

Appendix C

Clause 5 (1) (b)

Maximum Notional Revenue for the period 1 April 2006 to 31 March 2007.

The notional revenue of a distribution business at any time during an assessment period is not to exceed the greater of the allowable 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 under this clause.

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	\$	11,599,795
Total Individual Line Charges	Refer to schedule A for detail	\$	2,221,682
$\Sigma P_{12007} Q_i$		\$	13,821,477

K_{2007}

Transmission (31 March 2007)	\$	3,674,714
Rates (31 March 2007)	\$	43,685
Electricity Commission Levies (31 March 2007)	\$	29,508
$NR_{2007max} = \Sigma P_{2007max} Q_i - K_{2007}$	\$	10,073,570

Term	Description	(\$)
$SP_{MAX} Q_i$	Maximum Price Between 1 April 2006 and 31 March 2007 multiplied by 31 March 2003 Base Quantities	13,821,477
K_{2007}	Transmission Charges for year ending 31 March 2007	3,674,714
	Rates Charges for year ending 31 March 2007	43,685
	Electricity Commission Levies for year ending 31 March 2007	29,508
R_{MAX}	Maximum Notional Revenue for 1 April 2006 to 31 March 2007	10,073,570

Notional Revenue during the period is not to exceed the maximum of the Allowable Notional Revenue at the end of the assessment period and the Allowable Notional Revenue at the end of the previous assessment period

Term	Description	(\$)
NR_{Max}	Maximum Notional Revenue for 1 April 2006 to 31 March 2007	10,073,570
R_{2006}	Allowable Notional Revenue at 31 March 2006	10,007,111
R_{2007}	Allowable Notional Revenue at 31 March 2007	10,343,891
$Max(R_{2006}, R_{2007})$	Maximum of the Allowable Notional Revenue at 31 March 2006 and the Allowable Notional Revenue at 31 March 2007	10,343,891
$NR_{Max} / Max(R_{2006}, R_{2007})$	If expression is greater than 1, Clause 5 (1) (b) is breached	0.9739
$Max(R_{2006}, R_{2007}) - NR_{Max}$	Value of Compliance or (Breach)	270,321