

RETAILER FEED-IN TARIFF

Draft Price Determination

October 2013



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Amendment Record

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The Essential Services Commission of South Australia is the independent economic regulator of the electricity, gas, ports, rail and water industries in South Australia. The Commission's primary objective is the *protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services*. For more information, please visit www.escosa.sa.gov.au.

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1 GENERAL

1.1 Application of the Determination

- 1.1.1 For the purposes of the Electricity Act 1996, this Determination:
- (a) fixes the minimum *prescribed amount* which an *obliged retailer* must credit against the charges payable by a *qualifying customer* for the sale of electricity, for electricity fed into the distribution network in excess of the electricity used by the *qualifying customer*; and
 - (b) establishes a price monitoring regime in respect of the level, quantum and other matters relating to payments made by *obliged retailers* to *qualifying customers* for electricity fed into the distribution network in excess of the electricity used by those *qualifying customers*.

1.2 Authority

- 1.2.1 This Determination is made by the Commission under the Essential Services Commission Act 2002 pursuant to the terms of the Electricity Act 1996.

1.3 Term

- 1.3.1 This Determination takes effect on 1 January 2014 and ceases to have effect on 31 December 2014.
- 1.3.2 The term of this Determination may be varied in accordance with the provisions of Part 3 of the Essential Services Commission Act 2002.

1.4 Definitions and Interpretation

- 1.4.1 Words and phrases in *italics* in this Determination are defined in accordance with clause 4.1.
- 1.4.2 This Determination must be interpreted according to the principles in clause 4.2.

1.5 Prescribed amount GST Exclusive

- 1.5.1 In this Determination the *prescribed amount* is exclusive of GST.

1.6 Publication of the Prescribed Amount

- 1.6.1 Notice of the making of this Determination will be published by the Commission:
- (a) in the Gazette and on the Commission's website;
 - (b) in a newspaper circulating generally in the State setting out:
 - (i) the existence of the *prescribed amount*;
 - (ii) a general description of the nature and applicability of this Determination; and

(iii) advice as to how this Determination may be accessed.

1.6.2 On and from 1 January 2014, an *obliged retailer* must at all times maintain on its website (in a prominent and readily accessible position) a notice setting out the *prescribed amount*.

1.7 Collection and Use of Information

1.7.1 Any information required to be provided by the *obliged retailer* in accordance with this Determination is required by the Commission to be provided pursuant to Part 5 of the Essential Services Commission Act 2002.

2 PRESCRIBED AMOUNT

2.1 The prescribed amount

2.1.1 The *prescribed amount* fixed by this Determination is 7.6c/kWh.

2.1.2 Once the applicable *prescribed amount* is fixed by this Determination, that *prescribed amount* continues to apply until the earlier of the:

- (a) date specified in this Determination; and
- (b) at the discretion of the Commission, the date on which the Commission varies the *prescribed amount* pursuant to section 26(8) of the Essential Services Commission Act 2002 and section 35A(1) of the Electricity Act 1996.

2.2 Application of the Prescribed Amount

2.2.1 On and from 1 January 2014, an *obliged retailer* must credit the *prescribed amount* against the charges payable by a *qualifying customer* for the sale of electricity, for electricity fed into the *distribution network* in excess of the electricity used by the *qualifying customer*.

2.3 Changes to the Prescribed Amount within a Billing Cycle

2.3.1 If, during a billing cycle, the *prescribed amount* changes, the *obliged retailer* must calculate a *qualifying customer's* bill on a pro rata basis using the:

- (a) old *prescribed amount* up to and including the date of change; and
- (b) new *prescribed amount* from the date of the change to the end of the *billing cycle*.

3 PRICE MONITORING

3.1 Price Monitoring

3.1.1 The Commission will, during the period of this determination:

- (a) monitor the level, amount and other matters relating to payments, including payments at the *prescribed amount*, made by *obliged retailers* to *qualifying customers* for electricity fed into the distribution network in excess of the electricity used by those *qualifying customers*; and
- (b) publish reports from time to time on the matters monitored under clause .

3.2 Reporting Requirements

3.2.1 An *obliged retailer* must:

- (a) report to the Commission, in a manner and form specified by the Commission from time to time, any information which in the *Commission's* view it reasonably requires for the price monitoring and reporting functions under clause 3.1; and
- (b) comply with the requirements of any regulatory instrument made by the Commission from time to time for the purposes of gathering information which in the Commission's view it reasonably requires for the price monitoring and reporting functions under clause 3.1

4 DEFINITIONS AND INTERPRETATION

4.1 Definitions

For the purposes of this Determination, a word or phrase not defined below has the meaning given to it by the Electricity Act 1996.

<i>billing cycle</i>	means the regular recurrent period for which a <i>qualifying customer</i> receives a bill from an <i>obliged retailer</i> .
<i>Gazette</i>	means the South Australian Government Gazette.
<i>GST</i>	means the tax imposed under <i>GST Law</i> .
<i>GST Law</i>	has the meaning attributed in the A New Tax System (Goods and Services Tax) Act 1999, and terms related to <i>GST</i> such as “ABN”, “Input Tax Credit”, “Taxable Supply” and “Tax Invoice” have the meaning attributed in the <i>GST Law</i> .
<i>obliged retailer</i>	means the holder of a retail electricity licence issued by the <i>Commission</i> under Part 3 of the Electricity Act 1996, or the holder of a retailer authorisation issued by the Australian Energy Regulator under the National Energy

Retail Law (as the case may be) and which sells electricity to a *qualifying customer*.

prescribed amount

means the minimum amount fixed by the *Commission* that an *obliged retailer* must credit against the charges payable by a *qualifying customer* for the sale of electricity, for electricity fed into the *distribution network* in excess of the electricity used by the *qualifying customer*.

qualifying customer

means a qualifying customer (as defined in the Electricity Act 1996) which consumes less than 160MWh of electricity per annum through a connection point.

4.2 Principles of Interpretation

Unless the contrary intention appears, these principles of interpretation apply to this Determination:

- 1.1.1 Words denoting persons include corporations, unincorporated associations, firms, governments and governmental agencies.
- 1.1.2 A reference to a person includes that person's agents, successors and permitted assigns, persons who have control over any assets of a person and receivers, managers, trustees, administrators and liquidators and similar persons appointed over:
 - (a) a person; or
 - (b) any assets of a person;
- 1.1.3 Headings are only included for convenience and do not affect the interpretation of this Determination.
- 1.1.4 A reference to a clause, Chapter, Part or Schedule is to a clause, Chapter or Part of or Schedule to this Determination.
- 1.1.5 A reference to an agreement, document, regulatory instrument or part thereof is a reference to that agreement, document, regulatory instrument or part thereof as varied, replaced or substituted from time to time and includes any Schedules or attachments to the agreement, document or regulatory instrument.
- 1.1.6 A reference to legislation or regulatory instrument, or to a provision of the legislation or regulatory instrument, includes a modification, re-enactment or re-making of it, a provision substituted for it and a regulation or other statutory instrument issued under it.

- 1.1.7 The minimum *prescribed amount* fixed under this Determination must be rounded to the accuracy, in terms of the number of decimal places, required by the *obliged retailer's* charging and billing systems.



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