AER* under this clause 6.18.8) with respect to that initial *pricing proposal*.
- (c3) The *AER* must, within 30 *business days* from the date of submission of an annual *pricing proposal* by a *Distribution Network Service Provider* under sub-paragraph 6.18.2(a)(2), *publish* an *approved pricing proposal* (including any amendments made by the *AER* under this clause 6.18.8) with respect to that annual *pricing proposal*.

### **[45] Clause 6.18.9 Publication of information about tariffs and tariff classes**

Omit clause 6.18.9 and substitute:

#### **6.18.9 Publication of information about tariffs and tariff classes**

- (a) A *Distribution Network Service Provider* must maintain on its website:
- (1) its current *tariff structure statement*;
  - (2) its current *pricing schedule*; and



- (3) a statement of the provider's *tariff classes* and the tariffs applicable to each class.
- (a1) A *Distribution Network Service Provider* must, within 5 *business days* from the date the *AER publishes* a distribution determination under paragraph 6.11.2(2) for that *Distribution Network Service Provider*, publish on its website the *tariff structure statement* contained in that distribution determination and the accompanying *pricing schedule*.
- (b) A *Distribution Network Service Provider* must publish on its website the information referred to in paragraph (a) within 5 *business days* from the date the *AER publishes* an *approved pricing proposal* under paragraphs 6.18.8(c2) or 6.18.8(c3) (as applicable) for that *Distribution Network Service Provider*.

#### **[46] Clause 6.22.2 Determination of dispute**

In clause 6.22.2(a)(1), insert "and the *Distribution Network Service Provider's tariff structure statement* " after "*approved pricing proposal*".

## Schedule 2      Amendment to the National Electricity Rules

(Clause4)

**Note:**

The draft amendments to Chapter 6A are proposed to commence on 1 January 2017. The draft amendments are therefore made on the basis of Chapter 6A as amended by Rules that have been made and will commence before 1 January 2017, including the National Electricity Amendment (Inter-regional Transmission Charging) Rule 2013 No.1

### **[1] Clause 6A.24.2 Publication of pricing methodology and transmission network prices**

In clause 6A.24.2(b), omit “March” and substitute “February”.

### **[2] Clause 6A.24.2 Publication of pricing methodology and transmission network prices**

Omit clause 6A.24.2(c) and substitute:

- (c) the prices for each of the *categories of prescribed transmission services* to apply for the following *financial year* by:
  - (1) 15 March each year, if the *regulatory year* which commences after that date begins on the commencement of a *financial year*; or
  - (2) 15 May each year, if the *regulatory year* which commences after that date does not begin on the commencement of a *financial year*.

### **[3] Clause 6A.24.23 Basis for setting prices pending approval of pricing methodology**

In clause 6A.24.3(a)(2), omit “3 months” and substitute “5 months”.

### **[4] Clause 6A.24.4 Basis for setting prices pending approval of maximum allowed revenue**

In clause 6A.24.4(a)(2), omit “3 months” and substitute “5 months”.

### **[5] Clause S6A.4.2 Exclusions, qualifications and modifications**

At the end of section 2 of clause S6A.4.2(k), insert:

Clause 6A.24.2 applies as if the following sub-paragraphs were substituted for sub-paragraphs (c)(1) and (c)(2):

- (1) **[deleted]**; or

(2) 15 May each year.

## **Schedule 3            Amendment to the National Electricity Rules**

(Clause5)

### **[1] Chapter 10            New definitions**

In Chapter 10, insert the following definitions in alphabetical order.

#### ***long run marginal cost***

For the purposes of clause 6.18.5, the cost of an incremental change in demand for direct control services provided by a *Distribution Network Service Provider* over a period of time in which all factors of production required to provide those *direct control services* can be varied.

#### ***network pricing objective***

The network pricing objective set out in paragraph 6.18.5(a).

#### ***pricing principles for direct control services***

The requirements set out in clause 6.18.5.

#### ***pricing schedule***

For a *Distribution Network Service Provider*, means the pricing schedule as referred to in paragraph 6.18.1A(f).

#### ***tariff structure statement***

For a *Distribution Network Service Provider*, means the *tariff structure statement* referred to in clause 6.18.1A that has been approved by the *AER* for that *Distribution Network Service Provider*.

## Schedule 4 Savings and Transitional Amendments to the National Electricity Rules

(Clause 6)

### [1] Chapter 11 Savings and Transitional Rules

After rule 11.67, insert:

**Part ZZB National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014**  
**Note: The Part number and rule numbering may change in the final Rule if other Rules made prior to the final Rule require transitional provisions.**

#### Division 1 Miscellaneous transitional provisions

##### 11.68 General provisions

##### 11.68.1 Definitions

In this Part ZZB:

**Amending Rules** means Schedules 1, 3 and 4 of the the National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014.

**current Chapter 6** means Chapter 6 of the *Rules* as in force immediately after the Amending Rules come into force.

**former Chapter 6** means Chapter 6 of the *Rules* as in force immediately before the Amending Rules come into force.

**NSW/ACT DNSP** means each of the following *Distribution Network Service Providers*:

- (a) ActewAGL, the joint venture between ACTEW Distribution Limited ACN 073 025 224 and Jemena Networks (ACT) Pty Ltd ACN 008 552 663 providing distribution services in the Australian Capital Territory, or any successor to its business;
- (b) Ausgrid, the energy services corporation of that name (formerly known as EnergyAustralia), which is constituted under section 7 of the *Energy Services Corporations Act 1995* (NSW) and specified in Part 2 of Schedule 1 to that Act, or any successor to its business;
- (c) Endeavour Energy, the energy services corporation of that name (formerly known as Integral Energy), which is constituted under section 7 of the *Energy Services Corporations Act 1995* (NSW) and

specified in Part 2 of Schedule 1 to that Act, or any successor to its business; and

- (d) Essential Energy, the energy services corporation of that name (formerly known as Country Energy), which is constituted under section 7 of the Energy Services Corporations Act 1995 (NSW) and specified in Part 2 of Schedule 1 to that Act, or any successor to its business.

**Qld/SA DNSP** means each of the following *Distribution Network Service Providers*:

- (a) Energex Limited ACN 078 849 055 or any successor to its business;
- (b) Ergon Energy Corporation Limited ACN 087 646 062 or any successor to its business; and
- (c) SA Power Networks (formerly known as ETSA Utilities) ABN 13 332 330 749 or any successor to its business.

**SA TNSP** means ElectraNet Pty Ltd ACN 094 482 416, trading as ElectraNet, or any successor to its business.

**Tasmanian DNSP** means Aurora Energy Pty Ltd ACN 082 464 622, or any successor to its business.

**Victorian DNSP** means each of the following *Distribution Network Service Providers*:

- (a) United Energy Distribution Pty Ltd ACN 064 651 029 or any successor to its business;
- (b) Jemena Electricity Networks (Vic) Limited ACN 064 651 083 or any successor to its business;
- (c) CitiPower Pty ACN 064 651 056 or any successor to its business;
- (d) Powercor Australia Limited ACN 064 651 109 or any successor to its business; and
- (e) SPI Electricity Pty Limited ACN 064 651 118 or any successor to its business.

#### **11.68.2 Application of Part ZZB**

This Part ZZB prevails to the extent of any inconsistency over any other clause of the *Rules*.

#### **11.69 Special provisions applying to SA TNSP**

- (a) This rule 11.69 applies in relation to the SA TNSP.

- (b) Solely for the purpose of the setting and *publication* of the SA TNSP's prices for *prescribed transmission services* for the *regulatory year* commencing 1 July 2017 in accordance with rules 6A.23 and 6A.24, paragraph 6A.3.1(1) is amended to read "(1) the *revenue determination* forming part of the applicable *transmission determination*, but as if the  $\Delta$ CPI figure in the formula in the *revenue determination* to calculate the allowed revenue for the *regulatory year* commencing 1 July 2017 were the estimated  $\Delta$ CPI figure *published* by the AER under clause 11.69(c)".
- (c) The *AER* must, by a date that is 5 months prior to the commencement of the *regulatory year* commencing 1 July 2017, *publish* its reasonable estimate of the annual percentage change in the ABS consumer price index (CPI) all groups, weighted average of eight capital cities from March 2016 to March 2017 (the  $\Delta$ CPI).
- (d) Paragraph (b) does not otherwise alter the meaning of the *maximum allowed revenue* of the SA TNSP for the *regulatory year* commencing 1 July 2017.

**Note**

For example, any *over-recovery amount* or *under-recovery amount* resulting from the difference between the estimated  $\Delta$ CPI published by the *AER* and the actual  $\Delta$ CPI published by the Australian Bureau of Statistics would lead to the adjustment of the *pre-adjusted non-locational component* under clause 6A.23.3.

## **Division 2            Transitional provisions for NSW/ACT and Qld/SA Distribution Network Service Providers**

### **11.70      General provisions**

#### **11.70.1    Definitions**

In this Division 2:

**affected DNSP** means a NSW/ACT DNSP or a Qld/SA DNSP.

**initial regulatory control period** means the *regulatory control period* commencing 1 July 2015.

### **11.71      Special provisions applying to affected DNSPs**

#### **11.71.1    Distribution determination and pricing proposals**

- (a) Former Chapter 6 governs the making of a distribution determination (not including a *tariff structure statement*) for the initial regulatory control period of an affected DNSP.

- (b) Former Chapter 6 applies in relation to an affected DNSP's *pricing proposals* for the first and second *regulatory years* of the initial regulatory control period of the affected DNSP.
- (c) Current Chapter 6 applies in relation to an affected DNSP's *pricing proposals* for the third and remaining *regulatory years* of the initial regulatory control period of the affected DNSP subject to the modifications set out in the following table:

| Description                             | Reference           | Transitional treatment              |
|---|---------------------|-------------------------------------|
| Submission of a <i>pricing proposal</i> | Clause 6.18.2(b)(7) | "including" is replaced with "and". |
| Approval of a <i>pricing proposal</i>   | Clause 6.18.8(a)(1) | "including" is replaced with "and". |

### 11.71.2 Tariff structure statement

- (a) The making, amendment and operation of an affected DNSP's *tariff structure statement* for the initial regulatory control period is governed by current Chapter 6 subject to the modifications set out in the following table:

| Description                                     | Reference                        | Transitional treatment  |
|---|----------------------------------|---|
| Submission of <i>tariff structure statement</i> | Clause 6.8.2(a), (b), (e), (f)   | All references to "regulatory proposal" are removed.<br><br>Sub-paragraphs (b)(1) and (b)(2) are replaced with "by 30 June 2015".   |
| Requirements for a <i>regulatory proposal</i>   | Clause 6.8.2(c), (c1), (c2), (d) | These rules do not apply.<br><br>Insert a new clause 6.8.2(c): "A proposed <i>tariff structure statement</i> must be accompanied by information that contains a description (with supporting materials) of how the proposed <i>tariff</i> |



| Description  | Reference         | Transitional treatment  |
|--|-------------------|---|
|  |                   | <i>structure statement</i> complies with the <i>pricing principles for direct control services</i> ".   |
| Overview paper to accompany a proposed <i>tariff structure statement</i> | Clause 6.8.2(c1a) | "The overview paper must also include" is replaced with "The proposed <i>tariff structure statement</i> must be accompanied by an overview paper which includes".   |
| Preliminary examination of a <i>tariff structure statement</i>           | Clause 6.9.1      | All references to " <i>regulatory proposal</i> " are removed.<br><br>Sub-paragraph (a)(1) does not apply.   |
| Resubmission of proposal   | Clause 6.9.2      | All references to " <i>regulatory proposal</i> " are removed.   |
| Consultation of the proposed <i>tariff structure statement</i>           | Clause 6.9.3      | Sub-paragraphs (a)(1) and (a)(4) do not apply.<br><br>All references to " <i>regulatory proposal</i> " are removed.<br><br>In all instances, "sub-paragraphs (a)(1) to (a)(4)" is replaced with "sub-paragraphs (a)(2) and (a)(3)".<br><br>In all instances, "sub-paragraphs (a)(1) to (a)(3)" is replaced with "sub-paragraphs (a)(2) and (a)(3)". |

| Description   | Reference     | Transitional treatment  |
|---|---------------|---|
| Draft determination on a <i>tariff structure statement</i>                | Clause 6.10.1 | <p>In all instances, "draft distribution determination in relation to" is replaced with "draft determination on the proposed <i>tariff structure statement</i> submitted by".</p> <p>In all instances in sub-paragraph (b)(3), "draft distribution determination" is replaced with "draft determination".</p> <p>All references to "<i>regulatory proposal</i>" are removed.</p> <p>In sub-paragraph (b)(2), "sub-paragraphs 6.9.3(a)(1) to 6.9.3(a)(4)" is replaced with "sub-paragraphs 6.9.3(a)(2) and (3)".</p> |
| Publication of draft determination on a <i>tariff structure statement</i> | Clause 6.10.2 | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>In paragraph (a), before "<i>publish</i>", add "but by no later than 29 February 2016".</p> <p>Sub-paragraph (a)(3) is replaced with "(3) the <i>AER</i>'s reasons for suggesting that the proposed <i>tariff</i></p>  |

| Description                              | Reference      | Transitional treatment  |
|--|----------------|---|
|  |                | <p><i>structure statement</i> should or should not be approved;".</p> <p>Sub-paragraph (a)(4) and paragraph (b) do not apply.</p>   |
| Submission of revised proposal           | Clause 6.10.3  | <p>All references to "revised <i>regulatory proposal</i>" are removed.</p> <p>Paragraphs (c) and (c1) do not apply.</p> <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p>                             |
| Submission on specified matters          | Clause 6.10.4  | All references to "revised regulatory proposal" are removed.  |
| Making of determination                  | Clause 6.11.1  | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>All references to "<i>regulatory proposal</i>" are removed.</p> <p>In paragraphs (a) and (b), "in relation" is replaced with "submitted by".</p> |
| Out of scope revised regulatory proposal | Clause 6.11.1A | In all instances, "distribution determination" is   |

| Description   | Reference     | Transitional treatment  |
|---|---------------|---|
| or late submissions                                   |               | <p>replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>All references to "revised <i>regulatory proposal</i>" and "<i>regulatory proposal</i>" are removed.</p>   |
| Notice of determination                               | Clause 6.11.2 | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>"2 months before the commencement of the relevant <i>regulatory control period</i>" is replaced with "31 October 2016".</p> <p>Paragraph (3) is replaced with "(3) the <i>AER's</i> reasons for making the determination in its final form".</p> |
| Commencement of the <i>tariff structure statement</i> | Clause 6.11.3 | <p>Paragraph (a) is replaced with "(a) A <i>tariff structure statement</i> included in the <i>AER's</i> determination under this rule 6.11 takes effect at the commencement of the third <i>regulatory year</i> of the <i>regulatory control period</i> to which it relates".</p>   |

| Description  | Reference            | Transitional treatment  |
|--|----------------------|---|
|  |                      | Paragraph (b) does not apply.   |
| Constituent decisions of a distribution determination              | Clause 6.12.1        | This rule does not apply.   |
| Reasons for decisions  | Clause 6.12.2        | <p>In paragraph (a), "draft distribution determination" is replaced with "draft determination".</p> <p>In paragraph (a), "final distribution determination" is replaced with "final determination".</p> <p>In sub-paragraph (a)(2), delete from ", including:" to the end of sub-paragraph (ii).</p> <p>Paragraph (b) does not apply.</p> |
| Extent of the AER's discretion in making the determination         | Clause 6.12.3(a)-(j) | These rules do not apply.   |
| Amending a proposed <i>tariff structure statement</i>              | Clause 6.12.3(l)     | <p>"distribution determination in relation to a <i>Distribution Network Service Provider</i>" is replaced with "final determination under rule 6.11".</p> <p>"that distribution determination" is replaced with "that determination".</p>   |
| Revocation and substitution of a <i>tariff structure statement</i> | Rule 6.13            | In all instances, "distribution determination" is   |

| Description  | Reference         | Transitional treatment  |
|--|-------------------|---|
| for wrong information or error                       |                   | replaced with " <i>tariff structure statement</i> ".  |
| Tariff structure statement                           | Clause 6.18.1A(f) | Insert "subsequent" before " <i>regulatory year</i> ".  |
| Amending a current <i>tariff structure statement</i> | Clause 6.18.1B    | "(other than the first <i>regulatory year</i> of a <i>regulatory control period</i> )" is replaced with "(other than the third <i>regulatory year</i> of a <i>regulatory control period</i> )". |
| Sub-threshold tariffs                                | Clause 6.18.1C(a) | "(other than the first <i>regulatory year</i> of a <i>regulatory control period</i> )" is replaced with "(other than the third <i>regulatory year</i> of a <i>regulatory control period</i> )". |

- (b) For the avoidance of doubt, an affected DNSP's *tariff structure statement* for the initial regulatory control period does not form a part of the distribution determination for the initial regulatory control period of that affected DNSP.

### 11.71.3 Dispute resolution

Until the end of the second *regulatory year* of the initial regulatory control period of an affected DNSP, the reference in clause 6.22.2(a)(1) to "*the Distribution Network Service Provider's tariff structure statement*" is deemed to be removed.

## Division 3 Transitional provisions for Tasmanian Distribution Network Service Provider

### 11.72 Application of former Chapter 6

Former Chapter 6 applies to the exclusion of current Chapter 6 in relation to the *regulatory control period* of the Tasmanian DNSP commencing 1 July 2012.

## Division 4 Transitional provisions for Victorian Distribution Network Service Providers

### 11.73 General provisions

#### 11.73.1 Definitions

In this Division 4:

**affected DNSP** means a Victorian DNSP.

**initial regulatory control period** means the regulatory control period commencing 1 January 2016.

### 11.74 Special provisions applying to affected DNSPs

#### 11.74.1 Distribution determination and pricing proposals

- (a) Former Chapter 6 governs the making of a distribution determination (not including a *tariff structure statement*) for the initial regulatory control period of an affected DNSP.
- (b) Former Chapter 6 applies in relation to an affected DNSP's *pricing proposal* for the first *regulatory year* of the initial regulatory control period of the affected DNSP.
- (c) Current Chapter 6 applies in relation to an affected DNSP's *pricing proposals* for the second and remaining *regulatory years* of the initial regulatory control period of the affected DNSP, subject to the modifications set out in the following table:

| Description                             | Reference           | Transitional treatment              |
|---|---------------------|-------------------------------------|
| Submission of a <i>pricing proposal</i> | Clause 6.18.2(b)(7) | "including" is replaced with "and". |
| Approval of a <i>pricing proposal</i>   | Clause 6.18.8(a)(1) | "including" is replaced with "and". |

#### 11.74.2 Tariff structure statement

- (a) The making, amendment and operation of an affected DNSP's *tariff structure statement* for the initial regulatory control period is governed by current Chapter 6 subject to the modifications set out in the following table:

| Description  | Reference                        | Transitional treatment   |
|--|----------------------------------|--|
| Submission of <i>tariff structure statement</i>                          | Clause 6.8.2(a), (b), (e), (f)   | All references to " <i>regulatory proposal</i> " are removed.<br><br>Sub-paragraphs (b)(1) and (b)(2) are replaced with "by 30 June 2015".   |
| Requirements for a <i>regulatory proposal</i>                            | Clause 6.8.2(c), (c1), (c2), (d) | These rules do not apply.<br><br>Insert a new clause 6.8.2(c): "A proposed <i>tariff structure statement</i> must be accompanied by information that contains a description (with supporting materials) of how the proposed <i>tariff structure statement</i> complies with the <i>pricing principles for direct control services</i> ". |
| Overview paper to accompany a proposed <i>tariff structure statement</i> | Clause 6.8.2(c1a)                | "The overview paper must also include" is replaced with "The proposed <i>tariff structure statement</i> must be accompanied by an overview paper which includes".  |
| Preliminary examination of a <i>tariff structure statement</i>           | Clause 6.9.1                     | All references to " <i>regulatory proposal</i> " are removed.<br><br>Sub-paragraph (a)(1) does not apply.  |
| Resubmission of proposal   | Clause 6.9.2                     | All references to " <i>regulatory proposal</i> " are removed.  |



| Description  | Reference     | Transitional treatment  |
|--|---------------|---|
|  |               | In paragraph (a), "20 <i>business days</i> " is replaced with "10 <i>business days</i> ".   |
| Consultation of the proposed <i>tariff structure statement</i> | Clause 6.9.3  | <p>Sub-paragraphs (a)(1) and (a)(4) do not apply.</p> <p>All references to "<i>regulatory proposal</i>" are removed.</p> <p>In all instances, "sub-paragraphs (a)(1) to (a)(4)" is replaced with "sub-paragraphs (a)(2) and (a)(3)".</p> <p>In all instances, "sub-paragraphs (a)(1) to (a)(3)" is replaced with "sub-paragraphs (a)(2) and (a)(3)".</p> <p>In sub-paragraph (b)(1), "40 <i>business days</i>" is replaced with "30 <i>business days</i>".</p> <p>In paragraph (c), "30 <i>business days</i>" is replaced with "15 <i>business days</i>".</p> |
| Draft determination on a <i>tariff structure statement</i>     | Clause 6.10.1 | <p>In all instances, "draft distribution determination in relation to" is replaced with "draft determination on the proposed <i>tariff structure statement</i> submitted by".</p> <p>In all instances in</p>  |

| Description   | Reference     | Transitional treatment   |
|---|---------------|--|
|   |               | <p>sub-paragraph (b)(3), "draft distribution determination" is replaced with "draft determination".</p> <p>All references to "<i>regulatory proposal</i>" are removed.</p> <p>In sub-paragraph (b)(2), "sub-paragraphs 6.9.3(a)(1) to 6.9.3(a)(4)" is replaced with "sub-paragraphs 6.9.3(a)(2) and (3)".</p>  |
| Publication of draft determination on a <i>tariff structure statement</i> | Clause 6.10.2 | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>In paragraph (a), before "<i>publish</i>", add "but by no later than 31 October 2015".</p> <p>Sub-paragraph (a)(3) is replaced with "(3) the AER's reasons for suggesting that the proposed <i>tariff structure statement</i> should or should not be approved;".</p> <p>Sub-paragraph (a)(4) and paragraph (b) do not apply.</p> |
| Submission of revised proposal  | Clause 6.10.3 | All references to "revised <i>regulatory proposal</i> " are  |

| Description  | Reference      | Transitional treatment  |
|--|----------------|---|
|  |                | <p>removed.</p> <p>Paragraphs (c) and (c1) do not apply.</p> <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p>  |
| Submission on specified matters                              | Clause 6.10.4  | All references to "revised regulatory proposal" are removed.  |
| Making of determination                                      | Clause 6.11.1  | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>All references to "<i>regulatory proposal</i>" are removed.</p> <p>In paragraphs (a) and (b), "in relation" is replaced with "submitted by".</p> |
| Out of scope revised regulatory proposal or late submissions | Clause 6.11.1A | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>All references to "revised <i>regulatory proposal</i>" and "<i>regulatory proposal</i>" are removed.</p>   |

| Description   | Reference     | Transitional treatment   |
|---|---------------|--|
| Notice of determination                               | Clause 6.11.2 | <p>In all instances, "distribution determination" is replaced with "determination on the proposed <i>tariff structure statement</i>".</p> <p>"2 months before the commencement of the relevant <i>regulatory control period</i>" is replaced with "30 April 2016".</p> <p>Paragraph (3) is replaced with "(3) the AER's reasons for making the determination in its final form".</p> |
| Commencement of the <i>tariff structure statement</i> | Clause 6.11.3 | <p>Paragraph (a) is replaced with "(a) A <i>tariff structure statement</i> included in the AER's determination under this rule 6.11 takes effect at the commencement of the second <i>regulatory year</i> of the <i>regulatory control period</i> to which it relates".</p> <p>Paragraph (b) does not apply.</p>   |
| Constituent decisions of a distribution determination | Clause 6.12.1 | This rule does not apply.  |
| Reasons for decisions                                 | Clause 6.12.2 | In paragraph (a), "draft distribution determination" is replaced with "draft   |

| Description   | Reference            | Transitional treatment   |
|---|----------------------|--|
|   |                      | <p>determination".</p> <p>In paragraph (a), "final distribution determination" is replaced with "final determination".</p> <p>In sub-paragraph (a)(2), delete from ", including:" to the end of sub-paragraph (ii).</p> <p>Paragraph (b) does not apply.</p> |
| Extent of the AER's discretion in making the determination  | Clause 6.12.3(a)-(j) | These rules do not apply.  |
| Amending a proposed <i>tariff structure statement</i>   | Clause 6.12.3(l)     | <p>"distribution determination in relation to a <i>Distribution Network Service Provider</i>" is replaced with "final determination under rule 6.11".</p> <p>"that distribution determination" is replaced with "that determination".</p>                    |
| Revocation and substitution of a <i>tariff structure statement</i> for wrong information or error | Rule 6.13            | In all instances, "distribution determination" is replaced with " <i>tariff structure statement</i> ".   |
| Tariff structure statement  | Clause 6.18.1A(f)    | Insert "subsequent" before " <i>regulatory year</i> ".   |
| Amending a current <i>tariff structure statement</i>  | Clause 6.18.1B       | "(other than the first <i>regulatory year</i> of a <i>regulatory control period</i> )" is replaced   |

| Description           | Reference         | Transitional treatment   |
|-----------------------|-------------------|--|
|                       |                   | with "(other than the second <i>regulatory year</i> of a <i>regulatory control period</i> )".  |
| Sub-threshold tariffs | Clause 6.18.1C(a) | "(other than the first <i>regulatory year</i> of a <i>regulatory control period</i> )" is replaced with "(other than the second <i>regulatory year</i> of a <i>regulatory control period</i> )". |

- (b) For the avoidance of doubt, an affected DNSP's *tariff structure statement* for the initial regulatory control period does not form a part of the distribution determination for the initial regulatory control period of that affected DNSP.

### 11.75.3 Dispute resolution

Until the end of the first *regulatory year* of the initial regulatory control period of an affected DNSP, the reference in clause 6.22.2(a)(1) to "the *Distribution Network Service Provider's tariff structure statement*" is deemed to be removed.

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