

Cost Allocation Arrangements for Transmission Services

Response to AEMC Draft Rule
Determination

10 October 2008

Table of Contents

1.	Introduction	1
2.	Modification to eligible asset definition.....	1
3.	Modification to prescribed connection service definition	3
4.	Permitted amendments to <i>connection agreements</i>	4
5.	Connection agreements covering multiple prescribed connection services	5
6.	Connection services provided at a transmission network connection point	7
7.	Connection service alteration not requiring a change to eligible	7
8.	Changes to paragraph 11.6.11 (c).....	8
9.	Transition to negotiated transmission service	10
10.	Transitional provisions.....	12

1. Introduction

- 1.1 Grid Australia is generally supportive of the Commission's draft Rule determination.
- 1.2 In particular, Grid Australia supports the adoption by the Commission of 'Option 3' (Alternative services option') subject to the amendments and comments outlined in this response.

2. Modification to eligible asset definition

- 2.1 Grid Australia considers that the definition of 'eligible asset' should refer to a *transmission network connection point* rather than a *connection point* for the reasons outlined in this section 2.
 - 2.2 A transmission network connection point is a connection point (i.e. an agreed point of supply established between a Transmission Network Service Provider and a Transmission Network User) on a transmission network.
 - 2.3 This would normally be the point at which the *connection assets* are physically connected to the *network assets* because a *network* (by definition) excludes *connection assets*.
 - 2.4 Currently, the definition of 'eligible asset' only refers to a *connection point*. Whilst this would include a *transmission network connection point*, it could also be argued under the definition to refer to the point of physical connection or interface between the *Transmission Network Service Provider's assets* and the *Transmission Network User's assets*.
 - 2.5 Connection agreements are long term arrangements, many of which were entered into prior to the commencement of the NEM. Grid Australia understands that some *connection agreements*:
 - (a) are explicit that the connection point is the transmission network connection point;
 - (b) others define the point of physical connection or interface between the *Transmission Network Service Provider's assets* and the *Transmission Network User's assets* as the agreed *connection point* for the purposes of the *connection agreement*; and
 - (c) others do not expressly define the related *transmission network connection point* (however, this is implicit from the definitions of *connection assets* and *network assets*).
 - 2.6 Grid Australia considers that the words used in the current definition of 'eligible asset' could lead to unintended consequences.
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- 2.7 For example, there currently exist situations where two Transmission Network Users are connected to the transmission network via common transmission network connection points using a combination of shared and fully dedicated connection assets.
- 2.8 If the term *connection point* was used to determine the eligible assets in this case, the shared *connection assets* could potentially be excluded from the definition of 'eligible assets' because those shared *connection assets* would not be wholly and exclusively used by the *Transmission Network Service Provider* to provide a *connection service* to a *Transmission Network User* or a group of *Transmission Network Users* at a single *connection point*.
- 2.9 Under this scenario, a separate *connection service* would be provided to each *Transmission Network User* at its dedicated *connection point* (being the point of physical connection or interface between the *connection assets* and the *Transmission Network User's* assets).
- 2.10 Only existing assets which are wholly and exclusively used to provide this separate *connection service* to the relevant *Transmission Network User* at its *connection point* would be eligible assets under the currently proposed definition (i.e. existing assets used to provide *connection services* to different *Transmission Network Users* at different *connection points* could not be eligible assets).
- 2.11 The use of the term *transmission network connection point* in the definition of 'eligible asset' would also make it easier to deal with the potential problem outlined in section 4 below relating to the operation of paragraph (3) of the definition of prescribed connection services where a *connection agreement* covers multiple *transmission network connection points*.
- 2.12 Grid Australia also notes that the term *transmission network connection point* is used in Part J of new Chapter 6A when:
- (a) determining the attributable connection point cost share for prescribed entry services and prescribed exit services; and
 - (b) allocating the annual service revenue requirement for each category of prescribed transmission services.
- 2.13 It therefore seems appropriate for the same term to be used in the definition of 'eligible asset'.
- 2.14 If the term '*transmission network connection point*' is used in the definition of 'eligible asset', we think it would make more sense to refer to providing '*... connection services to a Transmission Network User or group of Transmission Network Users in relation to a transmission network connection point.*'
- 2.15 If these comments are applied, the definition of 'eligible asset' would be amended to read as follows:

'eligible asset' means:

- (1) an existing asset which was immediately before the commencement date, or was or is when first commissioned after the commencement date, wholly and exclusively used by a *Transmission Network Service Provider* to provide *connection services* to a *Transmission Network User* or a group of *Transmission Network Users* in relation to a *transmission network connection point*; and
- (2) a replacement asset which is wholly and exclusively used after the commencement date by a *Transmission Network Service Provider* to continue providing *connection services* to a *Transmission Network User* or a group of *Transmission Network Users* in relation to a *transmission network connection point*,

and excludes an existing asset or a replacement asset to the extent that it ceases to be used after the commencement date to provide *connection services* to a *Transmission Network User* or a group of *Transmission Network Users* in relation to a *transmission network connection point*.¹

3. Modification to prescribed connection service definition

- 3.1 Grid Australia agrees with the assessment criteria¹ which the Commission has adopted for the purpose of evaluating the options for grandfathering. In particular, Grid Australia agrees that new clause 11.6.11 should provide a clear and practical trigger for the end of the grandfathering provision.
- 3.2 However, Grid Australia submits that there exists some scope for further clarification concerning the trigger for the end of the grandfathering provision.
- 3.3 In particular, the final Rule Determination should make it clear that:
 - (a) **(see section 4 below)** - a *connection agreement* can be amended without triggering the end of the grandfathering provision provided that the amendment:
 - (i) does not alter the *connection service*; **and**
 - (ii) was not requested by the *Transmission Network User*;
 - (b) **(see section 5 below)** - only the *connection service* which is being altered at the request of the *Transmission Network User* will cease to be a prescribed connection service and becomes a *negotiated transmission service* (i.e. any other *connection services* which are being provided under

¹ Discussed in section 4.4.3 of the draft Rule determination.

that *connection agreement* will continue to be treated as prescribed connection services);

- (c) (see section 5 below) - the entire altered *connection service* (i.e. the original *connection service* plus any requested alteration to that *connection service*) will cease to be a prescribed connection service and will become a *negotiated transmission service*;
- (d) (see section 6 below) - the definition is referring to a *connection service* provided by a *Transmission Network Service Provider* to a *Transmission Network User* in relation to a *transmission network connection point* (i.e. to be consistent with the proposed amendment to the definition of 'eligible asset' and to accommodate the situation where, for example, the *generating units* making up a *power station* are *connected* to the *transmission network* via the same *transmission network connection point* but have different *connection points*); and
- (e) (see section 7 below) - a request by a *Transmission Network User* to alter a *connection agreement* for the purpose of altering a prescribed connection service being provided under that *connection agreement* should not trigger the end of the grandfathering provision if the altered *connection service* can be provided using only the eligible assets.

4. Permitted amendments to *connection agreements*

4.1 The Commission in discussing Option 3 indicated² that:

'The expiry of the *connection agreement* will trigger the end of grandfathering of the *connection service*. Extensions of such an agreement on **the same terms and conditions** (emphasis added) beyond the existing term would not be considered an expiry of an agreement. In such cases the grandfathering would continue.'

4.2 The Commission also said³:

'A customer initiated change to a *connection service* requiring negotiation of new or additional services under an existing *connection agreement* would also constitute an end to grandfathering of the total service (this is a variant from option 2). The amended service would be treated as a request for a *negotiated connection service*.'

4.3 It follows that:

² See the second to last dot point on page 26 of the draft Rule determination.

³ See the last dot point on page 26 of the draft Rule determination.

- (a) An expiry of a *connection agreement* will trigger the end of grandfathering.
 - (b) An extension of the existing term of a *connection agreement* on the **same terms and conditions** will not be considered an expiry, and hence will not trigger the end of grandfathering.
 - (c) A customer initiated change involving any new or additional *connection services* will trigger the end of grandfathering.
- 4.4 However, it is also commonplace for *connection agreements* to be amended by agreement between the parties from time to time for a variety of other reasons (for example, for non-service related commercial reasons or in order to reflect regulatory changes). These amendments would usually not involve any change to the scope of the *connection services* which are being provided under those agreements.
- 4.5 Grid Australia submits that the Draft Rule should be amended to provide express clarification that an amendment to a *connection agreement* under which a grandfathered *connection service* is being provided will only trigger the end of grandfathering if the amendment is related to a request by the relevant *Transmission Network User* to alter the scope or nature of the grandfathered *connection service* being provided under that *connection agreement*.
- 4.6 Grid Australia accepts that this is already implicit from the proposed definition of 'prescribed connection service'. However the matter would be put beyond doubt if the second paragraph of the definition of 'prescribed connection service' read:
- (2) the relevant service is being provided under a *connection agreement* which was first entered into before the commencement date (as extended, amended or novated from time to time):'
- 4.7 This change would make it clear that only an amendment to a *connection agreement* which satisfies both requirements set out in the third paragraph of the definition of 'prescribed transmission service' would result in the altered *connection service* ceasing to be a prescribed connection service

5. Connection agreements covering multiple prescribed connection services

- 5.1 We understand that a number of existing *connection agreements* would cover the provision of prescribed connection services at more than one *transmission network connection point*.
- 5.2 If the relevant *Transmission Network User* requests an alteration to one of these prescribed connection services, Grid Australia understands that the grandfathering provision will only cease in relation to the altered prescribed connection service.

5.3 Grid Australia understands this to be consistent with the Commission's intent⁴. However, in order to assist the future administration of this process, Grid Australia requests that the Commission confirm the following understanding in its final Rule determination.

5.4 That is, where:

- (a) a Transmission Network Service Provider is providing prescribed connection services to a Transmission Network User at a number of different transmission network connection points⁵ under a single connection agreement; and
- (b) the Transmission Network User requests the Transmission Network Service Provider to amend that connection agreement for the purpose of altering prescribed connection services at only one of those transmission network connection points,

then:

- (c) the grandfathering provision will only cease to apply in relation to the altered *connection service*; and
- (d) the entire altered *connection service* (i.e. the original prescribed connection service plus the requested alteration to that service) will be treated as a *negotiated transmission service*; and
- (e) the request by the *Transmission Network User* to amend the *connection agreement* to alter the original prescribed connection service will be treated as a request for the provision of a new *negotiated transmission service* (being the original prescribed connection service plus the requested alteration to that service) for the purposes of Rule 5.3 and Chapter 6A (in particular, clauses 6A.1.2 and 6A.1.3 and Parts D and K of Chapter 6A).

⁴ See the last dot point on page 26 of the draft Rule determination where the Commission said '... A customer initiated change to a *connection service* requiring negotiation of new or additional services under an existing *connection agreement* would also constitute an end to grandfathering of the total service (this is a variant from option 2). The amended service would be treated as a request for a *negotiated connection service*.'

⁵ For example, several generating stations connected at diverse locations across the network.

6. Connection services provided at a transmission network connection point

6.1 The first paragraph of the definition of 'prescribed connection service' should be amended to refer to:

'....a connection service provided by a Transmission Network Service Provider to a Transmission Network User in relation to a transmission network connection point'.

6.2 This is consistent with the proposed amendment to the definition of 'eligible asset'.

6.3 This amendment would also cover the situation where, for example, the *generating units* making up a *power station* are *connected* to the *transmission network* via the same *transmission network connection point(s)* but have different *connection points*.

6.4 In this case, the *connection services* for the *power station* would be treated as a single prescribed connection service and any request by the *Transmission Network User* to alter that service would trigger the end of the grandfathering provision in relation to all of the *connection services* being provided to that *Transmission Network User* for that *power station* in relation to the relevant *transmission network connection point(s)*.

7. Connection service alteration not requiring a change to eligible

7.1 If:

- (a) the *Transmission Network User* requests the *Transmission Network Service Provider* to amend its *connection agreement* for the purpose of altering a prescribed connection service (for example, where a *Transmission Customer* requests an increase in its agreed maximum demand in relation to a *transmission network connection point*); and
- (b) the altered *connection service* can be provided by the *Transmission Network Service Provider* using only the eligible assets,

Grid Australia considers that it would be inconsistent with the Commission's assessment criteria for this alteration to end the grandfathering provision in relation to the relevant *connection service*.

7.2 This situation would only arise if the relevant *connection agreement* did not already include a provision dealing with:

- (a) the *Transmission Customer's* right to request an increase in agreed maximum demand; and

- (b) the *Transmission Network Service Provider's* obligation to grant this increase if the increase could be accommodated without modifying the relevant *connection assets*.

7.3 If the relevant *connection agreement* already contained a provision dealing with this issue (which would usually be the case), then:

- (a) no amendment to the *connection agreement* would be required in order to alter the level of the relevant *connection service*; and
- (b) the trigger for the end of the grandfathering in relation to that *connection service* would not be satisfied in any case.

7.4 Given the significant consequences which arise from the activation of this trigger Grid Australia believes that the definition of prescribed connection service should be amended as follows:

- (a) paragraph (3) should be amended to read:

'(3) the *connection agreement* has not been amended at the request of the *Transmission Network User* for the purpose of altering the relevant service;'

- (b) the following words should be added at the end of the definition of prescribed connection service:

'For the purpose of this definition, a request by a *Transmission Network User* to alter a relevant service provided under a *connection agreement*, will not be treated as a 'request of the *Transmission Network User* for the purpose of altering the relevant service' if the alteration to the relevant service can be effected without any material alteration to the eligible assets.'

8. Changes to paragraph 11.6.11 (c)

8.1 Grid Australia submits that the following amendments should be made to paragraph (c) of new clause 11.6.11 in order to ensure consistency with Grid Australia's proposed amendments to the definitions of 'eligible asset' and 'prescribed connection service' outlined in sections 2 to 7 above:

'For the purposes of new Chapter 6A:

- (1) the *transmission system* assets that, from time to time, may be treated as directly attributable to providing a prescribed connection service to a *Transmission Network User* or group of *Transmission Network Users* in relation to a *transmission network connection point* are limited to the eligible assets which, from time to time, provide that the prescribed connection service;

- (2) any costs:
- (i) in relation to an existing asset or a replacement asset (or any portion of an existing asset or a replacement asset), that is not an eligible asset (other than as a result of clause 11.6.11(d)); and
 - (ii) which but for this clause 11.6.11 would be allocated under new Chapter 6A to *connection services*,

must instead be treated as costs that are directly attributable to the provision of, or are incurred in providing, *prescribed TUOS services* and, ~~to avoid doubt, the services provided by those assets which would otherwise be negotiated transmission services~~ are taken to be *prescribed TUOS services*; and
- (3) the *stand-alone amount for prescribed TUOS services* is taken to include any portion of the costs referred to in clause 11.6.11(c)(2) that has not been allocated under clause 6A.23.2(d)(1).'

- 8.2 Grid Australia has suggested the insertion of the underlined words in paragraph (1) in order to maintain consistency with the changes to the definitions of 'eligible asset' and 'prescribed connection service'.
- 8.3 Grid Australia believes that the words at the end of paragraph (2) should be deleted because they suggest that assets which would otherwise be treated as *connection assets* for the purposes of the *Rules* will be treated as *network assets* if the cost of those assets are considered to be directly attributable to the provision of, or incurred in providing, *prescribed TUOS services* due to the operation of new clause 11.6.11(c)(2).
- 8.4 New clause 11.6.11(c)(2) is intended to operate as an exception to the general allocation rules set out in Chapter 6A for the limited purpose of ensuring that no costs remain un-recovered due to the operation of new clause 11.6.11. Grid Australia understands that it is not intended to change the classification of these assets for other purposes.
- 8.5 For example, if the *Rules* effectively provide that an asset is providing a *prescribed TUOS service* that asset must by definition be a *network asset*. This change in classification suggested by the additional words would change the treatment of this asset under a number of other clauses in the *Rules*.
- 8.6 Finally, these additional words do not add to the operative provisions of new clause 11.6.11(c)(2). Rather, they have been included to avoid doubt. As noted above, Grid Australia believes that the inclusion of these words would in fact create doubt concerning the treatment of these assets under other clauses of the *Rules*.
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9. Transition to negotiated transmission service

- 9.1 It appears from the definition of 'prescribed connection service' and the requirements of proposed paragraph (d) of new clause 11.6.11 that an altered prescribed connection service would continue to be treated (and charged for) as a prescribed connection service until the end of the *regulatory control period* in which the relevant *connection agreement* was amended.
- 9.2 The Commission has also made it clear in its draft Rule determination that the 'alternative services option' adopted in the draft Rule is simpler than the option proposed by Grid Australia '*... because the concept of divisibility of connection is not required*'⁶
- 9.3 As noted earlier, Grid Australia accepts the 'alternative services option' adopted by the Commission, but this is subject to the Commission recognising the need to accommodate short term, finite and temporary divisibility of connection services to manage a customer request for a change to a prescribed connection service within a regulatory control period. This is necessary for the following reasons.
- 9.4 To require a Transmission Network Service Provider to expend significant sums of money without giving the Transmission Network Service Provider the right to render a contemporaneous charge determined with reference to that sum would be inconsistent with the underlying objectives and principles of the Rules.
- 9.5 Alternatively, it would also be inconsistent with the underlying objectives and principles of the Rules for a *Transmission Network Service Provider* to refuse a request from a *Transmission Network User* to provide a *negotiated transmission service* until the commencement of the next *regulatory control period*.
- 9.6 Grid Australia considers that the underlying objectives and principles of the Rules would be best achieved by allowing *Transmission Network Service Providers* and *Transmission Network Users* to negotiate the terms upon which any additional *negotiated transmission service* will be provided during the balance of *regulatory control period*.
- 9.7 This would be consistent with the *Cost Allocation Principles* set out in clause 6A.19.2(7) because these would be new costs and therefore would not have been previously allocated to *prescribed transmission services*.
- 9.8 It would also be consistent with the Commission's comments concerning the complexities associated with the divisibility of services approach suggested by Grid Australia in its Supplementary Submission.

⁶ AEMC Draft Rule Determination, p27.

- 9.9 Rather, the relevant prescribed connection service would still transition to a *negotiated transmission service* at the end of the *regulatory control period* in which the *connection agreement* is amended. However, the *Transmission Network Service Provider* would be entitled to charge a negotiated price for the provision of the additional interim *negotiated transmission service* being providing during the balance of that *regulatory control period* based on the costs of the upgraded or new assets.
- 9.10 The necessity to accommodate a divisible *connection service* is a short term, finite and temporary transitional requirement. A divisible *connection service* would be provided in relation to the relevant *transmission network connection point* only during the balance of the relevant *regulatory control period*, consisting of the original prescribed connection service and the new additional interim *negotiated transmission service*.
- 9.11 At the commencement of the next regulatory control period the total connection service will be treated as a negotiated transmission service.
- 9.12 The rights and interests of the *Transmission Network User* would be protected by the requirements of Part D of Chapter 6A, and in particular the *Negotiated Transmission Services Principles*. Under these principles, it would not be possible for the price for the interim *negotiated transmission service* to be based on the costs incurred in providing the original prescribed connection service.
- 9.13 In this way, 'double dipping' would not be possible.
- 9.14 The adoption of this approach would not require any amendment to the *Cost Allocation Principle* set out in clause 6A.19.2(7). Rather, new clause 11.6.11(d)(2) would be sufficient to enable the *Transmission Network Service Provider* to negotiate a price for the *negotiated transmission service*, with this price charged from the commencement of the service, but with appropriate recognition of prescribed prices that would apply to the original service. In effect this would mean that:
- (a) During the regulatory control period in which the *negotiated transmission service* is agreed, the *negotiated transmission service* price will be:
 - (i) partially recovered from the revenue allowance, based on the price for the original prescribed service; and
 - (ii) partially recovered outside the revenue allowance, to recover the balance of the *negotiated transmission service* price.
 - (b) During the next regulatory control period, costs associated with the *negotiated transmission service* will not be included in the revenue cap, and no prescribed charges will be levied for the service.
- 9.15 Grid Australia considers that the above approach can be implemented without any changes to the Commission's draft Rule. However, for the avoidance of doubt,

Grid Australia requests that the Commission make clear in its final Rule determination the need to accommodate a short term, finite and temporary divisibility of connection services to manage a customer request for a change to a prescribed connection service within a regulatory control period.

10. Transitional provisions

- 10.1 Grid Australia in its Supplementary Response to the NGF's Rule change proposal dated 9 July 2008 submitted that if the Commission decided to make a proposed Rule (whether that be the Rule proposed by the NGF, Grid Australia's alternative Rule proposal, or another Rule) there would be a need for further transitional or consequential provisions to be included in the amending Rule to deal with consequential matters relating to:
- (a) the transition from the 'old' clause 11.6.11 to a 'new' clause 11.6.11; and
 - (b) the fact that 'old' clause 11.6.11 has governed the way in which certain aspects of new Chapter 6A have been applied since 16 November 2006.
- 10.2 Grid Australia did not propose transitional or consequential provisions as part of its earlier Supplementary Response to the NGF's Rule change proposal because the substantive content of these was dependent on the content of the Rule which the Commission proposed to make.
- 10.3 Having now considered the Draft Rule, Grid Australia submits that there is a need for further transitional or consequential provisions beyond those provided for in the Draft Rule (which is limited to paragraph (d) of the 'new' clause 11.6.11).
- 10.4 Current clause 11.6.11 is itself a transitional or consequential provision which forms part of the wider rules set out in clause 11.6 (which wider rules were made by the National Electricity Amendment (Economic Regulation of Transmission Services) Rule 2006 – the 'Amending Rule 2006').
- 10.5 The Amending Rule 2006 took effect on the 'commencement date'⁷, namely 16 November 2006.
- 10.6 The Draft Rule takes the form of omitting the existing clause 11.6.11 and substituting a new clause 11.6.11. It should therefore follow that 'new' clause 11.6.11 will be treated as having operated from the time the Amending Rule 2006 was made (i.e. from 16 November 2006).
- 10.7 However, existing clause 11.6.11 has applied during the intervening period and has impacted upon certain decisions made by *Transmission Network Service Providers* and the *AER* during that period.

⁷

Defined in Clause 11.6.1

- 10.8 In particular, the *revenue determinations* made by the *AER* since the commencement date have not uniformly dealt with the allowance which should be made for the replacement of 'prescribed connection service' assets (i.e. the proposed replacement of assets which are currently used to provide *connection services* intended to be grandfathered under existing clause 11.6.11).
- 10.9 In some *revenue determinations* made by the *AER* since the commencement of existing clause 11.6.11, no allowance has been made for the forecast cost of replacing such 'prescribed connection service' assets.
- 10.10 This outcome flowed from comments made by the Commission in its Rule Determination of 16 November 2006⁸ to the effect that it would be appropriate for any replacement or reconfiguration of a connection asset grandfathered as providing *prescribed transmission services* to be treated as a 'negotiated service asset'.
- 10.11 This outcome is now inconsistent with the intent of the Draft Rule. That is, an existing service will remain a 'prescribed connection service' even if some or all of the eligible assets which are used to provide the 'prescribed connection services' are replaced on a like for like basis.
- 10.12 The effect of the adoption of the Draft Rule would be that this approach will now be deemed to have existed from the commencement date of 16 November 2006.
- 10.13 Grid Australia submits therefore that a further transitional provision needs to be included in the Draft Rule in order to give effect to this intention. This further transitional provision should give an affected *TNSP* the right to elect to 're-open' a *revenue determination*, a *Revenue Proposal* or any other process under Chapter 6A which has been made or has occurred since 16 November 2006 for the express purpose of requiring the *AER* to:
- (a) consider what allowance (if any) should be made for the replacement of eligible assets used to provide 'prescribed connection services'; and
 - (b) reopen and deal with those processes as if new clause 11.6.11 applied at the time the original processes were undertaken.
- 10.14 A proposed draft of this further transitional provision is attached.

⁸ AEMC Rule Determination – Economic Regulation of Transmission Services Rule 2006 No. 18, 16 November 2006, paragraph 5.3.1.4.

Attachment: Proposed Additional Transitional Provision

11.6.23 Transitional provision on substitution of new clause 11.6.11

- (a) In this clause 11.6.23:

Amending Rule 2008 means the National Electricity Amendment (Cost Allocation Arrangements for Transmission Services) Rule 2008;

Amending Rule 2008 commencement date means the date on which the Amending Rule 2008 commences operation;

new clause 11.6.11 means clause 11.6.11 as substituted by the Amending Rule 2008;

- (b) Notwithstanding anything to the contrary in new Chapter 6A (including any guidelines referred to in new Chapter 6A):

(i) a *Transmission Network Service Provider* will be entitled (during the 40 *business day* period following the Amending Rule 2008 commencement date) to amend, add to or update any proposal, methodology or other information which was submitted by, or on behalf of, that *Transmission Network Service Provider* to the *AER* under or in accordance with any procedure or requirement referred to in new Chapter 6A prior to the Amending Rule 2008 commencement date to the extent that that proposal, methodology or other information may have been different if new clause 11.6.11 had applied at the time it was prepared and submitted; and

(ii) the *AER* must take into account any proposal, methodology or other information which is submitted by a *Transmission Network Service Provider* under clause 11.6.23(b)(i) as if:

(A) new clause 11.6.11 applied at the time the original proposal, methodology or other information was prepared and submitted to the *AER*; and

(B) the proposal, methodology or other information submitted by a *Transmission Network Service Provider* under clause 11.6.23(b)(i) had been submitted to the *AER* at the same time as the original proposal, methodology or other information was prepared and submitted to the *AER*.

- (c) Despite clause 6A.7.1(a) (1) to (7) inclusive, the making of Amending Rule 2008 will be deemed to be an event which satisfies each of the matters referred to in clause 6A.7.1(a).

- (d) For the avoidance of doubt and despite clause 11.6.9 and clause S6A.2.1(f), in making a *revenue determination* for the first *regulatory control period* after the commencement date:
- (i) the value of the regulatory assets base at the beginning of the first *regulatory year* of that period will be calculated as if new clause 11.6.11 had applied as at the commencement date; and
 - (ii) the *AER* must make or modify any calculations which have been made or are being made for the purpose of making a *revenue determination* for the first *regulatory control period* as if new clause 11.6.11 had applied immediately prior to the time when that calculation was first made or modified.