



Draft National Electricity Amendment (Inter-regional Transmission Charging) Rule 2010

under the National Electricity Law as applied by:

- (a) the National Electricity (South Australia) Act 1996;
- (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

Draft National Electricity Amendment (Inter-regional Transmission Charging) Rule 2010

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Inter-regional Transmission Charging) Rule 2010*.

2 Commencement

This Rule commences operation on [COMMENCEMENT_DATE].

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 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendments of the National Electricity Rules

(Clause 3)

[1] Clause 6A.1.1 Economic regulation of transmission services generally

In clause 6A.1.1(h), after "*aggregate annual revenue requirement*", insert "and contains provisions regarding inter-regional transmission services and *load export charges*."

[2] Clause 6A.22.1 Aggregate annual revenue requirement (AARR)

Omit clause 6A.22.1 and insert:

6A.22.1 Aggregate annual revenue requirement (AARR)

For the purposes of this Part J, the *aggregate annual revenue requirement (AARR)* for *prescribed transmission services* provided by a *Transmission Network Service Provider*, is the *maximum allowed revenue* referred to in clause 6A.3.1 adjusted:

- (a) in accordance with clause 6A.3.2;
- (b) by subtracting the operating and maintenance costs expected to be incurred in the provision of *prescribed common transmission services*; and
- (c) taking into account any adjustments in the amounts paid and received through *load export charges* for that *regulatory year*.

[3] Clause 6A.23.3 Principles for the allocation of the ASRR to transmission network connection points

In the heading, omit "to transmission network connection points".

[4] Clause 6A.23.3 Principles for the allocation of the ASRR to transmission network connection points

In clause 6A.23.3, omit "to each *transmission network connection point*".

[5] Clause 6A.23.3 Principles for the allocation of the ASRR to transmission network connection points

Omit clause 6A.23.3(c) and insert:

- (c) The *ASRR* for *prescribed TUOS services* is to be divided into the following shares and apportioned in accordance with paragraph (d):

- (1) *locational component of prescribed TUOS services (locational component)*; and
 - (2) *non-locational component of prescribed TUOS services (non-locational component)*.
- (ca) The *locational component* and the *non-locational component* are each to be allocated, adjusted and recovered in the manner described in paragraphs 1 to 6 below:
- (1) The *locational component* is to be allocated to *transmission network connection points of Transmission Customers* and to *Transmission Network Service Providers* in *interconnected regions*, on the basis of their estimated proportionate use of the relevant *transmission system* asset for electricity delivered to that *Transmission Network Service Provider's network*. The *CRNP methodology* and *modified CRNP methodology* represent two permitted means of estimating proportionate use for the purposes of this paragraph (ca).
 - (2) Where the *locational component* is to be allocated to *transmission network connection points of Transmission Customers*:
 - (i) The *locational component* is to be adjusted by:
 - (A) adding the amount which the *Co-ordinating Network Service Provider* estimated under clause 6A.29A.4 as payable by the *Transmission Network Service Provider* for the *locational component of prescribed TUOS services* for the relevant *regulatory year*, adjusted for overs and unders in accordance with clause 6A.23.3(g); and
 - (B) subtracting the *settlements residue* (including *auction amounts*) expected to be distributed to the *Transmission Network Service Provider* under clause 3.18.4, adjusted for overs and unders in accordance with clause 6A.23.3(g)
- (adjusted locational component)*.
- (iii) The *adjusted locational component* is to be recovered from *Transmission Customers* in accordance with clause 6A.23.4(f).
- (3) Where the *locational component* is to be allocated to *Transmission Network Service Providers* (other than *Market Network Service Providers*) in *interconnected regions*, that *locational component* is to be recovered from *Transmission*

Network Service Providers in interconnected *regions* in accordance with clause 6A.23.4(e).

- (4) The *non-locational component* is to be allocated to *Transmission Customers* and *Transmission Network Service Providers* on a postage stamp basis.
- (5) Where the *non-locational component* is to be allocated to *transmission network connection points* of *Transmission Customers*:
 - (i) The *non-locational component* is to be adjusted by:
 - (A) adding the amount which the *Co-ordinating Network Service Provider* estimated under clause 6A.29A.4 as payable by the *Transmission Network Service Provider* for the *non-locational component* of *prescribed TUOS services* for the relevant *financial year*, adjusted for overs and unders in accordance with clause 6A.23.3(g);
 - (B) for any other *over-recovery amount* or *under-recovery amount*;
 - (C) for any amount arising as a result of the application of clause 6A.23.4(h) and (i); and
 - (D) for any amount arising as a result of the application of prudent discounts in clause 6A.26.1(d)-(g)

(adjusted non-locational component).

- (iii) The *adjusted non-locational component* is to be recovered from *Transmission Customers* in accordance with clause 6A.23.4(j).
- (6) Where the *non-locational component* is to be allocated to *Transmission Network Service Providers* (other than *Market Network Service Providers*) in *interconnected regions*, the *non-locational component* is to be recovered from *Transmission Network Service Providers* (other than *Market Network Service Providers*) in *interconnected regions* in accordance with clause 6A.23.4(k).

[6] Clause 6A.23.3 Principles for the allocation of the ASRR to transmission network connection points

Omit clause 6A.23.3(d)(1) and substitute:

- (1) a 50% share allocated to the *locational component* referred to in subparagraph (c)(1) and a 50% share allocated to the *non-locational component* referred to in subparagraph (c)(2); or

[7] Clause 6A.23.3 Principles for the allocation of the ASRR to transmission network connection points

Omit clauses 6A.23.3(e) and 6A.23.3(f) and substitute:

- (e) The *ASRR for prescribed common transmission services* and the operating and maintenance costs incurred in the provision of those services (*common ASRR component*) is to be allocated, adjusted and recovered as follows:
 - (1) The *common ASRR component* is to be allocated to each *transmission network connection point* of a *Transmission Customer*, and to *Transmission Network Service Providers* (other than *Market Network Service Providers*) in *interconnected regions*, on a postage stamp basis.
 - (2) Where the *common ASRR component* is to be allocated to *transmission network connection points* of *Transmission Customers*
 - (i) The *common ASRR component* is to be adjusted by adding the amount which the *Co-ordinating Network Service Provider* estimated under clause 6A.29A.4 as payable by the *Transmission Network Service Provider* for the *common ASRR component* (in aggregate) for the relevant *regulatory year*, adjusted for overs and unders in accordance with paragraph (f) (*adjusted common ASRR component*); and
 - (ii) that *adjusted common ASRR component* is to be recovered from *Transmission Customers* in accordance with clause 6A.23.4(d).
 - (3) Where the *common ASRR component* is to be allocated to *Transmission Network Service Providers* (other than *Market Network Service Providers*) in *interconnected regions*:
 - (i) The *common ASRR component* is to be allocated to *transmission network connection points* of *Transmission Network Service Providers* in the *interconnected region*; and
 - (ii) the *common ASRR component* is to be recovered from *Transmission Network Service Providers* (other than *Market Network Service Providers*) in *interconnected regions* in accordance with clause 6A.23.4(d).

- (f) An amount estimated for a relevant *regulatory year* as payable or receivable by a *Transmission Network Service Provider* for a service (or a component of a service), referred to in clause 6A.23.3(ca)(2)(i)(A), 6A.23.3(ca)(2)(i)(B), 6A.23.3(c)(5)(i)(A), or 6A.23.3(e)(2)(i) must be adjusted for over and under recovery in accordance with paragraph (g).
- (g) The extent of the over or under recovery in respect of any amount referred to in paragraph (f) is the sum of:
- (1) the difference between:
 - (i) the estimated amount payable or receivable for a service (or component of a service) referred to in paragraph (f) in year $t - 1$; and
 - (ii) the actual amount payable or receivable for that service (or that component of a service) in year $t - 1$; and
 - (2) the difference between:
 - (i) the actual amount payable or receivable for that service (or that component of a service) in year $t - 2$; and
 - (ii) the estimate of the amount payable or receivable for that service (or that component of a service) in year $t - 2$ that was used for the purposes of paragraph (g)(1)(i) when preparing the *Transmission Network Service Provider's pricing methodology* for year $t - 1$; and
 - (3) grossed up on the basis of the pre-tax *weighted average cost of capital* as approved by the *AER* in the relevant distribution determination.
- (h) For the purposes of paragraph (g):
- "year $t - 1$ " means the *regulatory year* immediately prior to year t or, where year t is the first year of a *regulatory control period*, the last *regulatory year* of the previous *regulatory control period*.
- "year $t - 2$ " means the *regulatory year* immediately prior to year $t - 1$ or, where year t is the:
- (1) first year of a *regulatory control period*, the penultimate *regulatory year* of the previous *regulatory control period*;
 - (2) second year of a *regulatory control period*, the last *regulatory year* of the previous *regulatory control period*.

[8] Clause 6A.23.4 Price structure principles

In clause 6A.23.4(a), omit "paragraphs (b)-(i)" and substitute "paragraphs (b)-(m)".

[9] Clause 6A.23.4 Price structure principles

Omit clauses 6A.23.4(b) to (j) and substitute:

- (b) Separate prices are to be developed for each *category of prescribed transmission service*, being as follows:
 - (1) *prescribed entry services*;
 - (2) *prescribed exit services*;
 - (3) *prescribed common transmission services – adjusted common ASRR component: Transmission Customers*;
 - (4) *prescribed common transmission services – common ASRR component: Transmission Network Service Providers in interconnected regions*;
 - (5) *prescribed TUOS services – adjusted locational component: Transmission Customers*;
 - (6) *prescribed TUOS services – locational component: Transmission Network Service Providers in interconnected regions*;
 - (7) *prescribed TUOS services – adjusted non-locational component: Transmission Customers*; and
 - (8) *prescribed TUOS services – non-locational component: Transmission Network Service Providers in interconnected regions*.
- (c) Prices for *prescribed entry services* and *prescribed exit services* must be a fixed annual amount.
- (d) Prices for *prescribed common transmission services: Transmission Customers* and *Transmission Network Service Providers in interconnected regions*, must be set on a *postage stamp basis*.
- (e) Prices for recovering the *locational component* of providing *prescribed TUOS services: Transmission Customers* and *Transmission Network Service Providers in interconnected regions*, must be based on demand at times of greatest utilisation of the *transmission network* and for which *network* investment is most likely to be contemplated.
- (f) Subject to paragraphs (g), (h) and (i), prices for recovering the *adjusted locational component* of the ASRR for the provision of *prescribed TUOS services to Transmission Customers* must not change by more than 2 per cent per annum compared with the *load weighted average price* for this component for the relevant *region*.

- (g) The change in price referred to in paragraph (f) may exceed 2 per cent per annum if, since the last time prices were set:
 - (1) the *load* at the *connection point* has materially changed;
 - (2) in connection with that change, the *Transmission Customer* requested a renegotiation of its *connection agreement* with the *Transmission Network Service Provider*; and
 - (3) the *AER* has approved the change of more than 2 per cent per annum.
- (h) If, in the case of an increase in price, the application of paragraph (f) would result in the under-recovery of part of the *adjusted locational component* of the *ASRR* for the provision of *prescribed TUOS services* to *Transmission Customers*, any shortfall may be recovered by adjusting upward the charges that would otherwise apply to *Transmission Customers* in respect of the *adjusted non-locational component* of *prescribed TUOS services*.
- (i) If, in the case of a decrease in price, the application of paragraph (f) would result in over-recovery of the *adjusted locational component* of the *ASRR* for the provision of *prescribed TUOS services* to *Transmission Customers*, any over-recovery must be offset by adjusting downward the charges that would otherwise apply to *Transmission Customers* in respect of the *adjusted non-locational component* of *prescribed TUOS services*.
- (j) Prices for recovering the *adjusted non-locational component* of *prescribed TUOS services*: *Transmission Customers*, must be set on a *postage stamp basis*.
- (k) Prices for recovering the *non-locational component* of *prescribed TUOS services*: *Transmission Network Service Providers* in *interconnected regions*, must be set on a *postage stamp basis*.
- (l) Prices for the services referred to in subparagraphs (b)(4), (6) and (8) must not be applied to *Market Network Service Providers*.
- (m) Where the capacity of a *notional interconnector* is to be used for the purpose of calculating any *load export charges*, the appropriate measure for calculating the relevant charge is the maximum capacity of the relevant *interconnector*.

[10] Clause 6A.24.1 Pricing methodologies generally

Omit clause 6A.24.1(b) and substitute:

- (b) A *pricing methodology* is a methodology, formula, process or approach that, when applied by a *Transmission Network Service Provider* (or a *Co-ordinating Transmission Network Service*

Provider on behalf of the Transmission Network Service Providers within that region):

- (1) allocates the AARR for *prescribed transmission services* provided by that provider to:
 - (i) the *categories of prescribed transmission services* for that provider; and
 - (ii) *transmission network connection points of Transmission Customers and to Transmission Network Service Providers in interconnected regions; and*
- (2) determines the structure of the prices that a *Transmission Network Service Provider* may charge for each of the *categories of prescribed transmission services* for that provider.

[11] Clause 6A.24.1 Pricing methodologies generally

After clause 6A.24.1(b), insert:

- (ba) In addition to complying with any other requirements under this Chapter 6A, the *pricing methodology* of a *Transmission Network Service Provider* that is the *Co-ordinating Network Service Provider* for a *region* must provide for:
 - (i) the allocation of the AARR and of the ASRR, for *prescribed transmission services* provided by *Transmission Network Service Providers* whose *transmission networks* are located in that *region*;
 - (ii) the setting of the prices for the services referred to in clause 6A.23.4(b)(4), (6) and (8); and
 - (iii) such other matters as are required for the purposes of clause 6A.23.3.

[12] Clause 6A.24.1 Pricing methodologies generally

After clause 6A.24.1(d), insert:

- (da) Where this Chapter 6A provides that a matter is to be determined in accordance with the *pricing methodology* of a *Transmission Network Service Provider* who is the *Co-ordinating Network Service Provider* for a *region*, then no other *pricing methodology* applies in relation to that matter.

[13] Clause 6A.25.2 Contents of pricing methodology guidelines

In clause 6A.25.2(c), after "*postage stamp basis*", insert "(for both *Transmission Customers* and *Transmission Network Service Providers* in *interconnected regions*)".

[14] Clause 6A.25.2 Contents of pricing methodology guidelines

In clause 6A.25.2(c), omit "adjusted".

[15] Clause 6A.25.2 Contents of pricing methodology guidelines

In clause 6A.25.2(c), omit the first occurring ";" and substitute ":".

[16] Clause 6A.25.2 Contents of pricing methodology guidelines

In clause 6A.25.2(d), omit "and" where lastly occurring.

[17] Clause 6A.25.2 Contents of pricing methodology guidelines

Omit clauses 6A.25.2(e) and substitute:

- (e) those parts (if any) of a proposed *pricing methodology* or the information accompanying it, that will not be publicly disclosed without the consent of the *Transmission Network Service Provider*; and
- (f) the matters which *pricing methodologies* for *Transmission Network Service Providers* that are *Co-ordinating Network Service Providers* must include in relation to:
 - (1) the adjustment of components of the *ASRR* as contemplated by clause 6A.23.3; and
 - (2) the developing of the prices referred to in clause 6A.23.4(b)(4), (6) and (8).

[18] Clause 6A.26.1 Agreements for prudent discounts for prescribed transmission services

Omit clause 6A.26.1(d) and substitute:

- (d) Subject to this clause 6A.26.1, a *Transmission Network Service Provider* who agrees to charge a beneficiary reduced charges may recover the difference between the revenue that would be recovered by the application of the maximum prices referred to in paragraph (a) and the reduced charges (the **discount amount**) from *Transmission Customers* through charges for either or both:

- (1) the *adjusted non-locational component* of *prescribed TUOS services*; and
- (2) the *adjusted common ASRR component* of *prescribed common transmission services*,

in accordance with the provider's *pricing methodology*.

[19] Clause 6A.26.1 Agreements for prudent discounts for prescribed transmission services

In clause 6A.26.1(f), after “the discount amount” where firstly occurring, insert “through the charges referred to in subparagraphs (d)(1) and (2)”.

[20] Clause 6A.26.1 Agreements for prudent discounts for prescribed transmission services

In clause 6A.26.1(g), omit “through the charges for” and substitute “through charges to *Transmission Customers* for”.

[21] Rule 6A.27 Billing process

At the end of rule 6A.27, insert a new clause 6A.27.6 as follows:

6A.27.6 Billing of load export charges

Rule 6A.27 does not apply to the process of billing *load export charges*, which is regulated under Rule 6A.29A.

[22] Clause 6A.27.1 Billing for prescribed transmission services

Omit clause 6A.27.1(a) and substitute:

- (a) A *Transmission Network Service Provider* must calculate the *transmission service charges* payable by *Transmission Network Users* for each *connection point* on its *transmission network* in accordance with the *transmission service prices* published under clause 6A.24.2.

[23] Clause 6A.27.2 Minimum information to be provided in network service bills

Omit clauses 6A.27.2(b)(1) and 6A.27.2(b)(2) and substitute:

- (1) charges for the *adjusted locational component* and the *adjusted non-locational component* of *prescribed TUOS services*;

- (2) charges for the *adjusted common ASRR component* of *prescribed common transmission services*.

[24] Clause 6A.27.4 Payments between Transmission Network Service Providers

At the end of the heading for clause 6A.27.4, insert “in the same *region*”.

[25] Clause 6A.27.4 Payments between Transmission Network Service Providers

Omit clause 6A.27.4 and substitute:

- (a) A *Transmission Network Service Provider* must pay other *Transmission Network Service Providers* within the same *region* an amount of revenue equal to that which it is estimated it will collect during the following year, as charges for *prescribed transmission services* for the use of *transmission systems* owned by those other *Transmission Network Service Providers*.
- (b) The amount of any financial transfer under paragraph (a) must be determined by the *Co-ordinating Network Service Provider* and paid in 12 equal monthly instalments.

[26] Clause 6A.27.5 Calculation of financial transfers between Transmission Network Service Providers

At the end of the heading for clause 6A.27.5, insert “in the same *region*”.

[27] Clause 6A.27.5 Calculation of financial transfers between Transmission Network Service Providers

In clause 6A.27.5(a), after “another *Network Service Provider*”, insert “in the same *region*”.

[28] Clause 6A.27.5 Calculation of financial transfers between Transmission Network Service Providers

In clause 6A.27.5(b), after “by the *Co-ordinating Network Service Provider*”, insert “for the relevant *region*”.

[29] Clause 6A.29.1 Multiple Transmission Network Service Providers within a region

Omit clause 6A.29.1(a) and substitute:

- (a) If *prescribed transmission services* within a *region* are provided by more than one *Transmission Network Service Provider*, the providers within that *region* (the **appointing providers**) must appoint a *Co-ordinating Network Service*

Provider for that *region*. The *Co-ordinating Network Service Provider* is responsible for the allocation of:

- (1) all relevant *AARR* within that *region*; and
- (2) the *ASRR* for each *Transmission Network Service Provider* within that *region*.

[30] Clause 6A.29.1 Multiple Transmission Network Service Providers within a region

In clause 6A.29.1(e), omit “the proper performance of the coordination function” and substitute “the *Co-ordinating Network Service Provider* to properly perform its functions under this Part J.”

[31] Clause 6A.29.2 Single Transmission Network Service Provider within a region

Omit clause 6A.29.2 and substitute:

If *prescribed transmission services* within a *region* are provided by only one *Transmission Network Service Provider*, that provider is:

- (a) the *Co-ordinating Network Service Provider* for that *region*; and
- (b) responsible for allocation of the *AARR* within that *region*, and its *ASRR*, in accordance with this Part J.

[32] Clause 6A.29.3 Allocation over several regions

Omit clause 6A.29.3 in its entirety, including the heading, and substitute “[Deleted]”.

[33] New Rule 6A.29A Load export charges

After rule 6A.29, insert:

6A.29A Load export charges

This rule sets out the arrangements for the calculation, invoicing and payment of *load export charges*.

6A.29A.1 Calculation and billing of load export charges

- (a) A *Co-ordinating Network Service Provider* for a *region* must calculate the *load export charges* payable by the *Co-ordinating Network Service Provider* for the *interconnected region*, in accordance with clause (b).
- (b) The *load export charges* payable by a *Co-ordinating Network Service Provider* in an *interconnected region* for a *regulatory year* comprise the sum of.

- (1) the *locational component* of *prescribed TUOS services*;
- (2) the *non-locational component* of *prescribed TUOS services*;
and
- (3) the *common ASRR component* of *prescribed common transmission services*.

payable by each *Transmission Network Service Provider* in the *interconnected region* (in aggregate) for the *prescribed TUOS services* and *prescribed common transmission services* provided to it by a *Transmission Network Service Provider* in the *importing region*, calculated in accordance with the *transmission services prices* published under clause 6A.24.2 ("**load export charges**").

- (c) The *Co-ordinating Network Service Provider* referred to in paragraph (a) must issue a bill for the *load export charges* to the *Co-ordinating Network Service Provider* for the *interconnected region*.
- (d) *Co-ordinating Network Service Providers* may agree to such terms and conditions for billing as they consider appropriate.
- (e) Each *Transmission Network Service Provider* whose *transmission network* is located in the *region* of the *Co-ordinating Network Service Provider* referred to in paragraph (a) must provide that *Co-ordinating Network Service Provider* with such information as it reasonably requires to calculate the amounts referred to in paragraph (a) and to issue the bills referred to in paragraph (b) with the information referred to in clause 6A.29A.2.

6A.29A.2 Minimum information to be provided in bills

The following is the minimum information that must be provided with a bill issued by a *Co-ordinating Network Service Provider* for a *region* to the *Co-ordinating Network Service Provider* for an *interconnected region* under clause 6A.29A.1:

- (a) the period to which the bill relates;
- (b) the total charge for the *locational component* of *prescribed TUOS services*;
- (c) the total charge for the *non-locational component* of *prescribed TUOS services*;
- (d) the total charge for the *common ASRR component* of *prescribed common transmission services*; and
- (e) reasonable details of the calculation of the charges referred to in paragraphs (b), (c) and (d).

6A.29A.3 Obligation to pay load export charges

A *Co-ordinating Network Service Provider* must pay the amount properly charged and billed to it for *load export charges* by the date specified in the bill.

6A.29A.4 Provision of estimated load export charges

- (a) The *Co-ordinating Network Service Provider* for a *region* must provide to the *Co-ordinating Network Service Provider* for an *interconnected region* its estimate of the *load export charges* payable by each *Transmission Network Service Provider* in the *interconnected region* for the following *regulatory year*, in accordance with paragraph (b).
- (b) The estimate referred to in paragraph (a) must be provided prior to 15 May each year, on a date to be agreed by the relevant *Co-ordinating Network Service Providers*, and must include separate estimates of:
 - (1) the total charge for the *locational component* of *prescribed TUOS services*;
 - (2) the total charge for the *non-locational component* *prescribed TUOS services*; and
 - (3) the total charge for the common ASRR component of *prescribed common transmission services*.
- (c) A *Transmission Network Service Provider* must provide a *Distribution Network Service Provider* with any relevant estimates which that *Distribution Network Service Provider* (acting reasonably) requests.

6A.29A.5 Billing process where multiple Transmission Network Service Providers in a region

- (a) Where there is more than one *Transmission Network Service Provider* in a *region*:
 - (1) The *Co-ordinating Network Service Provider* must calculate the charges payable by each *Transmission Network Service Provider* in that *region* for *prescribed transmission services*, in accordance with the *transmission service* prices published under clause 6A.24.2; and
 - (2) The *Co-ordinating Network Service Provider* must issue a bill to each *Transmission Network Service Provider* in that *region* in accordance with this clause.

- (b) The following is the minimum information that must be provided with a bill issued under this clause 6A.29.5:
- (1) the period to which the bill relates;
 - (2) the total charge for the *locational component of prescribed TUOS services*;
 - (3) the total charge for the *non-locational component of prescribed TUOS services*;
 - (4) the total charge for the *common ASRR component of prescribed common transmission services*; and
 - (5) reasonable details of the calculation of the charges referred to in paragraphs (b), (c) and (d).

6A.29A.6 Obligation to pay charges for prescribed transmission services

A Transmission Network Service Provider must pay charges for *prescribed transmission services* properly charged and billed to it by the date specified in the bill.

[34] Clause S6A.3.3 Modified CRNP methodology

In clause S6A.3.3(3) omit "pre-adjusted".

Schedule 2 Amendments of the National Electricity Rules

(Clause 4)

[1] Chapter 10 Substituted definitions

In Chapter 10, substitute the following definitions in alphabetical order:

prescribed common transmission services

Prescribed transmission services that provide equivalent benefits to:

- (a) all *Transmission Customers* who have a *connection point* with the relevant *transmission network* without any differentiation based on their location within the *transmission system*; and
- (b) *Transmission Network Service Providers* in *interconnected regions*, without any differentiation based on the location of their direct or indirect *connection* or *interconnection* with the relevant *transmission system*.

prescribed TUOS services or prescribed transmission use of system services

Prescribed transmission services that are not *prescribed common transmission services*, *prescribed entry services* or *prescribed exit services*, and that provide specific benefits to:

- (a) *Transmission Customers* who have a *connection point* with the relevant *transmission network*, based on the location of that *connection point* within the *transmission system*; and
- (b) *Transmission Network Service Providers* who have a direct or indirect *connection* or an *interconnection* with the relevant *transmission network*, based on the location of that *connection* or *interconnection* within the relevant *transmission system*.

[2] Chapter 10 New definitions

In Chapter 10, insert the following new definition in alphabetical order:

adjusted common ASRR component

The adjusted common *ASRR* component of *prescribed common transmission services* as set out in clause 6A.23.3(e).

adjusted locational component

The adjusted locational component of *prescribed TUOS services* as set out in clause 6A.23.3(ca).

adjusted non-locational component

The adjusted non-locational component of *prescribed TUOS services* as set out in clause 6A.23.3(ca).

common ASRR component

The common *ASRR* component of *prescribed common transmission services* as set out in clause 6A.23.3(e).

load export charges

Charges payable to the *Co-ordinating Network Service Provider* in a *region* by a *Co-ordinating Network Service Provider* in an *interconnected region*, as calculated under clause 6A.29.A.1.

locational component

The locational component of *prescribed TUOS services* as set out in clause 6A.23.3(c).

non-locational component

The non-locational component of *prescribed TUOS services* as set out in clause 6A.23.3(c).

notional interconnector

The representation of all *transmission lines* that connect the *transmission networks* between *interconnected regions*.

Schedule 3 Savings and Transitional Amendments to the National Electricity Rules

(Clause 5)

[1] Chapter 11 Savings and transitional arrangements

After rule [11.XX], insert:

Part XX Inter-regional transmission network services

11.XX Rules consequent on the making of the National Electricity Amendment (Inter-regional Transmission Network Services) Rule 2010

11.XX.1 Definitions

For the purposes of this rule [11.XX]:

Amending Rule means the National Electricity Amendment (Inter-regional Transmission Network Services) Rule 2010.

commencement date means the date on which the *Amending Rule* commenced operation.

Powerlink means the Queensland Electricity Transmission Corporation Limited (ACN 078 849 233), trading as Powerlink Queensland.

regulatory year 1 means the *regulatory year* commencing on the *commencement date*.

regulatory year 2 means the *regulatory year* immediately following *regulatory year 1*.

regulatory year 3 means the *regulatory year* immediately following *regulatory year 2*.

11.XX.2 Scope and application of this rule

Subject to clause 11.xx.3, the *Amending Rule* applies from the *commencement date*, despite any other provision of the *Rules* applicable to the pricing, charging and billing arrangements of relevant *Transmission Network Service Providers* during its current *regulatory control period*.

11.XX.3 Commencement of overs and unders adjustment provision

- (a) Clause 6A.23.3(g) will apply from the start of *regulatory year 3*.
- (b) During *regulatory year 1* and *regulatory year 2*, the extent of the over or under recovery in respect of any of the amounts referred to

in clause 6A.23.3(f) must be calculated in accordance with the method set out in the relevant *Transmission Network Service Provider's pricing methodology* approved under clause 11.xx.5(g).

11.XX.4 Pricing methodology guidelines

- (a) By no later than 26 August 2011, the AER must, in accordance with the *Transmission Consultation Procedures*, amend the *pricing methodology guidelines* to give effect to the *Amending Rule*.
- (b) The amended *pricing methodology guidelines* replace the original *pricing methodology guidelines* from the date of the AER's notice of the making of a final decision on the amended *pricing methodology guidelines* (or such other date as stated in that notice).

11.XX.5 Revised pricing methodologies

- (a) Despite clause 6A.24.1(f), a *Transmission Network Service Provider* must update its *pricing methodology* to:
 - (1) comply with the requirements of (and contain or be accompanied by, such information as is required by) the amendments made to the *pricing methodology guidelines* under clause 11.xx.2; and
 - (2) set out the *Transmission Network Service Provider's* process for calculating overs and unders for *regulatory year 1* and *regulatory year 2*.
- (b) A *Transmission Network Service Provider* must submit its proposed updated *pricing methodology* and all relevant information to the AER by no later than 28 October 2011.
- (c) Clauses 6A.11.1, 6A.11.2, 6A.11.3, 6A.14.3(g) and 6A.14.3(h) apply to such proposed updated *pricing methodology* and all references in those clauses to "proposed *pricing methodology*" are deemed to include a proposed updated *pricing methodology* submitted in accordance with clause 11.xx.3(b).
- (d) Despite paragraph (c), the time specified in the invitation to make submissions referred to in clause 6A.11.3(a)(6) in relation to a proposed updated *pricing methodology* must not be earlier than 20 *business days* after the invitation for submissions is *published* under that paragraph.
- (e) Subject to rule 6A.16(a), the AER must consider any written submissions made under rule 6A.11 and make a final decision in relation to the *Transmission Network Service Provider's* proposed updated *pricing methodology*.

- (f) The *AER* must, as soon as practicable, but no later than 60 *business days* after the relevant date referred to in clause 11.xx(b), *publish*:
 - (1) the notice of the making of the final decision; and
 - (2) the final decision, including the reasons required to be included in it.

- (g) An updated *pricing methodology* which is approved by the *AER*:
 - (1) does not affect the pricing, charging and billing arrangements of *Transmission Network Service Providers* until the *commencement date*; and
 - (2) will be deemed to be the *Transmission Network Service Provider's pricing methodology* for the purposes of the *Rules* and will replace the *Transmission Network Service Provider's original pricing methodology* from the date of its approval by the *AER* .

11.XX.5 Powerlink's Pricing Methodology

Despite clause 6A.10.1(a)(i), *Powerlink* is not required to submit a proposed *pricing methodology* relating to a *Revenue Proposal* submitted under clause 6A.10.1(a), until the *AER publishes* the amended *pricing methodology guidelines*. But it must submit that proposed *pricing methodology* and all relevant information to the *AER* by no later than 28 October 2011.
