

ELECTRICITY TRANSMISSION USE OF SYSTEM PRICES

1 July 2013 to 30 June 2014

PREPARED BY: Systems Capability

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FINAL

Approved for Distribution and Use



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1 Electricity Transmission Use Of System Prices

AEMO's Transmission Use of System (TUOS) charges recover the costs for the provision of shared transmission network services in Victoria, and are calculated in accordance with the National Electricity Rules.

AEMO publishes its TUOS prices for the financial year 1 July 2013 to 30 June 2014 in accordance with its obligations under chapter 6A of the National Electricity Rules. AEMO's TUOS prices for the financial year 1 July 2013 to 30 June 2014 are set in accordance with AEMO's pricing methodology.

AEMO's TUOS prices are comprised of the following components:

1.1 TUOS Locational Price

The TUOS Locational price is based on average maximum summer demand, which is reflective of the long run marginal cost of transmission at each connection point, and is calculated using the cost reflective network pricing methodology.

1.2 Common Service Price

The Common Service price is either an energy price or a capacity price, each of which has a common value across all locations and recovers the costs for provision of prescribed common transmission services. These services include the cost of planning and operating the network such as control buildings, protection systems, easement and land tax etc.

1.3 TUOS Non-Locational Price

The TUOS Non-Locational price is either an energy price or a capacity price, each of which have a common value across all locations. These charges recover the balance of AEMO's annual revenue for provision of the shared transmission network and mainly relate to overhead and financing costs.

2 Schedule of Prices for 1 July 2013 to 30 June 2014

2.1 TUOS Locational Prices

Point of Supply	TUOS Locational Summer Demand (\$/MW)		
	TUOS Locational Price	plus GST	Total Price
Altona	17,939	1,794	19,733
Ballarat	26,554	2,655	29,209
Bendigo	30,977	3,098	34,075
Brooklyn	19,039	1,904	20,943
Brunswick	15,668	1,567	17,235
Cranbourne	14,062	1,406	15,468
East Rowville	14,381	1,438	15,819
Fishermans Bend	17,130	1,713	18,843
Fosterville	28,022	2,802	30,824
Geelong	21,955	2,196	24,151
Glenrowan	17,586	1,759	19,345
Heatherton	16,333	1,633	17,966
Heywood	31,052	3,105	34,157
Horsham	39,584	3,958	43,542
Keilor	17,623	1,762	19,385
Kerang	40,773	4,077	44,850
Loy Yang	12,837	1,284	14,121
Malvern	18,182	1,818	20,000
Morwell	6,431	643	7,074
Mount Beauty	4,603	460	5,063
Point Henry	25,265	2,527	27,792
Portland Smelter	40,657	4,066	44,723
Red Cliffs	53,984	5,398	59,382
Richmond	16,354	1,635	17,989
Ringwood	14,335	1,434	15,769
Shepparton	22,540	2,254	24,794
South Morang	13,707	1,371	15,078
Springvale	13,824	1,382	15,206
Templestowe	15,455	1,546	17,001
Terang	38,636	3,864	42,500
Thomastown	15,345	1,535	16,880
Tyabb	18,027	1,803	19,830
Wemen	52,014	5,201	57,215
West Melbourne	16,779	1,678	18,457
Western Port	18,770	1,877	20,647
Wodonga	10,717	1,072	11,789
Yallourn PS G.5	7,186	719	7,905

2.2 Common Service Prices

(either one of the following)	Common Service		
	Common Service Price	plus GST	Total Price
Energy Price (\$/MWh)	5.23	0.52	5.75
Capacity Price (\$/MW)	24,231	2,423	26,654

2.3 TUOS Non-Locational Prices

(either one of the following)	TUOS Non-Locational		
	TUOS Non-Locational Price	plus GST	Total Price
Energy Price (\$/MWh)	1.42	0.14	1.56
Capacity Price (\$/MW)	6,579	658	7,237

2.4 Notes:

1. AEMO's TUOS prices as shown in this document have been determined in accordance with Chapter 6A of the National Electricity Rules and the AER's electricity transmission pricing methodology guidelines. TUOS prices have been varied by the Victorian network pricing derogation set out in clause 9.8.4.
2. The prices apply to metered usage at terminal stations, which are the interfaces between the transmission network and network assets owned by Distribution Businesses and other transmission-connected customers.
3. TUOS Locational prices are on a dollar per MW basis, they are set based on the average of the top ten summer peak demands at a point of supply, measured on half hour intervals on weekdays from 1 November 2011 to 31 March 2012 from 11:00 to 19:00 EST in accordance with AEMO'S Pricing Methodology, as approved by the AER.
4. The Common Service charge and the TUOS Non-Locational charge for a billing period may be either:
 - a. The energy price multiplied by the metered energy at the connection point in the equivalent billing period in 2011/12; or
 - b. The capacity price multiplied by the maximum contract demand for the connection point referable to that billing period. Note that the capacity price is only available where a customer's agreement with AEMO nominates a fixed maximum demand and a penalty for exceeding that demand.
5. Equalisation Adjustments: In accordance with clause 9.8.4(a) (3) of the National Electricity Rules, an equalisation adjustment is applied to the monthly TUOS invoices of each Distribution Business as shown below.

Distribution Business	Equalisation Adjustment (\$ per annum)		
	Exclusive of GST	GST	Total
SPI Electricity (previously TXU)	-1,975,600	-197,560.0	-2,173,160.0
Powercor Australia	-7,604,400	-760,440.0	-8,364,840.0
Jemena	2,068,400	206,840.0	2,275,240.0
CitiPower	2,368,000	236,800.0	2,604,800.0
United Energy	5,143,600	514,360.0	5,657,960.0

Equalisation Adjustments

6. Prices for new connection points which do not appear in the schedule will be calculated by AEMO in accordance with the National Electricity Rules.
7. Exit and Entry charges are charged separately by SP AusNet (www.sp-ausnet.com.au).
8. Prices are not subject to variation within a financial year unless there are exceptional circumstances.
9. Prices can vary significantly up or down from one financial year to the next in accordance with the National Electricity Rules.

3 Service Standards

The service standards to which the transmission use of system prices apply are as follows:

1. The AER's Final Decision on SP AusNet's Transmission Network Revenue Cap for the period 2008-2014 dated 31 January 2008 sets out a performance incentive scheme for SP AusNet's transmission network assets which places 1% of its regulated revenue at risk.
2. In addition, the AER's Final Decision also approved an Availability Incentive Scheme which is in place between SP AusNet and AEMO. This scheme, which places approximately 2% of SP AusNet's regulated revenue at risk, provides for time sculptured availability rebates for each network element based on its importance to the Victorian transmission network.
3. In addition, AEMO also has availability incentive schemes for network assets provided to AEMO on a contestable basis. These include the Moorabool, Rowville and Cranbourne 500/220kV transformers, the South Morang series capacitors and the SNOVIC capacitor banks.