

## National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014 No. 9

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

## National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014 No. 9

#### 1 Title of Rule

This Rule is the *National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014 No.9.* 

#### 2 Commencement

Schedules 1, 3 and 4 commence operation on 1 December 2014.

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.

### 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:
  - (i) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and
  - (ii) 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 an *indicative 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)(1) and (2) and substitute:

- (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 *indicative 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 clauses 6.11.1A(a) and (b) 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;
- (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;

## [24] 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* ".

## [25] 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*".

### [26] 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;

#### [27] Clause 6.12.1 Constituent decisions

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

## [28] 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".

## [29] 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.
- (1) 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*.

## [30] 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) a description of the approach that the *Distribution Network Service Provider* will take in setting each tariff in each *pricing proposal* of the *Distribution Network Service Provider* during the relevant *regulatory control period* in accordance with clause 6.18.5.
- (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 an *indicative* 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 of the event that has occurred to cause the *Distribution Network Service Provider* to seek an amendment to its current *tariff structure statement* and why the event:
  - (i) was 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*.
- (3) 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*;
- (4) a description of how the differences referred to in sub-paragraph (3) would impact the other elements of the *tariff structure statement*;
- (5) 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
- (6) 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) was 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.

### [31] Clause 6.18.2 Pricing proposals

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

## [32] Clause 6.18.2 Pricing proposals

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

## [33] Clause 6.18.2 Pricing proposals

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

## [34] 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*".

## [35] 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".

## [36] 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 *indicative pricing schedule*, or explain any material differences between them; and

### [37] 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 indicative 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 *indicative 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*.

### [38] Clause 6.18.3 Tariff classes

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

## [39] 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 (j).

- (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:
  - (1) to the extent permitted under paragraph (h); and
  - (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) 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 to the *retail customers* assigned to that tariff 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 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
  - (3) 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 consider the impact on *retail customers* of changes in tariffs from the previous *regulatory year* and may vary tariffs from those that comply with paragraphs (e) to (g) to the extent the *Distribution Network Service Provider* considers reasonably necessary 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.

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

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

## [41] 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 *indicative 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.

### [42] 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*.

## [43] 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 *indicative 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.

## [44] 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 indicative 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 approved or contained in that distribution determination and the accompanying indicative 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.

### [45] 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

(Clause 3)

## [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

(Clause 4)

## [1] Chapter 10 New definitions

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

#### indicative pricing schedule

For a *Distribution Network Service Provider*, means the schedule of indicative price levels as referred to in paragraph 6.18.1A(e).

#### 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.

#### 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 5)

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

After rule 11.69, insert:

## Part ZZD National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014

#### Division 1 Miscellaneous transitional provisions

#### 11.70 General provisions

#### 11.70.1 Definitions

In this Part ZZD:

**Amending Rules** means Schedules 1, 3 and 4 of 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.

#### 11.70.2 Application of Part ZZB

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

#### 11.71 Special provisions applying to SA TNSP

- (a) This rule 11.71 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 11.71(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 **ΔCPI**).
- (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

### 11.72 General provisions

#### 11.72.1 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.

#### 11.73 Special provisions applying to affected DNSPs

#### 11.73.1 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 pricing proposal | Clause 6.18.2(b)(7) | "including" is replaced with "and". |
| Approval of a pricing proposal   | Clause 6.18.8(a)(1) | "including" is replaced with "and". |

#### 11.73.2 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 tariff structure statement | Clause 6.8.2(a), (b), (e), (f)   | All references to "regulatory proposal" are removed.  |
|  |                                  | Sub-paragraphs (b)(1) and (b)(2) are replaced with "by 27 November 2015".   |
| Requirements for a regulatory proposal   | Clause 6.8.2(c), (c1), (c2), (d) | These rules do not apply.   |
|  |                                  | Insert a new clause 6.8.2(c): "A proposed tariff structure statement must be accompanied by information that contains a description (with supporting materials) of how the proposed tariff structure statement complies with the pricing principles for direct control services". |

| Description   | Reference         | Transitional treatment   |
|---|-------------------|--|
| Overview paper to accompany a proposed tariff structure statement | Clause 6.8.2(c1a) | "The overview paper must also include" is replaced with "The proposed tariff structure statement must be accompanied by an overview paper which includes". |
| Preliminary examination of a tariff structure statement           | Clause 6.9.1      | All references to "regulatory proposal" are removed.   |
|   |                   | Sub-paragraph (a)(1) does not apply.   |
| Resubmission of proposal  | Clause 6.9.2      | All references to "regulatory proposal" are removed.   |
| Consultation of the proposed tariff structure statement           | Clause 6.9.3      | Sub-paragraphs (a)(1) and (a)(4) do not apply.   |
|   |                   | All references to "regulatory proposal" are removed.   |
|   |                   | In all instances, "sub-paragraphs (a)(1) to (a)(4)" is replaced with "sub-paragraphs (a)(2) and (a)(3)".   |
|   |                   | In all instances, "sub-paragraphs (a)(1) to (a)(3)" is replaced with "sub-paragraphs (a)(2) and (a)(3)".   |
| Draft determination on a tariff structure statement               | Clause 6.10.1     | In all instances, "draft distribution determination in relation to" is replaced with "draft determination on the   |

| Description          | Reference     | Transitional                        |
|----------------------|---------------|-------------------------------------|
|                      |               | treatment                           |
|                      |               | proposed tariff                     |
|                      |               | structure statement                 |
|                      |               | submitted by".                      |
|                      |               | In all instances in                 |
|                      |               | sub-paragraph (b)(3),               |
|                      |               | "draft distribution                 |
|                      |               | determination" is                   |
|                      |               | replaced with "draft                |
|                      |               | determination".                     |
|                      |               | All references to                   |
|                      |               | "regulatory proposal"               |
|                      |               | are removed.                        |
|                      |               | 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)".               |
| Publication of draft | Clause 6.10.2 | In all instances,                   |
| determination on a   |               | "distribution                       |
| tariff structure     |               | determination" is                   |
| statement            |               | replaced with                       |
|                      |               | "determination on the               |
|                      |               | proposed tariff                     |
|                      |               | structure statement".               |
|                      |               | In paragraph (a),                   |
|                      |               | before "publish", add               |
|                      |               | "but by no later than               |
|                      |               | 1 July 2016".                       |
|                      |               | Sub-paragraph (a)(3)                |
|                      |               | is replaced with "(3)               |
|                      |               | the AER's reasons for               |
|                      |               | suggesting that the                 |
|                      |               | proposed tariff                     |
|                      |               | structure statement                 |
|                      |               | should or should not be approved;". |
|                      |               | oc approveu, .                      |
|                      |               | Sub-paragraph (a)(4)                |
|                      |               | and paragraph (b) do                |

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

| Description                                    | Reference     | Transitional treatment  |
|--|---------------|---|
|  |               | All references to "revised regulatory proposal" and "regulatory proposal" are removed.  |
| Notice of determination                        | Clause 6.11.2 | In all instances, "distribution determination" is replaced with "determination on the proposed tariff structure statement".   |
|  |               | "2 months before the commencement of the relevant regulatory control period" is replaced with "30 January 2017".  |
|  |               | Paragraph (3) is replaced with "(3) the <i>AER</i> 's reasons for making the determination in its final form".  |
| Commencement of the tariff structure statement | Clause 6.11.3 | Paragraph (a) is replaced with "(a) A tariff structure statement included in the AER's determination under this rule 6.11 takes effect at the commencement of the third regulatory year of the regulatory control period to which it relates".  Paragraph (b) does not apply. |
| Constituent decisions of a distribution        | Clause 6.12.1 | This rule does not  |

| Description   | Reference            | Transitional treatment   |
|---|----------------------|--|
| determination   |                      | apply.   |
| Reasons for decisions   | Clause 6.12.2        | In paragraph (a), "draft distribution determination" is replaced with "draft determination".  In paragraph (a), "final distribution determination" is replaced with "final determination".  In sub-paragraph (a)(2), delete from ", including:" to the end of sub-paragraph (ii).  Paragraph (b) does not apply. |
| Extent of the AER's discretion in making the determination  | Clause 6.12.3(a)-(j) | These rules do not apply.  |
| Amending a proposed tariff structure statement  | Clause 6.12.3(1)     | "distribution determination in relation to a Distribution Network Service Provider" is replaced with "final determination under rule 6.11".  "that distribution determination" is replaced with "that determination".  |
| Revocation and substitution of a <i>tariff</i> structure statement for wrong information or error | Rule 6.13            | In all instances, "distribution determination" is replaced with "tariff structure statement".  |
| Tariff structure statement  | Clause 6.18.1A(f)    | Insert "subsequent" before "regulatory   |

| Description                                   | Reference         | Transitional treatment  |
|---|-------------------|---|
|   |                   | year".  |
| Amending a current tariff structure statement | Clause 6.18.1B    | "(other than the first regulatory year of a regulatory control period)" is replaced with "(other than the third regulatory year of a regulatory control period)". |
| Sub-threshold tariffs                         | Clause 6.18.1C(a) | "(other than the first regulatory year of a regulatory control period)" is replaced with "(other than the third regulatory year of a regulatory control period)". |

(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.

#### 11.73.3 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

### 11.74 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

### 11.75 General provisions

#### 11.75.1 Definitions

In this Division 4:

affected DNSP means a Victorian DNSP.

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

#### 11.76 Special provisions applying to affected DNSPs

#### 11.76.1 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 pricing proposal | Clause 6.18.2(b)(7) | "including" is replaced with "and". |
| Approval of a pricing proposal   | Clause 6.18.8(a)(1) | "including" is replaced with "and". |

#### 11.76.2 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 tariff structure statement                          | Clause 6.8.2(a), (b), (e), (f)   | All references to "regulatory proposal" are removed.  |
|   |                                  | Sub-paragraphs (b)(1) and (b)(2) are replaced with "by 25 September 2015".  |
| Requirements for a regulatory proposal                            | Clause 6.8.2(c), (c1), (c2), (d) | These rules do not apply.   |
|   |                                  | Insert a new clause 6.8.2(c): "A proposed tariff structure statement must be accompanied by information that contains a description (with supporting materials) of how the proposed tariff structure statement complies with the pricing principles for direct control services". |
| Overview paper to accompany a proposed tariff structure statement | Clause 6.8.2(c1a)                | "The overview paper must also include" is replaced with "The proposed tariff structure statement must be accompanied by an overview paper which includes".  |
| Preliminary examination of a tariff structure statement           | Clause 6.9.1                     | All references to "regulatory proposal" are removed.  |
|   |                                  | Sub-paragraph (a)(1) does not apply.  |
| Resubmission of proposal  | Clause 6.9.2                     | All references to "regulatory proposal" are removed.  |

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

| Description  | Reference     | Transitional treatment  |
|--|---------------|---|
|  |               | sub-paragraph (b)(3), "draft distribution determination" is replaced with "draft determination".  |
|  |               | All references to "regulatory proposal" are removed.  |
|  |               | 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)".   |
| Publication of draft determination on a tariff structure statement | Clause 6.10.2 | In all instances, "distribution determination" is replaced with "determination on the proposed tariff structure statement".   |
|  |               | In paragraph (a),<br>before " <i>publish</i> ", add<br>"but by no later than<br>22 February 2016".  |
|  |               | Sub-paragraph (a)(3) is replaced with "(3) the AER's reasons for suggesting that the proposed <i>tariff</i> structure statement should or should not be approved;". |
|  |               | Sub-paragraph (a)(4) and paragraph (b) do not apply.  |
| Submission of revised proposal                                     | Clause 6.10.3 | All references to "revised <i>regulatory</i> proposal" are  |

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

| Description   | Reference     | Transitional treatment   |
|---|---------------|--|
| Notice of determination                               | Clause 6.11.2 | In all instances, "distribution determination" is replaced with "determination on the proposed tariff structure statement".  "2 months before the commencement of the relevant regulatory control period" is replaced with "29 July 2016".  Paragraph (3) is replaced with "(3) the AER's reasons for making the determination in its final form". |
| Commencement of the tariff structure statement        | Clause 6.11.3 | Paragraph (a) is replaced with "(a) A tariff structure statement included in the AER's determination under this rule 6.11 takes effect at the commencement of the second regulatory year of the regulatory control period to which it relates".  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 | In paragraph (a), "draft distribution determination" is replaced with "draft   |

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

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

(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.

#### 11.76.3 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.