

Appendix C

Clause 5 (1) (b)

Maximum Notional Revenue for the period 1 April 2005 to 31 March 2006.

The notional revenue of a distribution business at any time during an assessment period is not to exceed the greater of the notional revenue of the distribution business at the assessment date on which that assessment period ends and the notional revenue of the distribution business at the previous assessment date.

Individual Line Charge Customers - These customers generally have contract capacities in excess of 100kVA. These customers have individual profiles which are assessed each year and are used to calculate their individual line charge. There are six profile parameters which the line charges are derived from, these are: The Contract Capacity (kVA), Winter Peak Demand (kVA), Winter Peak Energy (MWh), Winter Day Energy (MWh), Summer Day Energy (MWh), and Total Energy (MWh). Please refer to the Line Pricing Methodology on the PowerNet website for further details. To obtain notional revenue for each of the periods, the individual profile for each customer as at 31 March 2003 was inserted in the pricing model for each of the review years, this allowed us to generate comparable line charges using consistent quantities.

$$\Sigma P_{MAX} Q_{i-K}$$

$\Sigma P_{max} Q_i$:

Total Group Customers Fixed & Variable Charges	Refer to schedule A for detail	\$	23,007,424
Total Individual Line Charges	Refer to schedule A for detail	\$	6,141,610
$\Sigma P_{2006} Q_i$		\$	29,149,034

K_{2006}

Transmission (31 March 2006)	\$	7,108,378.41
Rates (31 March 2006)	\$	141,502.83
Electricity Commission Levies (31 March 2006)	\$	68,374.02
$NR_{2006max} = \Sigma P_{2006max} Q_i - K_{2006}$		21,830,779

Term	Description	(\$)
$\Sigma P_{MAX} Q_i$	Maximum Price Between 1 April 2005 and 31 March 2006 multiplied by 31 March 2003 Base Quantities	29,149,034
K_{2006}	Transmission Charges for year ending 31 March 2006	7,108,378
	Rates Charges for year ending 31 March 2006	141,503
	Electricity Commission Levies for year ending 31 March 2006	68,374
R_{MAX}	Maximum Notional Revenue for 01/04/05 to 31/03/06	21,830,779

Notional Revenue during the period is not to exceed the maximum of the starting and ending Notional Revenue for the period		
Term	Description	(\$)
NR_{Max}	Maximum Notional Revenue for 1 April 2005 to 31 March 2006	21,830,779
NR_{2005}	Notional Revenue at 31 March 2005	18,454,706
NR_{2006}	Notional Revenue at 31 March 2006	21,830,779
$Max(NR_{2005}, NR_{2006})$	Maximum of the Notional Revenue at 31 March 2005 and the Notional Revenue at 31 March 2006	21,830,779
$NR_{Max} / Max(NR_{2005}, NR_{2006})$	If expression is greater than 1, Clause 5 (1) (b) is breached	1.0000
$Max(NR_{2005}, NR_{2006}) - NR_{Max}$	Value of Compliance or (Breach)	-