



Victoria Government Gazette

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Essential Services Commission Act 2001

SECTION 35(2)

1. Notice of Determinations

The Essential Services Commission (Commission) gives notice under section 35(2) of the **Essential Services Commission Act 2001** of the making of various Determinations under section 34 of the Act.

The Cost Recovery Order in Council issued under section 68 of the **Gas Industry Act 2001** (FRC Cost Recovery Order) allows gas distribution businesses to recover costs incurred in connection with the introduction of full retail competition in the Victorian gas industry. Pursuant to clause 14 of the FRC Cost Recovery Order, the Commission may determine one or more adjustment factors (such as formulae or other mechanisms) to adjust the prices, fees and charges charged by gas distribution businesses, so that those businesses may recover certain expenditure related to the introduction of full retail competition (FRC).

As required by the adjustment mechanism determined by the Commission on 30 August 2002 pursuant to clause 14 of the FRC Cost Recovery Order, the Commission has completed its annual review of the actual FRC-related expenditure incurred by distributors in 2002–2003, 2004, 2005 and 2006 and forecast FRC-related expenditure. Following this annual review, the Commission has made Determinations, which have the effect of:

- (a) establishing adjustment factors to adjust the prices, fees and charges so that each gas distribution business recovers:
 - (i) its actual expenditure (to the extent that such recovery is permitted pursuant to the cost recovery principles set out in clause 15 of the FRC Cost Recovery Order); and
 - (ii) compensation for time value of money (to the extent that the Commission determines pursuant to clause 11 of the FRC Cost Recovery Order that such compensation will occur);and no more or less;
- (b) setting adjusted prices, fees and charges that a gas distribution business may charge following the application of the relevant adjustment factor so it recovers from gas retailers its recoverable expenditure and the operations and maintenance expenditure incurred, or forecast to be incurred; and
- (c) setting adjusted prices, fees and charges that a gas distribution business may charge following the application of the relevant adjustment factor to gas retailers for special meter reads.

2. Determinations under clause 14

2.1 Envestra

Pursuant to clause 14 of the FRC Cost Recovery Order, following the application of the adjustment factors determined by the Commission, Envestra is entitled to charge to gas retailers the adjusted prices, fees and charges set out in the table below. These prices, fees and charges are intended to apply from 1 January 2007.

SPECIAL

FRC SERVICES	RECOVERABLE CAPITAL EXPENDITURE TARIFF			RECOVERABLE OPERATIONS & MAINTENANCE EXPENDITURE TARIFF		
	>5,000 GJ Customer Charge (\$/day)	<5,000 GJ Volume Charge (\$/GJ)	<5,000 GJ Fixed Charge (\$/day)	>5,000 GJ Customer Charge (\$/day)	<5,000 GJ Volume Charge (\$/GJ)	<5,000 GJ Fixed Charge (\$/day)
Meter Reading & MDM	\$0.9988	\$0.0729	\$0.0080	\$1.1446	\$0.0836	\$0.0092
Other FRC	\$0.5378	\$0.0393	\$0.0043	\$0.4379	\$0.0320	\$0.0035
Total	\$1.5366	\$0.1122	\$0.0123	\$1.5825	\$0.1155	\$0.0127

Pursuant to clause 14 of the FRC Cost Recovery Order, Envestra is entitled to charge to gas retailers the prices, fees and charges for special meter reads set out in the table below.

Metropolitan Areas (\$/read)	Non-Metropolitan Areas (\$/read)
\$7.00	\$9.35

2.2 Multinet

Pursuant to clause 14 of the FRC Cost Recovery Order, following the application of the adjustment factors determined by the Commission, Multinet is entitled to charge to gas retailers the adjusted prices, fees and charges set out in the table below. These prices, fees and charges are intended to apply from 1 January 2007.

FRC SERVICES	RECOVERABLE CAPITAL EXPENDITURE TARIFF			RECOVERABLE OPERATIONS & MAINTENANCE EXPENDITURE TARIFF		
	>5,000 GJ Customer Charge (\$/day)	<5,000 GJ Volume Charge (\$/GJ)	<5,000 GJ Fixed Charge (\$/day)	>5,000 GJ Customer Charge (\$/day)	<5,000 GJ Volume Charge (\$/GJ)	<5,000 GJ Fixed Charge (\$/day)
Meter Reading & MDM	\$0.4046	\$0.0332	\$0.0038	\$0.6189	\$0.0452	\$0.0054
Other FRC	\$0.3533	\$0.0258	\$0.0031	\$0.3108	\$0.0227	\$0.0027
Total	\$0.7938	\$0.0579	\$0.0069	\$0.9297	\$0.0679	\$0.0081

Pursuant to clause 14 of the FRC Cost Recovery Order, Multinet is entitled to charge to gas retailers the prices, fees and charges for special meter reads set out in the table below.

Metropolitan Areas (\$/read)	Non-Metropolitan Areas (\$/read)
\$7.00	N/A

2.3 SPI Networks (Gas) – SP AusNet

Pursuant to clause 14 of the FRC Cost Recovery Order, following the application of the adjustment factors determined by the Commission, SP AusNet is entitled to charge to gas retailers the adjusted prices, fees and charges set out in the table below. These prices, fees and charges are intended to apply from 1 January 2007.

FRC SERVICES	RECOVERABLE CAPITAL EXPENDITURE TARIFF			RECOVERABLE OPERATIONS & MAINTENANCE EXPENDITURE TARIFF		
	>5,000 GJ Customer Charge (\$/day)	<5,000 GJ Volume Charge (\$/GJ)	<5,000 GJ Fixed Charge (\$/day)	>5,000 GJ Customer Charge (\$/day)	<5,000 GJ Volume Charge (\$/GJ)	<5,000 GJ Fixed Charge (\$/day)
Meter Reading & MDM	\$0.6077	\$0.0444	\$0.0043	\$1.0069	\$0.0735	\$0.0071
Other FRC	\$0.5966	\$0.0436	\$0.0042	\$0.5723	\$0.0418	\$0.0041
Total	\$1.2043	\$0.0879	\$0.0085	\$1.5792	\$0.1153	\$0.0112

Pursuant to clause 14 of the FRC Cost Recovery Order, SP AusNet is entitled to charge to gas retailers the prices, fees and charges for special meter reads set out in the table below.

Metropolitan Areas (\$/read)	Non-Metro and New Town Areas (\$/read)
\$7.00	\$7.00

The Commission's Determinations take effect on the date of this gazettal.

Non-confidential copies of the Determinations are available from the Commission's website at <http://www.esc.vic.gov.au> or at the Essential Services Commission during business hours by contacting:

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