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Electricity Industry Act 2000 ORDER UNDER SECTION 35

Order in Council

The Governor in Council, acting under section 35 of the **Electricity Industry Act 2000** ('the Act'), makes the following order:

1. Objective

The objective of this Order is to define a class of persons for the purpose of determining whether, for the purposes of section 35 of the Act, a person is a domestic or small business customer in relation to a licensed retailer and supply of electricity to that person from a supply point.

2. Commencement

This Order commences on 1 January 2009.

3. Definitions

In this Order:

'**distribution company**' means, in relation to a supply of electricity from a supply point, the distribution company that is licensed to distribute and supply electricity to and is responsible for the supply point in relation to that supply of electricity;

'**licensed retailer**' means a person to whom a licence to sell electricity has been issued under Part 2 of the Act;

'**local retailer**' means, in relation to a supply of electricity from a supply point:

- (a) AGL Sales Pty Limited (ABN 88 090 538 337) where the distribution company in relation to the supply of electricity from the supply point is Jemena Electricity Networks (Vic.) Ltd (ABN 82 064 651 083);
- (b) Origin Energy Electricity Limited (ACN 071 052 287) where the distribution company in relation to the supply of electricity from the supply point is Citipower Pty (ACN 064 651 056);
- (c) TRUenergy Pty Ltd (ABN 99 086 014 968) where the distribution company in relation to the supply of electricity from the supply point is SPI Electricity Pty Ltd (ABN 91 064 651 118);
- (d) Origin Energy Electricity Limited (ACN 071 052 287) where the distribution company in relation to the supply of electricity from the supply point is Powercor Australia Limited (ACN 064 651 109); and
- (e) AGL Sales Pty Limited (ABN 88 090 538 337) where the distribution company in relation to the supply of electricity from the supply point is United Energy Distribution Pty Ltd (ACN 064 651 029).

'**supply point**' means, in relation to a supply of electricity to a person, the point at which that supply of electricity last leaves a supply facility owned or operated by a distribution company before being supplied to the person, whether or not the electricity passes through facilities owned or operated by any other person after leaving that point before being so supplied.

4. Domestic or small business customers

A person is a domestic or small business customer in relation to a licensed retailer and a supply of electricity from a supply point if each of the following conditions is satisfied:

- (a) the person is a relevant customer in relation to the supply of electricity from that supply point, determined in accordance with paragraph 5; and
- (b) the licensed retailer is the relevant licensee in relation to the supply of electricity from that supply point, determined in accordance with paragraph 6.

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5. Relevant customers

A person is a relevant customer in relation to a supply of electricity from a supply point if either:

- (a) the person purchases electricity principally for personal, household or domestic use at the supply point; or
- (b) the person's aggregate consumption of electricity taken from the supply point has not been, or, in the case of a new supply point, is not likely to be, more than 40 megawatt hours in any year commencing on or after 1 January 1997.

5A. Public Lighting Customers

Notwithstanding any other provision of this Order, the following persons are not domestic or small business customers for the purposes of this Order:

- (a) VicRoads in respect of public lighting of freeways and arterial roads (declared under s14 of the **Road Management Act 2004**); and
- (b) a municipal council in respect of public lighting in its municipal district other than public lighting of freeways and arterial roads (declared under s14 of the **Road Management Act 2004**).

6. Relevant licensee

- (a) A licensed retailer is a relevant licensee if the licensed retailer is:
 - (i) in the case of an existing supply point and subject to paragraph (b), responsible for the electricity supplied at that supply point for the purposes of settlement of the wholesale electricity market; or
 - (ii) otherwise, the local retailer for electricity supplied from that supply point.
- (b) For the six month period commencing on the date this Order takes effect, a licensed retailer who is responsible for the electricity supplied at the relevant supply point is not a relevant licensee unless the licensed retailer has contracts (however arising) with more than 500 persons within Victoria.

7. Determinations by the Essential Services Commission

The Essential Services Commissions, may, on application by any person whose interests are affected, make a determination as to whether a person is or is not a domestic or small business customer in relation to a supply of electricity from a supply point within the meaning of this Order.

8. Repeal of Previous Orders

The Orders in Council made under section 35 of the Act and published in the Government Gazette on 11 January 2002 (S11), 8 August 2002 (G32), 28 April 2005 (G17), 1 March 2006 (S59), 29 June 2006 (G26) and 8 November 2007 (S282) are repealed with effect from the commencement of this Order.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Electricity Industry Act 2000
ORDER UNDER SECTION 7AA

Order in Council

The Governor in Council, acting under section 7AA of the **Electricity Industry Act 2000** ('the Act') makes the following Order:

1. Objective

The objective of the Order is to declare:

- (a) a licensee to be a specified retailer;
- (b) circumstances to be specified circumstances; and
- (c) classes of persons to be small retail customers,

for the purposes of section 36A of the Act.

2. Term

This Order commences on 1 January 2009.

3. Specified Retailer

For the purposes of section 36A of the Act, each licensee is a specified retailer.

4. Specified Circumstances

- (a) For the purposes of section 36A of the Act, a specified retailer must, for each class of persons declared to be small retail customers by clause 5 of this Order in respect of which the specified retailer has any existing offer to sell electricity that is generally available for acceptance by persons within that class, publish at least one existing offer by the specified retailer to sell electricity that is generally available for acceptance by persons within that class.
- (b) For the avoidance of doubt, the requirement to publish an offer for the purposes of section 36A of the Act, is in addition to any requirement that the specified retailer publish tariffs and terms and conditions for the purposes of section 35 of the Act.

5. Small Retail Customer

For the purposes of section 36A of the Act:

- (a) small domestic customers who take electricity from a supply point located in the same electricity distribution area and whose consumption of electricity is measured by the same meter type, each form a class of persons who are small retail customers; and
- (b) small business customers who take electricity from a supply point located in the same electricity distribution area and whose consumption of electricity is measured by the same meter type, each form a class of persons who are small retail customers.

6. Determinations by the Essential Services Commission

The Essential Services Commission may make a determination as to whether a person is or is not a specified retailer or within a class of small retail customer, or whether circumstances are specified circumstances, within the meaning of this Order.

7. Definitions

In this Order:

'**distribution company**' means a licensee who is the holder of a licence to distribute and supply electricity;

'**electricity distribution area**' means an area in which a distribution company is licensed to distribute electricity;

'**licensee**' means the holder of a licence issued under Part 2 of the Act;

'**offer**' means the tariffs and terms and conditions on which a specified retailer offers to sell electricity to small retail customers;

‘meter’ means, in respect of a small domestic customer or small business customer, the device which measures and records the consumption of electrical energy consumed at the customer’s supply point;

‘meter type’ means either:

- (a) a single rate meter;
- (b) a two-rate meter (including a single rate meter and dedicated circuit meter);
- (c) a time of use meter; or
- (d) a multi-rate or other meter;

‘small business customer’ means any person:

- (a) who is not a small domestic customer; and
- (b) unless, in relation to a supply of electricity from a supply point, the person’s aggregate consumption of electricity taken from the supply point has been or, in the case of a new supply point is likely to be, more than 20 megawatt hours in any calendar year;

‘small domestic customer’ means any person:

- (a) who purchases electricity principally for personal household or domestic use at the relevant supply point; and
- (b) unless, in relation to a supply of electricity from a supply point, the person’s aggregate consumption of electricity taken from the supply point has been or, in the case of a new supply point is likely to be, more than 20 megawatt hours in any calendar year; and

‘supply point’ means the point where electricity leaves the distribution system before being supplied to the person, whether or not the electricity passes through facilities owned or operated by any other person after that point before being so supplied.

8. Repeal of Previous Orders

The Orders in Council made under section 7AA of the Act and published in the Government Gazette on 22 September 2005 (G38) and 1 March 2006 (S59) are repealed with effect from the commencement of this Order.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Electricity Industry Act 2000
ORDER UNDER SECTION 36

Order in Council

The Governor in Council, acting under section 36 of the **Electricity Industry Act 2000** (the 'Act'), amends the Order in Council made under section 36 of the Act on 11 January 2002 and published in the Government Gazette on 11 January 2002 (S11) in the following manner:

1. Definition of relevant customer

Clause 4 is deleted and replaced with the following:

'4. Relevant Customers

A person is a relevant customer in relation to a supply of electricity from a supply point if either:

- (a) the person purchases electricity principally for personal, household or domestic use at the supply point; or
- (b) the person's aggregate consumption of electricity taken from the supply point has not been, or, in the case of a new supply point, is not likely to be, more than 40 megawatt hours in any year commencing on or after 1 January 1997.'

2. Public Lighting Customers

Clause 5A is deleted and replaced with the following:

'5A. Public Lighting Customers

Notwithstanding any other provision of this Order, the following persons are not relevant customers for the purposes of this Order:

- (a) VicRoads in respect of public lighting of freeways and arterial roads (declared under s14 of the **Road Management Act 2004**); and
- (b) a municipal council in respect of public lighting in its municipal district other than public lighting of freeways and arterial roads (declared under s14 of the **Road Management Act 2004**).'

These amendments will come into effect on 1 January 2009.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Electricity Industry Act 2000
ORDER UNDER SECTION 17

Order in Council

The Governor in Council, acting under section 17 of the **Electricity Industry Act 2000** ('the Act'), amends the Order in Council made under section 17 of the Act on 30 April 2002 and published in the Government Gazette on 1 May 2002 (S73) in the following manner:

1. Pricing Rule

Clause 7 is deleted and replaced with the following:

'7. Pricing Rule

The price, or range of prices, at which electricity (and services related to the provision of electricity) may be distributed, supplied and sold to a short term resident, long term resident or small business customer pursuant to an exemption granted under this Order must not be more than the tariff that would apply to the customer if the customer purchased the electricity and related services, pursuant to an offer made in accordance with the requirements of section 35 of the Act, from a licensee who is the local retailer for electricity supplied in the electricity distribution area in which the supply point for the supply of electricity to the customer is located, in accordance with any guidelines that may be issued by the Essential Services Commission.'

2. Definitions

The following definitions are deleted from clause 4:

'Special Power Payment rebate' means the payments made by licensed retailers to certain customers, in accordance with the scheme implemented by the Minister and administered by VENCORP to reduce the electricity bills payable by those customers.

'VENCORP' means the Victorian Energy Networks Corporation subsisting under section 158 of the **Gas Industry Act 2001**.

The following definitions are included in clause 4:

'electricity distribution area' means an area in which a licensed electricity distributor is licensed to distribute and supply electricity.

'local retailer' means:

- (a) AGL Sales Pty Limited (ABN 88 090 538 337) where the licensed electricity distributor in relation to the electricity distribution area is Jemena Electricity Networks (Vic.) Ltd (ABN 82 064 651 083);
- (b) Origin Energy Electricity Limited (ACN 071 052 287) where the licensed electricity distributor in relation to the electricity distribution area is Citipower Pty (ACN 064 651 056);
- (c) TRUenergy Pty Ltd (ABN 99 086 014 968) where the licensed electricity distributor in relation to the in relation to the electricity distribution area is SPI Electricity Pty Ltd (ABN 91 064 651 118);
- (d) Origin Energy Electricity Limited (ACN 071 052 287) where the licensed electricity distributor in relation to the electricity distribution area is Powercor Australia Limited (ACN 064 651 109); and
- (e) AGL Sales Pty Limited (ABN 88 090 538 337) where the licensed electricity distributor in relation to the electricity distribution area is United Energy Distribution Pty Ltd (ACN 064 651 029).

‘supply point’ means, in relation to a supply of electricity to a person, the point at which that supply of electricity last leaves a supply facility owned or operated by a licensed electricity distributor before being supplied to the person, whether or not the electricity passes through facilities owned or operated by any other person after leaving that point before being so supplied.

These amendments will come into effect on 1 January 2009.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Electricity Industry Act 2000
ORDER UNDER SECTION 35E

Order in Council

The Governor in Council, acting under section 35E of the **Electricity Industry Act 2000** ('the Act'), makes the following Order:

1. Objective

The objective of this Order is to specify the method and variables to be used to determine the weighted tariff variation for the purposes of paragraphs (a) and (b) of the definition of 'tariff variation information' in section 35D(2) of the Act.

2. Commencement

This Order commences on 1 January 2009.

3. Definitions

In this Order:

'**effective day**' means the day on which the tariff or tariffs the subject of the tariff variation information takes or take effect;

'**original tariff component**' means the tariff component which applied prior to the effective day;

'**relevant period**' means the period commencing on the day on which the most recent previous variation of a tariff the subject of the tariff variation information became effective, and ending on the required day;

'**required day**' has the meaning given in section 35D(2) of the Act;

'**tariff**' means a charge for the supply and sale of electricity which is made up of one or more tariff components;

'**tariff component**' means each charge for the supply and sale of electricity which together comprise a tariff;

'**tariff variation information**' has the meaning given in section 35D(2) of the Act; and

'**varied tariff component**' means the tariff component which applies after the effective day.

4. Weighted tariff variation

For the purposes of paragraph (a) and (b) of the definition of 'tariff variation information' in section 35D(2) of the Act, the weighted tariff variation (expressed as a percentage and rounded to one decimal place) is calculated in accordance with the following formula:

$$\text{weighted tariff variation} = \frac{\text{v revenue} - \text{o revenue}}{\text{o revenue}}$$

Where:

'o revenue' = the sum, for the tariff or each tariff (as the case may be), of the revenue earned from each original tariff component for the relevant period;

'v revenue' = the sum, for the tariff or each tariff (as the case may be), of the revenue that would have been earned from each varied tariff component had the varied tariff component applied during the relevant period.

5. Data

To the extent possible, data used to calculate the revenue earned from each original tariff component and varied tariff component, for example, numbers of customers or quantities of electricity, should be actual data. However, where actual data is not available, estimated data may be used, provided that the same data is used to calculate the revenue earned from both the original tariff component and the varied tariff component.

Example – weighted tariff variation for a single tariff

For example, for a tariff comprising an annual supply charge (tariff component A) and usage charge (tariff component B) that was last varied 9 months prior to the required day.

- (a) Where the original tariff for:
- tariff component A is \$138.00 per annum; and
 - tariff component B is \$0.130 per kWh,
- then:
- the o revenue for tariff component A is calculated by multiplying \$138.00 by the number of customers to which the tariff component applied during the relevant period (assume 150,000 customers), which is then multiplied by the proportion that the relevant period bears to 12 months (in this case 0.75);
 - the o revenue for tariff component B is calculated by multiplying \$0.130 by the quantity of energy sold during the relevant period (assume 400,000,000 kWh);
 - the total o revenue for tariff component A and tariff component B is \$67,525,000.
- (b) Where the varied tariff component for:
- tariff component A is \$138.50 per annum; and
 - tariff component B is \$0.135 per kWh;
- then:
- The v revenue for tariff component A is calculated by multiplying \$138.50 by the number of customers to which the tariff component would have applied had it been in effect during the relevant period (150,000 customers), which is then multiplied by the proportion that the relevant period bears to 12 months (0.75);
 - the v revenue for tariff component B is calculated by multiplying \$0.135 by the quantity of energy that would have been sold had the tariff component applied during the relevant period (400,000,000 kWh);
 - the total v revenue for tariff component A and tariff component B is \$69,581,250.
- (c) By applying the variables set out in paragraphs (a) and (b) above to the formula set out in paragraph 4 of this Order, the weighted tariff variation is 3.0%.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Gas Industry Act 2001
ORDER UNDER SECTION 42

Order in Council

The Governor in Council, acting under section 42 of the **Gas Industry Act 2001** ('the Act'), makes the following Order:

1. Objective

The objective of this Order is to define a class of persons for the purpose of determining whether, for the purposes of section 42 of the Act, a person is a domestic or small business customer in relation to a licensed retailer and supply of gas to that person from a supply point or ancillary supply point.

2. Commencement

This Order commences on 1 January 2009.

3. Definitions

In this Order:

'**ancillary supply point**' has the meaning given in the **Gas Industry (Residual Provisions) Act 1994**;

'**licence**' has the meaning given in the Act;

'**licensed retailer**' means a person to whom a licence to sell gas has been issued under Part 3 of the Act;

'**local retailer**' means, in relation to a supply of gas from a supply point or ancillary supply point:

- (a) TRUenergy Pty Ltd (ACN 086 014 968) ('TRUenergy') where the supply point or ancillary supply point is in the 'Licensee's franchise area' as that term was defined in TRUenergy's licence immediately prior to 1 October 2002;
- (b) Origin Energy (Vic.) Pty Ltd (ACN 086 013 283) ('Origin') where the supply point or ancillary supply point is in the 'Licensee's franchise area' as that term was defined in Origin's licence immediately prior to 1 October 2002;
- (c) AGL Sales Pty Limited (ACN 090 538 337) ('AGL Sales') where the supply point or ancillary supply point is in the 'Licensee's franchise area' as that term was defined in AGL Sale's licence immediately prior to 1 October 2002; and
- (d) Origin Energy Retail Limited (ACN 078 868 425) ('Origin Energy') where the supply point or ancillary supply point is in the 'Licensee's franchise area' as that term was defined in Origin Energy's licence immediately prior to 1 October 2002;

'**new supply point or ancillary supply point**' means a supply point or ancillary supply point which is to be used for the first time or an existing supply point or ancillary supply point to be used to supply a new customer from that supply point or ancillary supply point; and

'**supply point**' has the meaning given in the **Gas Industry (Residual Provisions) Act 1994**.

4. Domestic or small business customers

A person is a domestic or small business customer in relation to a licensed retailer and a supply of gas from a supply point or ancillary supply point if each of the following conditions is satisfied:

- (a) the person is a specified customer in relation to the supply of gas from that supply point, determined in accordance with paragraph 5; and
- (b) the licensed retailer is the specified licensee in relation to the supply of gas from that supply point, determined in accordance with paragraph 6.

5. Specified customers

A person is a relevant customer in relation to a supply of gas from a supply point or ancillary supply point if either:

- (a) the person purchases gas principally for personal, household or domestic use at the supply point or ancillary supply point; or
- (b) the person's aggregate consumption of gas taken from the supply point or ancillary supply point has not been, or, in the case of a new supply point or ancillary supply point, is not likely to be, more than 1000 gigajoules in any year commencing on or after 1 September 2000.

6. Specified licensee

- (a) A licensed retailer is a specified licensee if the licensed retailer:
 - (i) in the case of an existing supply point or ancillary supply point and subject to paragraph (b), was the licensed retailer last responsible for the gas supplied and sold at that supply point or ancillary supply point; or
 - (ii) otherwise, is the local retailer for gas supplied from that supply point or ancillary supply point.
- (b) For the six month period commencing on the date this Order takes effect, a licensed retailer who was last responsible for the gas supplied and sold at the relevant supply point or ancillary supply point is not a specified licensee unless the licensed retailer has contracts (however arising) with more than 500 persons within Victoria.

7. Determinations by the Essential Services Commission

The Essential Services Commissions, may, on application by any person whose interests are affected, make a determination as to whether a person is or is not a domestic or small business customer in relation to a supply of gas from a supply point or ancillary supply point within the meaning of this Order.

8. Repeal of Previous Orders

The Orders in Council made under section 42 of the Act and published in the Government Gazette on 29 October 2002 (S197) and 8 November 2007 (S282) are repealed with effect from the commencement of this Order.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Gas Industry Act 2001
ORDER UNDER SECTION 7A

Order in Council

The Governor in Council, acting under section 7A of the **Gas Industry Act 2001** ('the Act') makes the following Order:

1. Objective

The objective of the Order is to declare:

- (a) a licensee to be a specified retailer;
- (b) circumstances to be specified circumstances; and
- (c) classes of persons to be small retail customers,

for the purposes of section 43A of the Act.

2. Term

This Order commences on 1 January 2009.

3. Specified Retailer

For the purposes of section 43A of the Act, each licensee is a specified retailer.

4. Specified Circumstances

- (a) For the purposes of section 43A of the Act, a specified retailer must, for each class of persons declared to be small retail customers by clause 5 of this Order in respect of which the specified retailer has any existing offer to sell gas that is generally available for acceptance by persons within that class, publish at least one existing offer by the specified retailer to sell gas that is generally available for acceptance by persons within that class.
- (b) For the avoidance of doubt, the requirement to publish an offer for the purposes of section 43A of the Act, is in addition to any requirement that the specified retailer publish tariffs and terms and conditions for the purposes of section 42 of the Act.

5. Small Retail Customer

For the purposes of section 43A of the Act:

- (a) small domestic customers who take gas from a supply point or ancillary supply point located in the same gas distribution area each form a class of persons who are small retail customers; and
- (b) small business customers with a meter/regulator capacity up to 100m³, who take gas from a supply point or ancillary supply point located in the same gas distribution area, each form a class of persons who are small retail customers.

6. Determinations by the Essential Services Commission

The Essential Services Commission may make a determination as to whether a person is or is not a specified retailer or within a class of small retail customer, or whether circumstances are specified circumstances, within the meaning of this Order.

7. Definitions

In this Order:

'ancillary supply point' has the meaning given in the **Gas Industry (Residual Provisions) Act 1994**;

'distribution company' means a licensee who is the holder of a licence to distribute gas;

'gas distribution area' means an area in which a distribution company is licensed to distribute gas;

'licensee' means the holder of a licence issued under Part 3 of the Act;

'new supply point or ancillary supply point' means a supply point or ancillary supply point

which is to be used for the first time or an existing supply point or ancillary supply point to be used to supply a new customer from that supply point or ancillary supply point;

‘offer’ means the tariffs and terms and conditions on which a specified retailer offers to sell gas to small retail customers;

‘small business customer’ means any person:

- (a) who is not a small domestic customer; and
- (b) unless, in relation to a supply of gas from a supply point or ancillary supply point, the person’s aggregate consumption of gas taken from the supply point or ancillary supply point has been or, in the case of a new supply point or ancillary supply point is likely to be, more than 150 gigajoules in any calendar year;

‘small domestic customer’ means any person:

- (a) who purchases gas principally for personal household or domestic use at the relevant supply point; and
- (b) unless, in relation to a supply of gas from a supply point or ancillary supply point, the person’s aggregate consumption of gas taken from the supply point or ancillary supply point has been or, in the case of a new supply point or ancillary supply point is likely to be, more than 150 gigajoules in any calendar year; and

‘supply point’ has the meaning given in the **Gas Industry (Residual Provisions) Act 1994**.

8. Repeal of Previous Orders

The Orders in Council made under section 7A of the Act and published in the Government Gazette on 22 September 2005 (G38) is repealed with effect from the commencement of this Order.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Gas Industry Act 2001
ORDER UNDER SECTION 43

Order in Council

The Governor in Council, acting under section 43 of the **Gas Industry Act 2001** (the 'Act') amends the Order in Council made under section 43 of the Act on 29 October 2002 and published in the Government Gazette on 29 October 2002 (S197) in the following manner:

1. Definition of relevant customers

Clause 4 is deleted and replaced with the following:

'4. Relevant Customers

A person is a relevant customer in relation to the supply of gas from a supply point or ancillary supply point if either:

- (a) the person purchases gas principally for personal, household or domestic use at the supply point or ancillary supply point; or
- (b) the person's aggregate supply of gas taken from the supply point or ancillary supply point has not been, or, in the case of a new supply point or ancillary supply point, is not likely to be, more than 1,000 gigajoules in any year commencing on or after 1 September 2000.'

These amendments will come into effect on 1 January 2009.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

Gas Industry Act 2001
ORDER UNDER SECTION 42E

Order in Council

The Governor in Council, acting under section 42E of the **Gas Industry Act 2001** ('the Act'), makes the following Order:

1. Objective

The objective of this Order is to specify the method and variables to be used to determine the weighted tariff variation for the purposes of paragraphs (a) and (b) of the definition of 'tariff variation information' in section 42D(2) of the Act.

2. Commencement

This Order commences on 1 January 2009.

3. Definitions

In this Order:

'**effective day**' means the day on which the tariff or tariffs the subject of the tariff variation information takes or take effect;

'**original tariff component**' means the tariff component which applied prior to the effective day;

'**relevant period**' means the period commencing on the day on which the most recent previous variation of a tariff the subject of the tariff variation information became effective, and ending on the required day;

'**required day**' has the meaning given in section 42D(2) of the Act;

'**tariff**' means a charge for the supply and sale of gas which is made up of one or more tariff components;

'**tariff component**' means each charge for the supply and sale of gas which together comprise a tariff;

'**tariff variation information**' has the meaning given in section 42D(2) of the Act; and

'**varied tariff component**' means the tariff component which applies after the effective day.

4. Weighted tariff variation

For the purposes of paragraph (a) and (b) of the definition of 'tariff variation information' in section 42D(2) of the Act, the weighted tariff variation (expressed as a percentage) is calculated in accordance with the following formula:

$$\text{weighted tariff variation} = \frac{\text{v revenue} - \text{o revenue}}{\text{o revenue}}$$

Where:

'o revenue' = the sum, for the tariff or each tariff (as the case may be), of the revenue earned from each original tariff component for the relevant period;

'v revenue' = the sum, for the tariff or each tariff (as the case may be), of the revenue that would have been earned from each varied tariff component had the varied tariff component applied during the relevant period.

5. Data

To the extent possible, data used to calculate the revenue earned from each original tariff component and varied tariff component, for example, numbers of customers or quantities of gas, should be actual data. However, where actual data is not available, forecast data may be used, provided that the same data is used to calculate the revenue earned from both the original tariff component and the varied tariff component.

Example – weighted tariff variation for a single tariff

For example, for a tariff comprising an annual supply charge (tariff component A) and usage charge (tariff component B) that was last varied 9 months prior to the required day.

- (a) Where the original tariff for:
- tariff component A is \$120.00 per annum; and
 - tariff component B is \$9.10 per GJ,
- then:
- the o revenue for tariff component A is calculated by multiplying \$120.00 by the number of customers to which the tariff component applied during the relevant period (assume 250,000 customers), which is then multiplied by the proportion that the relevant period bears to 12 months (in this case 0.75);
 - the o revenue for tariff component B is calculated by multiplying \$9.10 by the quantity of energy sold during the relevant period (assume 14,300,000 GJ);
 - the total o revenue for tariff component A and tariff component B is \$152,630,000.
- (b) Where the varied tariff component for:
- tariff component A is \$125.00 per annum; and
 - tariff component B is \$9.30 per GJ,
- then:
- the v revenue for tariff component A is calculated by multiplying \$125.00 by the number of customers to which the tariff component would have applied had it been in effect during the relevant period (250,000 customers), which is then multiplied by the proportion that the relevant period bears to 12 months (0.75);
 - the v revenue for tariff component B is calculated by multiplying \$9.30 by the quantity of energy that would have been sold had the tariff component applied during the relevant period (14,300,000 GJ);
 - the total v revenue for tariff component A and tariff component B is \$156,427,500.
- (c) By applying the variables set out in paragraphs (a) and (b) above to the formula set out in paragraph 4 of this Order, the weighted tariff variation is 2.5%.

Dated 25 November 2008

Responsible Minister

PETER BACHELOR, MP

Minister for Energy and Resources

RYAN HEATH
Clerk of the Executive Council

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