

Appendix C

Clause 5 (1) (b)

Maximum Notional Revenue for the period 1 April 2007 to 31 March 2008.

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	\$	2,194,475
$\Sigma P_{12008} Q_i$		\$	13,794,270

K_{2008}

Transmission (31 March 2008)	\$	3,385,021
Rates (31 March 2008)	\$	40,540
Electricity Commission Levies (31 March 2008)	\$	30,068
$NR_{2008max} = \Sigma P_{2008max} Q_i - K_{2008}$	\$	10,338,640

Term	Description	(\$)
$SP_{MAX} Q_i$	Maximum Price Between 1 April 2007 and 31 March 2008 multiplied by 31 March 2003 Base Quantities	13,794,270
K_{2008}	Transmission Charges for year ending 31 March 2008	3,385,021
	Rates Charges for year ending 31 March 2008	40,540
	Electricity Commission Levies for year ending 31 March 2008	30,068
R_{MAX}	Maximum Notional Revenue for 1 April 2007 to 31 March 2008	10,338,640

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 2007 to 31 March 2008	10,338,640
R_{2007}	Allowable Notional Revenue at 31 March 2007	10,343,891
R_{2008}	Allowable Notional Revenue at 31 March 2008	10,589,677
$Max(R_{2007}, R_{2008})$	Maximum of the Allowable Notional Revenue at 31 March 2007 and the Allowable Notional Revenue at 31 March 2008	10,589,677
$NR_{Max} / Max(R_{2007}, R_{2008})$	If expression is greater than 1, Clause 5 (1) (b) is breached	0.9763
$Max(R_{2007}, R_{2008}) - NR_{Max}$	Value of Compliance or (Breach)	251,037