



**Jemena Electricity  
Networks (Vic) Ltd**

**Terms and Conditions  
For Assignment to  
The “<sub>MS</sub>” Network Tariffs**

The meaning of each italicised word or phrase is as defined in the Electricity Distribution Price Determination 2006-10, Final Decision Volume 2.

## Background

- A. A *distribution business* assigns a *distribution customer's supply point*, identified by a unique National Metering Identifier (NMI), to a *distribution tariff* (more commonly known as a "network tariff") by taking into account the load and connection characteristics of the *distribution customer* at that *supply point*.

For example, if a *distribution customer's supply point* has annual consumption of 1.6 GWh, it will be allocated to the network tariff A320 LV 0.8<sup>+</sup> - 2.2 GWh.

- B. In certain circumstances where a *distribution customer* has multiple *supply points* at a site, Jemena Electricity Networks (Vic) Ltd ("JEN") considers that it may be appropriate for JEN to aggregate the *distribution customer's* consumption at more than one *supply point*, for the purposes of assigning the *supply points* to a network tariff. To allow this to occur, JEN has developed new "MS" network tariffs.

For example, if a *distribution customer* has three qualifying *supply points* each with consumption of 1.6 GWh, using the standard network tariffs, each *supply point* would be assigned to A320 LV 0.8<sup>+</sup> – 2.2 GWh.

However, the terms and conditions of the "MS" network tariff permit JEN to aggregate the consumption of qualifying *supply points* (aggregate consumption being 4.8 GWh), so that each of these *supply points* would now be assigned to tariff A34M LV<sub>MS</sub> 2.2<sup>+</sup> - 6.0 GWh.

## Terms and conditions

### 1 Request by customer

If a *distribution customer* wishes to request JEN to aggregate the consumption of some or all of its *supply points* at a particular site for the purposes of network tariff assignment, the *distribution customer* must make the request in writing, nominating *supply points* and identifying the relevant characteristics of each nominated supply point.

### 2 Assignment to network tariff

If, in JEN's view:

- (a) each of the nominated *supply points* is a Qualifying Supply Point; and
- (b) the Qualifying Supply Points together have Qualifying Load Characteristics,

JEN will aggregate consumption from the *distribution customer's* Qualifying Supply Points for the purposes of assigning each Qualifying Supply Point to a "MS" network tariff.

### 3 Qualifying Supply Point

A *supply point* is a Qualifying Supply Point, if, in JEN's view:

- (a) it is a low voltage connection;
- (b) the occupant of the site at which the *supply point* is located is the sole occupant of the site, and is the same company or a related body corporate (as defined in the Corporations Act 2001) as the occupant of all other sites in which nominated *supply points* are located;
- (c) it is on land contiguous with the land in which all other nominated *supply points* are located, all such land being for the sole use of the relevant company, its related bodies corporate and/or their visitors, and not being separated by public land (such as roads, reserves, rivers and so on, or car parks and common areas available for use by the general public and/or companies which are not related bodies corporate);
- (d) it has an interval meter (a meter which records consumption in half hour periods);
- (e) it has a separate and unique NMI; and
- (f) the distribution customer is not an embedded network

#### 4 Qualifying Load Characteristics

The Qualifying Supply Points together have Qualifying Load Characteristics, if the aggregate consumption of all relevant Qualifying Supply Points is not less than 2.2 GWh per annum.

#### 5 Effect of ceasing to be Qualifying Supply Point

If a *supply point* ceases to be a Qualifying Supply Point that *supply point* will cease to be eligible for a “<sub>MS</sub>” network tariff and JEN may reassign that *supply point* to an appropriate network tariff, such reassignment being effective from the date that the *supply point* ceased to be eligible. JEN is of the view that this is reasonable; as it is reasonable to expect that the relevant *distribution customer* should have been aware that the *supply point's* characteristics changed and should have notified JEN that this was the case.

#### 6 Review of Qualifying Supply Points

From time to time JEN may review whether the Qualifying Supply Points together have Qualifying Load Characteristics, and in the event that JEN determines that the Qualifying Supply Points together do not have Qualifying Load Characteristics, JEN may reassign those *supply points* to appropriate network tariffs.

JEN will determine the effective date of such reassignment on a case by case basis, having regard to the circumstances JEN believes are relevant. For example, if JEN forms the view that the *distribution customer* knew or should have known that the *supply points'* characteristics had changed and that the *distribution customer* should have notified JEN that this was the case, JEN may determine that it is reasonable that such reassignment will apply retrospectively from the date that the Qualifying Supply Points ceased to have Qualifying Load Characteristics.

#### 7 Contract Demand applicable to each Qualifying Supply Point

Once a *supply point* becomes a Qualifying Supply Point and is allocated to a “<sub>MS</sub>” network tariff, the minimum demand used as the basis for setting demand charges to be paid by the *distribution customer* (“Contract Demand”) at that *supply point* may need to be varied by JEN, to ensure that the aggregated Contract Demands of all Qualifying Supply Points meet the minimum chargeable demand of the relevant “<sub>MS</sub>” network tariff.

Accordingly, the initial Contract Demand applicable to each Qualifying Supply Point assigned to a “<sub>MS</sub>” network tariff will be set by JEN to the highest of:

- (a) that Qualifying Supply Point's Contract Demand which applied under the previous network tariff;
- (b) the highest maximum demand recorded for the *distribution customer* at the relevant Qualifying Supply Point in the preceding 12 month period (the 12 month period ending on the date the *distribution customer* is assigned to “<sub>MS</sub>” network tariff by JEN), or if the relevant *supply point* has been connected for less than 12 months, since the supply commenced; and

- (c) any other value set by JEN to ensure that the aggregated Contract Demands of all Qualifying Supply Points are equivalent to the minimum chargeable demand of the relevant “<sub>MS</sub>” network tariff.

Example 1:

A *distribution customer* has two Qualifying Supply Points, namely QSP1 and QSP2, having the following characteristics:

- QSP1 has annual consumption of 1.7 GWh and is currently assigned to the standard network tariff A320 LV 0.8<sup>+</sup> – 2.2 GWh with a Contract Demand of 280 kW.
- QSP2 has annual consumption of 1.5 GWh and is currently assigned to the standard network tariff A320 LV 0.8<sup>+</sup> – 2.2 GWh with a Contract Demand of 260 kW.

Since the aggregated annual consumption of the two *supply points* is 3.2 GWh, QSP1 and QSP2 may be assigned to network tariff A34M LV<sub>MS</sub> 2, 2<sup>+</sup> - 6.0 GWh.

The minimum chargeable demand applicable to network tariff A34M LV<sub>MS</sub> 2.2<sup>+</sup> - 6.0 GWh is 250 kW.

The aggregated current Contract Demands (ie 540 kW) exceed the minimum chargeable demand applicable to network tariff A34M LV<sub>MS</sub> 2.2<sup>+</sup> - 6.0 GWh. Accordingly, the initial Contract Demands applicable to QSP1 and QSP2 would not change.

Example 2:

A *distribution customer* has two Qualifying Supply Points, namely QSPa and QSPb, having the following characteristics:

- QSPa has annual consumption of 5.8 GWh and is currently assigned to the standard network tariff A340 LV 2.2<sup>+</sup> - 6.0 GWh with a Contract Demand of 350 kW.
- QSPb has annual consumption of 0.3 GWh and is currently assigned to the standard network tariff A230 Time of Use Weekdays Demand with a Contract Demand of 60 kW.

Since the aggregated annual consumption of the two *supply points* is 6.1 GWh, QSPa and QSPb would be assigned to network tariff A37M LV<sub>MS</sub> 6.0<sup>+</sup> GWh.

However, in this case, the aggregated current Contract Demand of QSPa (ie 350 kW) and the contract demand at QSPb (ie 60 kW) is equal to 410 kW, less than the minimum chargeable demand of 450 kW applicable to network tariff A37M LV<sub>MS</sub> 6.0<sup>+</sup> GWh.

As a consequence, JEN would set the initial Contract Demands applicable to QSPa and QSPb under network tariff A37M LV<sub>MS</sub> 6.0<sup>+</sup> GWh to such values as would ensure that the aggregated Contract Demand is equal to 450 kW. One possible combination would be an initial Contract Demand of 350 kW for QSPa and an initial Contract Demand of 100 kW for QSPb.

## 8 General

- (a) The “<sub>MS</sub>” network tariffs only permit aggregation for the purpose of determining whether the *supply points* are Qualifying Supply Points and have Qualifying Load Characteristics when JEN is assigning the *supply points* to a tariff. Each *supply point* will be separately metered and billed for charges in the usual manner, and will retain its individual Contract Demand (subject to paragraph 7).
- (b) These terms and conditions are subject to electricity law, including the Electricity Distribution Price Determination 2006-10, Final Decision Volume 2. JEN reserves the right to amend these terms and conditions at any time without notice.
- (c) The initial Contract Demand determined by JEN in accordance with paragraph 7 may be amended by JEN from time to time having regard to JEN’s policy for resetting Contract Demand and the principles of paragraph 7.