
PART B
- PRICE DETERMINATION -

TABLE OF CONTENTS

PART 1 - GENERAL	1
1. Application of standing contract price determination	1
2. Authority	1
3. Term	1
4. Revocation of previous price determinations	1
5. Definitions and interpretation	2
6. Collection and use of information	2
PART 2 – STANDING CONTRACT PRICES	3
7. Application of standing contract price	3
8. Standing contract price components	3
9. Standing contract price assignment	4
10. Publication of standing contract prices	4
PART 3 – STANDING CONTRACT PRICE VARIATIONS	7
11. Annual alteration of standing contract prices	7
12. Commission approval	7
13. Replacement statement	8
14. Required annual alteration	9
15. Application of annual alterations	9
16. Pass through events	9
17. Pass through application	10
18. Approval of pass through application	10
19. Relevant factors	11
20. Required pass through	12
21. Notice and application of pass through amount	13
22. Price path calculations	13
23. Altering, introducing and closing standing contract prices	13
24. Commission approval	16
25. Forecasts and estimates	17
PART 4 – TIME PERIODS AND REVIEWS	18
26. Modification of time periods	18
27. Reviews of decisions	18
PART 5 – DEFINITIONS AND INTERPRETATION	21
28. Definitions	21
29. Principles of Interpretation	26

SCHEDULE 1	Initial Standing Contract Price Schedule	28
SCHEDULE 2	Price Path Schedule	33
<hr/>		
2.A	Price Path Formula	33
2.B	Rebalancing Formula	34
2.C	CPI	35

PART 1 - GENERAL

1. Application of standing contract price determination

This Standing Contract Price Determination:

- 1.1 fixes the *standing contract prices* which the *declared retailer* can charge *standing contract customers* for the sale of *natural gas* during the *price path period* for the purposes of section 34A of the Gas Act 1997;
- 1.2 specifies the principles, procedures and formulae which apply during the *price path period* for altering, varying, opening or closing *standing contract prices*; and
- 1.3 provides for the pass through of certain changes in the costs incurred by the *declared retailer* to *standing contract customers*.

2. Authority

This Standing Contract Price Determination is made by the *Commission* under Part 3 of the Essential Services Commission Act 2002 as authorised by sections 34A and 33(1)(a) of the Gas Act 1997.

3. Term

- 3.1 Subject to clauses 3.2 and 3.3, this Standing Contract Price Determination takes effect on the *commencement date* and ceases to have effect on 30 June 2014.
- 3.2 Provided that the provisions of section 34A(4a)(f) of the Gas Act 1997 are not invoked by the *Commission*, if no subsequent Standing Contract Price Determination is made by the date that this Standing Contract Price Determination ceases to have effect, the last *standing contract price* fixed under this Standing Contract Price Determination will continue to apply until a new Standing Contract Price Determination is made.
- 3.3 Clause 10 of this Standing Contract Price Determination comes into effect on the day that this Standing Contract Price Determination is made by the *Commission* in accordance with the requirements of the Essential Services Commission Act 2002.

4. Revocation of previous price determinations

- 4.1 Pursuant to section 26(8) of the Essential Services Commission Act 2002, on and from the *commencement date* this Standing Contract Price Determination revokes all previous Standing Contract Price Determinations

made by the *Commission* under sections 34A and 33(1)(a) of the Gas Act 1997.

- 4.2 Nothing in this Standing Contract Price Determination affects, and is not intended to affect, anything done or omitted to be done, or rights or obligations accrued, under any previous Standing Contract Price Determination made by the *Commission* under sections 34A and 33(1)(a) of the Gas Act 1997.

5. Definitions and interpretation

- 5.1 Words and phrases in *italics* in this Standing Contract Price Determination are defined in clause 28 and the *Price Path Schedule*.
- 5.2 This Standing Contract Price Determination must be interpreted according to the principles set out in clause 29.

6. Collection and use of information

- 6.1 Any information required to be provided by the *declared retailer* in accordance with this Standing Contract Price Determination is required by the *Commission* to be provided pursuant to Part 5 of the Essential Services Commission Act 2002.

PART 2 – STANDING CONTRACT PRICES

7. Application of standing contract price

- 7.1 The *declared retailer* must only charge a *standing contract customer* a *standing contract price* which has been fixed in accordance with this Standing Contract Price Determination in respect of the sale of *natural gas* at a *connection point*.
- 7.2 Once a *standing contract price* has been set under this Standing Contract Price Determination, the *standing contract price*:
- (a) cannot be varied except as provided for in Part 3; and
 - (b) continues to apply until the earlier of:
 - (i) the date (if any) specified in this Standing Contract Price Determination on which the *standing contract price* ceases to apply; and
 - (ii) the date on which this Standing Contract Price Determination ceases to have effect.

8. Standing contract price components

- 8.1 Each *standing contract price* fixed under this Standing Contract Price Determination is comprised of the following *standing contract price components*:
- (a) a *fixed standing contract price component*, which is comprised of the *fixed distribution charges* and *fixed retail charges* applicable to each relevant *connection point*;
 - (b) a *variable standing contract price component*, which is comprised of the *variable distribution charges* and *variable retail charges* applicable to each relevant *connection point*;
 - (c) *AEMO charges* applicable to each relevant *connection point*; and
 - (d) any *pass through amounts* approved by the *Commission* under Part 3, which:
 - (i) may be recovered in a fixed or variable manner; and
 - (ii) do not form part of the fixed *standing contract price component* or variable *standing contract price component*.
- 8.2 For the purposes of clauses 8.1(a) and 8.1(b), the *declared retailer* must, for each relevant *connection point*, pass through to a *standing contract*

customer the fixed and variable *distribution charges* applicable to that *connection point* as fixed from time to time in accordance with the Access Arrangement approved by the Australian Energy Regulator for the purposes of the National Gas Rules and the National Gas Law.

9. Standing contract price assignment

- 9.1 The *declared retailer* must assign a *standing contract price* in respect of each *standing contract customer's connection point*:
- (a) at the *commencement date*:
 - (i) as last fixed as at 30 June 2011 under the applicable Standing Contract Price Determination; and
 - (ii) in accordance with the criteria set out in the applicable Standing Contract Price Determination;
 - (b) at 1 August 2011:
 - (i) as fixed in the *Initial Standing Contract Price Schedule*; and
 - (ii) in accordance with the criteria set out the *Initial Standing Contract Price Schedule*;
 - (c) after 1 August 2011:
 - (i) as fixed in accordance with the terms of this Standing Contract Price Determination; and
 - (ii) in accordance with the criteria set out in the *price list* referred to in clause 10.1(a).
- 9.2 In determining which *standing contract price* a *standing contract customer* should be assigned to in respect of a *connection point* under clause 9.1, the *declared retailer* must treat *standing contract customers* in similar situations in a similar manner.
- 9.3 Nothing in this clause 9 will prevent a *standing contract customer* from exercising its right under clause 6.8 of Part A of the Energy Retail Code to apply to the *declared retailer* for assignment to a different *standing contract price*.

10. Publication of standing contract prices

- 10.1 At least 10 *business days* prior to the *commencement date*, the *declared retailer* must publish:

- (a) in the *Gazette* and on its website (in a prominent and readily accessible position), the *price list* specified in the *Initial Standing Contract Price Schedule*; and
- (b) a notice in a newspaper circulating generally in the State setting out:
 - (i) the existence of the *standing contract price* and of the *price list* referred to in clause 10.1(a);
 - (ii) a general description of the nature and applicability of the *standing contract prices* set out in the *price list*; and
 - (iii) advice as to how the *price list* may be accessed.

10.2 On and from the *commencement date*, the *declared retailer* must:

- (a) at all times maintain on its website (in a prominent and readily accessible position) an accurate and current *price list* setting out:
 - (i) all *standing contract prices* (GST exclusive and inclusive), and the criteria for assignment to each *standing contract price*;
 - (ii) each relevant standing contract price component (GST exclusive); and
- (b) send (free of charge) a copy of the *price list* referred to in clause 10.1(a) to a *standing contract customer* on request.

10.3 On and from the *commencement date*, at least 10 *business days* prior to the commencement of a varied or new *standing contract price*, or the closure of a *standing contract price*, in accordance with this Standing Contract Price Determination, the *declared retailer* must publish:

- (a) in the *Gazette*, and on its website (in a prominent and readily accessible position) a notice setting out:
 - (i) the relevant altered, new or closed *standing contract price* or *standing contract prices* (GST exclusive and inclusive), and relevant assignment criteria; and
 - (ii) each relevant standing contract price component (GST exclusive).
- (b) a notice in a newspaper circulating generally in the State setting out:
 - (i) the existence of the altered, new or closed *standing contract price* or *standing contract prices*;

- (ii) a general description of the nature and applicability of the altered, new or closed *standing contract price* or *standing contract prices*; and
- (iii) details of how the *price list* referred to in clause 10.1(a) may be accessed.

PART 3 – STANDING CONTRACT PRICE VARIATIONS

11. Annual alteration of standing contract prices

- 11.1 The *declared retailer* must, for each *regulatory period* after the *initial regulatory period*, give the *Commission* a statement for approval in accordance with clause 11.2 that:
- (a) sets out the declared retailer's proposed standing contract price and standing contract price components for the regulatory period; and
 - (b) demonstrates and explains the compliance of the proposed *standing contract price* and *standing contract price components* with Parts 2 and 3 and the relevant principles and formulae set out in the *Price Path Schedule*.
- 11.2 A statement referred to in clause 11.1 must be given to the *Commission* at least 35 *business days* but not more than 60 *business days* before the start of the *regulatory period*.
- 11.3 The *Commission* will publish a statement received under clause 11.1 on its website within 5 *business days* of receipt of the statement from the *declared retailer*.

12. Commission approval

- 12.1 The *Commission* will approve a statement given by the *declared retailer* under clause 11.1 if it is satisfied that:
- (a) the statement demonstrates the compliance of the proposed *standing contract price* or *standing contract price components* with Parts 2 and 3 and the relevant principles and formulae in the *Price Path Schedule*; and
 - (b) all forecasts and estimates included in the statement comply with clause 25; and
 - (c) no *standing contract price* exceeds the price which is fixed for that *standing contract price* in accordance with Part 2 or the *Price Path Schedule*.
- 12.2 In determining whether or not to approve a statement given by the *declared retailer* under clause 11.1, the *Commission* will have regard to whether:
- (a) the proposed revenue outcomes are consistent with the *price path formula* set out in the *Price Path Schedule*;

- (b) the *standing contract prices* are consistent with the *rebalancing formula* set out in the *Price Path Schedule*; and
 - (c) the *standing contract price components* are consistent with the requirements of clause 8.
- 12.3 If the *Commission* approves a statement given by the *declared retailer* under clause 11.1, it will:
- (a) notify the *declared retailer* of that approval in writing within 20 *business days* of the *Commission* receiving the statement; and
 - (b) publish a notice on its website advising of the approval of the statement.
- 12.4 If the *Commission* does not approve a statement given by the *declared retailer* under clause 11.1, it will:
- (a) notify the *declared retailer* of that decision and the reasons for that decision in writing within 20 *business days* of the *Commission* receiving the statement; and
 - (b) publish a notice on its website advising of the non-approval of the statement.
- 12.5 If the *Commission* does not notify the *declared retailer* of the *Commission's* decision regarding a statement given under clause 11.1 within 20 *business days* of the *Commission* receiving the statement, the *Commission* is deemed to have approved the statement with effect from the 21st *business day* after the *Commission* receives the statement.

13. Replacement statement

- 13.1 If the *Commission* does not approve a statement given by the *declared retailer* under clause 11.1, the *Commission* may allow the *declared retailer* to replace the statement within 5 *business days* or such longer time as specified by the *Commission*.
- 13.2 A replacement statement given under clause 13.1 will be taken to be a statement given under clause 11.1, except that:
- (a) this clause 13 does not apply to the replacement statement; and
 - (b) the time period in clause 12.5 will run from the date the *Commission* receives the replacement statement.

14. Required annual alteration

14.1 If:

- (a) the *declared retailer* does not provide to the *Commission* the statement required under clause 11.1 in relation to a *regulatory period*; or
- (b) subject to clause 13, the statement required under clause 11.1 is provided but not approved by the *Commission*,

then the *Commission* will vary the relevant *standing contract price* and *standing contract price components* for the *regulatory period* in a manner in which the *Commission* could have approved the *standing contract prices* and *standing contract price components* if included in a statement given by the *declared retailer* under clause 11.1.

14.2 The *Commission* will:

- (a) notify the *declared retailer* in writing; and
- (b) publish a notice on its website,

advising of the *standing contract prices* or *standing contract price components* varied by the *Commission* under clause 14.1.

15. Application of annual alterations

The *standing contract prices* and *standing contract price components*:

15.1 in the statement given by the *declared retailer* under clause 11.1 which have been or are deemed to have been approved by the *Commission*; or

15.2 varied by the *Commission* under clause 14.1,

must apply from the start of the *regulatory period* in which the *standing contract prices* are to apply.

16. Pass through events

If a *pass through event* occurs, the *declared retailer* may seek the *Commission's* approval to pass through into *standing contract prices* a *pass through amount*.

17. Pass through application

- 17.1 To seek the *Commission's* approval to pass through a *pass through amount* under clause 16, the *declared retailer* must make an application to the *Commission* within 60 *business days* of the relevant *pass through event* occurring, specifying:
- (a) details of the pass through event;
 - (b) the date the *pass through event* took or is expected to take effect;
 - (c) the best estimates of the financial effects of the *pass through event* on the provision of *standing contracts* by the *declared retailer*;
 - (d) the pass through amount the declared retailer proposes in relation to the pass through event;
 - (e) the basis on which the *declared retailer* proposes to apply the *pass through amount* to standing contract prices and *standing contract price components*; and
 - (f) the date from, and period over which, the *declared retailer* proposes to apply the *pass through amount*.
- 17.2 The *Commission* will publish an application received under clause 17.1 on its website within 5 *business days* of receipt of the application from the *declared retailer*.

18. Approval of pass through application

- 18.1 If the *Commission* receives an application under clause 17 in relation to a proposed *pass through event*, it will consider the matters set out in that application and determine whether or not the proposed *pass through event* has occurred.
- 18.2 Where the *Commission* determines that a *pass through event* has occurred, having regard to the matters set out in that application and to the factors set out in clause 19, the *Commission* will:
- (a) decide the pass through amount;
 - (b) decide the basis on which the *pass through amount* may be applied to standing contract prices and standing contract price components;
 - (c) decide the date from, and period over which, the *pass through amount* may be applied;

- (d) notify the *declared retailer* in writing of its decisions under clauses 18.2 (a), (b) and (c) within 30 *business days* of the *Commission* receiving the application; and
 - (e) publish a notice on its website advising of the *Commission's* decisions.
- 18.3 If the *Commission* does not approve an application given by the *declared retailer* under clause 17.1, it will:
- (a) notify the *declared retailer* in writing of that decision and the reasons for that decision within 30 *business days* of the *Commission* receiving the application; and
 - (b) publish a notice on its website advising of the non-approval of the application.
- 18.4 If the *Commission* does not give a notice to the *declared retailer* under clause 18.2 or clause 18.3 within 30 *business days* of receiving the application from the *declared retailer*, then on the 31st *business day* after receiving the *application*, the *Commission* is deemed to have notified the *declared retailer* of its decision:
- (a) the pass through amount; and
 - (b) the basis on, date from and period over which the *pass through amount* may be applied,
- are as specified in the *declared retailer's* application.

19. Relevant factors

In making a decision under clause 18, the *Commission* will seek to ensure that the financial effect on the *declared retailer* associated with the *pass through event* concerned is economically neutral, taking into account:

- 19.1 the numbers of *standing contract customers* subject to each *standing contract price*;
- 19.2 the time cost of money for the period over which the *pass through amount* is to be applied;
- 19.3 the basis on and period over which the *pass through amount* is to be applied;
- 19.4 the financial effect on the *declared retailer* associated with the provision of *retail services* directly attributable to the *pass through event* and the time at which the financial effect arises;

- 19.5 any *pass through amount* relating to a previous *pass through event* which resulted in the *declared retailer* recovering an amount either more or less than the financial effect of that previous *pass through event* on the *declared retailer*;
- 19.6 in relation to a *change in taxes event*:
- (a) any change in the way or rate at which another tax is calculated, or the removal or imposition of another tax, which, in the *Commission's* opinion, is complementary to the *change in taxes event* concerned; or
 - (b) the effect of any other previous *change in taxes event* that has occurred since the later of the *commencement date* and the last decision made under this Part 3 in relation to a *change in taxes event*; and
- 19.7 any other factors the *Commission* considers relevant.

20. Required pass through

- 20.1 If a pass through event occurs, and the declared retailer does not give the Commission an application under clause 17.1, the Commission may require the declared retailer to pass through a pass through amount as a standing contract price component.
- 20.2 If the *Commission* decides to require the *declared retailer* to pass through a *pass through amount*, having regard to the factors set out in clause 19, the *Commission* will:
- (a) decide the pass through amount;
 - (b) decide the basis on which the pass through amount may be applied to standing contract prices and standing contract price components;
 - (c) decide the date from, and period over which, the *pass through amount* must be applied; and
 - (d) notify the *declared retailer* in writing of the *Commission's* decision and the reasons for that decision.

21. Notice and application of pass through amount

The *declared retailer* must, after receipt of notification under clause 18.2 or 20.2 or deemed receipt of notification under clause 18.4, allowing or requiring the declared retailer to pass through a *pass through amount*:

- 21.1 publish in a prominent and accessible location on its website, a notice setting out:
 - (a) the *pass through amount* which the *Commission* has approved or is deemed to have approved; and
 - (b) the circumstances giving rise to the *pass through amount*; and
 - (c) the basis on, date from and period over which the *pass through amount* will be applied to the *standing contract prices*,
- 21.2 apply the *pass through amount* on the basis, from the date and over the period specified or deemed to be specified in the notice from the *Commission*; and
- 21.3 publish the varied *standing contract price* in accordance with clause 10.

22. Price path calculations

A *pass through amount* approved under this Part 3 will not be taken into account in determining the variation of *standing contract prices* between *regulatory periods* in accordance with the principles and formulae in the *Price Path Schedule*.

23. Altering, introducing and closing standing contract prices

- 23.1 The *standing contract price* which is fixed as the price which the *declared retailer* must charge a *standing contract customer* in respect of the sale of *natural gas* at a *connection point* for each *regulatory period* after the *initial regulatory period* is the relevant *standing contract price* as established under this clause 23.
- 23.2 For any *regulatory period* after the *initial regulatory period*, the *declared retailer* may seek the *Commission's* approval to:
 - (a) introduce a new *standing contract price* from the commencement of that *regulatory period* in accordance with clause 23.3; and
 - (b) close a *standing contract price* from the commencement of that *regulatory period* in accordance with clause 23.4.

- 23.3 To obtain the *Commission's* approval to introduce a new *standing contract price* under clause 23.2(a), the *declared retailer* must give the *Commission* a statement at least 60 *business days* before the commencement of the relevant *regulatory period* setting out:
- (a) the proposed new standing contract price and criteria for assignment to that standing contract price;
 - (b) a description of the service to which the proposed new *standing contract price* is to apply;
 - (c) details of the comparable *distribution charge*;
 - (d) if the proposed new *standing contract price* is intended to replace an existing *standing contract price*, details of that relevant existing *standing contract price*;
 - (e) the effect of the proposed new standing contract price on standing contract customers;
 - (f) information as to which of the *standing contract customers* that are currently assigned to the relevant existing *standing contract price* are eligible to be assigned to the new *standing contract price*;
 - (g) which classes of *standing contract customers* that are currently assigned to the relevant existing *standing contract price* the *declared retailer* proposes to assign to the new *standing contract price*;
 - (h) how the *declared retailer* proposes to calculate and present the *retail charges* within the new *standing contract price*, including how the relevant CPI will be calculated for the commencement of the *standing contract price*;
 - (i) the revenue outcomes resulting from the introduction of the new *standing contract price*, which must be consistent with the average retailer price control for the *regulatory period* as specified in the *Price Path Schedule*; and
 - (j) the compliance of the new *standing contract price* with the principles and formulae specified in Schedule 2.B of the *Price Path Schedule*.

- 23.4 To seek the *Commission's* approval to close a *standing contract price* under clause 23.2(b), the *declared retailer* must give the *Commission* a statement at least 60 *business days* before the commencement of the *regulatory period* setting out:
- (a) details of the existing *standing contract price* which it proposes to close;
 - (b) the effect of the proposed closure on *standing contract customers*;
 - (c) the *standing contract price* to which *standing contract customers* will be eligible to be assigned after the closure of the existing *standing contract price*;
 - (d) the revenue outcomes resulting from the closure of the *standing contract price*, which must be consistent with the average retailer price control for the *regulatory period* as specified in the *Price Path Schedule*; and
 - (e) how the revenue outcomes referred to in clause 23.4(d) comply with the principles and formulae specified in Schedule 2.B of the *Price Path Schedule*.
- 23.5 The *Commission* will publish a statement received under clauses 23.3 or 23.4 on its website within 5 *business days* of receipt of the statement from the *declared retailer*.
- 23.6 If the *Commission* advises the *declared retailer* that it approves a statement received under clauses 23.3 or 23.4, or a statement is deemed to have been approved under clause 124.4, then:
- (a) the proposed *standing contract prices* will be the *standing contract prices* fixed for that *regulatory period*;
 - (b) the *declared retailer* must publish those *standing contract prices* in accordance with clause 10;
 - (c) in respect of any new *standing contract prices* or closed *standing contract prices*, the *declared retailer* must, 10 *business days* prior to the commencement or closure of the relevant *standing contract prices*, ensure that:
 - (i) all *standing contract customers* who are to be assigned to the new *standing contract price* are notified of that assignment;

- (ii) *standing contract customers* affected by the closure of are *standing contract price* and who are to be assigned to a different *standing contract price* are notified of that assignment and the date from which that assignment will be effective; and
- (iii) the new *standing contract price* only applies to a *standing contract customer* in accordance with the requirements of the Commission's Energy Retail Code.

24. Commission approval

- 24.1 The *Commission* will approve a statement given under clauses 23.3 or 23.4 if it is satisfied that:
- (a) the statement demonstrates compliance of the proposed *standing contract prices* with the relevant requirements of clause 23 and the relevant principles and formulae in the *Price Path Schedule*;
 - (b) all forecasts and estimates included in the statement comply with clause 25;
 - (c) no *standing contract price* exceeds the price which is fixed for that *standing contract price* in accordance with Part 2; and
 - (d) no *standing contract price* exceeds the price which is fixed for that *standing contract price* in accordance with the principles and formulae set out in the *Price Path Schedule*.
- 24.2 If the *Commission* approves a statement given by the *declared retailer* under clause 23.3 or clause 23.4, it will:
- (a) notify the *declared retailer* of that approval in writing within 40 *business days* of the *Commission* receiving the statement; and
 - (b) publish a notice on its website advising of the approval of the statement.
- 24.3 If the *Commission* does not approve a statement given by the *declared retailer* under clause 23.3 or clause 23.4, it will:
- (a) notify the *declared retailer* of that decision and the reasons for that decision in writing within 40 *business days* of the *Commission* receiving the statement; and
 - (b) publish a notice on its website advising of the non-approval of the statement.

- 24.4 If the *Commission* does not notify the *declared retailer* of the *Commission's* decision regarding a statement given by the *declared retailer* under clause 23.3 or 23.4 within 40 *business days* of the *Commission* receiving the statement, the *Commission* is deemed to have approved the statement with effect from the 41st *business day* after the *Commission* receives the statement.
- 24.5 If the *Commission* does not approve a statement given by the *declared retailer* under clause 23.3 or 23.4, the *Commission* may allow the *declared retailer* to provide a replacement statement within such time as specified by the *Commission*.
- 24.6 Where the *Commission* allows the *declared retailer* to provide a replacement statement under clause 24.5, it will be taken to be a statement given under clause 23.3 or 23.4, except that:
- (a) Clause 24.5 does not apply to the replacement statement; and
 - (b) the time period in clause 24.4 will run from the date the *Commission* receives the replacement statement.

25. Forecasts and estimates

For the purposes of a statement or application prepared by the *declared retailer* under this Part 3:

- 25.1 forecasts of demand, energy and revenue for a *regulatory period* must be based on the best forecasts available at the time the statement is prepared; and
- 25.2 estimates of demand, energy and revenue for a *regulatory period* must be based on the actual results for that part of the *regulatory period* that are available at the time the statement is prepared and the best forecasts available for the rest of the *regulatory period*.

PART 4 – TIME PERIODS AND REVIEWS

26. Modification of time periods

- 26.1 The *Commission* may, by its own volition or upon a written application by the *declared retailer*, extend the time by or within which anything that is required to be done under this Standing Contract Price Determination must be done.
- 26.2 If the *Commission* makes a request for information for the purposes of making a decision or exercising any of its powers under this Standing Contract Price Determination, any time period within which the *Commission* is required to make a decision, notify any person or exercise any of its powers under this Standing Contract Price Determination:
- (a) stops running on the date the request is made; and
 - (b) starts to run again on the date that the *Commission* notifies the *declared retailer* in writing that the *Commission* is satisfied that the requested information has been provided.
- 26.3 If the *Commission* makes a request for information under clause 26.2, it will notify the *declared retailer*:
- (a) as soon as practicable after the request for information has been made, of the date the relevant time period stopped running; and
 - (b) as soon as practicable after the *Commission* has decided that any information received satisfies the request for information, of the date the relevant time period started to run again.

27. Reviews of decisions

- 27.1 The *declared retailer* may make an application to the *Commission* for a review of a decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination.
- 27.2 The only grounds for a review under this clause 27 are that a decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination:
- (a) was not made in accordance with the requirements of this Standing Contract Price Determination;
 - (b) is unreasonable having regard to all the relevant circumstances; or
 - (c) is based wholly or partly on an error of fact in a material respect.

- 27.3 An application for a review of a decision must:
- (a) be in writing;
 - (b) set out the decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination, to which the application relates;
 - (c) set out in detail the grounds on which the *declared retailer* seeks review and the decision sought on the review;
 - (d) be accompanied by any information that the *declared retailer* considers should be taken into account by the *Commission* in the review; and
 - (e) be lodged with the *Commission* within 10 *business days* after the decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination, is published.
- 27.4 The *Commission* will not review a decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination where it believes that:
- (a) the application for review is vexatious; or
 - (b) the subject matter of the application is trivial, misconceived or lacking in substance.
- 27.5 If an application is made for a review of a decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination, the *Commission*:
- (a) will publish a copy of the application on its website; and
 - (b) may invite submissions on the matter the subject of the review in a manner and within a period specified by the *Commission*.
- 27.6 A review will be decided within 6 weeks of the application being lodged with the *Commission*.
- 27.7 Subject to clause 26.1, if a review is not decided within that period, the *Commission* will be taken to have confirmed the decision made, or deemed to have been made, by the *Commission* under this Standing Contract Price Determination on the same grounds on which the original decision was made.
- 27.8 After considering the application, the *Commission* may confirm, vary or substitute the decision.

- 27.9 The *Commission* will give the applicant and any other person who provides a submission to the review written notice of the *Commission's* decision under clause 27.8 and the reasons for that decision.
- 27.10 A decision of the *Commission* made under clause 27.8 may not be the subject of an application for review under this clause 27.

PART 5 – DEFINITIONS AND INTERPRETATION

28. Definitions

28.1 In this Standing Contract Price Determination:

“**AEMO charges**” means the charges payable by the *declared retailer*, calculated on a per *connection point* basis across the *declared retailer’s* entire customer base, to the Australian Energy Market Operator Limited (ACN 072 010 327) in respect of Australian Energy Market Operator Limited’s operations.

“**average retailer price control**” means the maximum amount which the *declared retailer* may earn per gigajoule of *natural gas* sold and supplied to *standing contract customers*, as calculated in accordance with clause 129.8 and the *Price Path Schedule*.

“**business day**” means a day on which banks are open for general banking business in Adelaide, other than a Saturday or a Sunday.

“**change in taxes event**” means:

- (a) a change in (or change in application or official interpretation of) a *relevant tax* or the way in which a *relevant tax* is calculated;
- (b) the removal of a *relevant tax*; or
- (c) the imposition of a *relevant tax*,

applicable only to the Australian gas supply industry to the extent that the change, removal or imposition applies to the provision of *retail services* by the *declared retailer* or services supplied to the *declared retailer* in respect of the provision of *retail services* by the *declared retailer* as a result of which the *declared retailer* would incur materially higher or lower costs in providing *standing contracts* than it would have incurred but for that event.

“**Commission**” means the Essential Services Commission established under the Essential Services Commission Act 2002.

“**commencement date**” means 1 July 2011.

“**connection point**” means the point of connection between a *standing contract customer’s natural gas* installation and the gas distribution network.

“**declared retailer**” means the retailer declared under section 34A of the Gas Act 1997 and, as at the *commencement date*, is Origin Energy Retail Ltd (ACN 078 868 425).

“**distribution charge**” means the price for gas distribution services provided by *Envestra* applicable to a *connection point* from time to time as set in accordance with the Access Arrangement approved by the Australian Energy Regulator for the purposes of the National Gas Rules and National Gas Law or any alternative access agreement in place between *Envestra* and the *declared retailer* (as the case may be).

“**Envestra**” means Envestra Limited (ACN 078 551 685).

“**fixed distribution charge**” means that part of a *distribution charge* which does not vary in accordance with the consumption of *natural gas* at a *connection point*.

“**fixed retail charge**” means that part of a *retail charge* which does not vary in accordance with the consumption of *natural gas* at a *connection point*.

“**fixed standing contract price component**” means that part of a *standing contract price* which is the sum of a *fixed distribution charge* and a *fixed retail charge*.

“**Gazette**” means the South Australian Government Gazette.

“**GST**” means the tax imposed under *GST Law*.

“**GST Law**” has the meaning attributed in the A New Tax System (Goods and Services Tax) Act 1999, and terms related to GST such as “ABN”, “Input Tax Credit”, “Taxable Supply” and “Tax Invoice” have the meaning attributed in the *GST Law*.

“**initial regulatory period**” means the period 1 August 2011 to 30 June 2012.

“**initial average retailer revenue control**” means the value fixed in Schedule 2.A(a)(iii).

“**initial standing contract prices**” means the *standing contract prices* listed in the *Initial Standing Contract Price Schedule* which the *declared retailer* may charge *standing contract customers* from the *commencement date* until the *standing contract price* is first varied in accordance with Part 3.

“**Initial Standing Contract Price Schedule**” means Schedule 1 of this Standing Contract Price Determination.

“liquefied petroleum gas” means a hydrocarbon fluid composed predominantly of one or more of the following hydrocarbons:

- (a) propane (C₃H₈);
- (b) propene (propylene) (C₃H₆);
- (c) butane (C₄H₁₀);
- (d) butene (butylene) (C₄H₈);

“Ministerial directions event” means a direction given by the Minister under section 37 of the Gas Act 1997 to the *declared retailer* as a result of which the *declared retailer* incurs materially higher or lower costs in providing *standing contracts* that it would have incurred by for that event.

“natural gas” has the meaning given to that term in AS 4564 and, for the avoidance of doubt, does not include *liquefied petroleum gas*.

“negative pass through amount” means, in relation to a *pass through event*:

- (a) an amount that the *declared retailer* is required to pay its *standing contract customers*; or
- (b) the extent of the reduction in payments by *standing contract customers* to the *declared retailer*.

“non-residential customers” means *standing contract customers* other than *residential customers*.

“pass through amount” means a *positive pass through amount* or a *negative pass through amount*.

“pass through event” means an event that is a:

- (a) *change in taxes event*;
- (b) *regulatory reset event*; or
- (c) *Ministerial directions event*.

“positive pass through amount” means, in relation to a *pass through event*:

- (a) an amount that *standing contract customers* are required to pay the *declared retailer*; or
- (b) the extent of the increase in payments by *standing contract customers* to the *declared retailer*.

“**price list**” means the *price list* under clause 10 and is the “price list” for the purposes of the Standing Contract specified in Part C of the Energy Retail Code made by the *Commission* pursuant to section 28 of the Essential Services Commission Act 2002 as in force from time to time.

“**price path formula**” means the *average retailer revenue control* formula specified in Schedule 2.A of the *Price Path Schedule*.

“**price path period**” means the period 1 July 2011 to 30 June 2014.

“**Price Path Schedule**” means Schedule 2 of this Standing Contract Price Determination.

“**rebalancing formula**” means the formula specified in Schedule 2.B of the *Price Path Schedule*.

“**regulatory period**” means each of the following periods:

- (a) the one-month period commencing 1 July 2011 and ending on 31 July 2011;
- (b) the *initial regulatory period* (the period 1 August 2011 to 31 July 2012); and
- (c) after the *initial regulatory period*, each the twelve-month period commencing on 1 July.

“**regulatory reset event**” means:

- (a) a material change in the obligation imposed under section 34A of the Gas Act 1996 for the declared retailer to offer to sell and supply natural gas to small customers; or
- (b) a decision made by the *Commission*, the Australian Energy Regulator, the Australian Energy Markets Commission, the South Australian Government or the Commonwealth Government after the *commencement date*:
 - (i) imposing a set of minimum standards on the *declared retailer* in respect of the provision of *standing contracts* that are different from the set of minimum standards imposed on the *declared retailer* in respect of the provision of *standing contracts* at the *commencement date*; or
 - (ii) requiring the *declared retailer* to purchase financial products in respect of the sale and supply of *natural gas* based on a specified environmental outcome or outcomes; or

- (iii) requiring the *declared retailer* to participate in a scheme related to a specified environmental or energy efficiency outcome or outcomes or materially varying an obligation arising under such a scheme,

as a result of which the *declared retailer* would incur materially higher or lower costs in providing *standing contracts* than it would have incurred but for that event.

“**relevant tax**” means any tax imposed by or payable directly or indirectly to any Authority of the Commonwealth of Australia or Authority of the State of South Australia, (including a goods and services tax), but excluding any:

- (a) income tax (or State equivalent income tax), fringe benefits tax or capital gains tax;
- (b) payroll tax;
- (c) land tax or any other tax on the ownership or occupancy of premises;
- (d) customs and import duties;
- (e) municipal rates, taxes and other charges imposed by local authorities;
- (f) stamp duty, financial institutions duty, bank accounts debits tax or similar taxes and duties;
- (g) penalties and interest for late payments relating to any tax; or
- (h) any tax that replaces any of the taxes referred to in (a) to (h).

“**residential customer**” means a *standing contract customer* whose *natural gas* consumption relates to premises used wholly or principally as private residences.

“**retail services**” means the services provided by the *declared retailer* in respect of the provision of *standing contracts* to *small customers*.

“**retail charge**” means the charge which the *declared retailer* may charge a *standing contract customer* at a *connection point* in relation to the provision of *standing contracts* to *small customers*.

“**small customer**” means a customer (as defined in the Gas Act 1997) which consumes less than 1 terajoule of *natural gas* per annum through a connection point.

“**SME customer**” means a *standing contract customer* other than a *residential customer*.

“**standing contract**” means a contract for the sale and supply of *natural gas* which the *declared retailer* is obliged to offer to *small customers* in accordance with section 34A of the Gas Act 1997.

“**standing contract customer**” means a *small customer* who has entered into a *standing contract* with the *declared retailer* in accordance with section 34A of the Gas Act 1997.

“**standing contract price**” means the prices fixed under this Standing Contract Price Determination for the sale and supply of *natural gas* for the purposes of section 34A of the Gas Act 1997.

“**standing contract price component**” means each of the parts of a *standing contract price* specified in clause 8.

“**variable distribution charge**” means that part of a *distribution charge* which:

- (a) varies in accordance with the consumption of *natural gas* at a *connection point*; and
- (b) which may contain more than one element.

“**variable retail charge**” means that part of a *retail charge* which:

- (a) varies in accordance with the consumption of *natural gas* at a *connection point*; and
- (b) may contain more than one element.

“**variable standing contract price component**” means that part of a *standing contract price* which is the sum of a *variable distribution charge* and a *variable retail charge*.

29. Principles of Interpretation

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

- 29.1 Words denoting persons include corporations, unincorporated associations, firms, governments and governmental agencies.
- 29.2 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.
- 29.3 Unless otherwise specified, all *standing contract prices* and *standing contract price components* that are or may be charged are exclusive of GST.

- 29.4 Headings are only included for convenience and do not affect the interpretation of this Standing Contract Price Determination.
- 29.5 A reference to a clause, Chapter, Part or Schedule is to a clause, Chapter or Part of or Schedule to this Standing Contract Price Determination.
- 29.6 A reference to an agreement, document or regulatory instrument is a reference to that agreement, document or 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.
- 29.7 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.
- 29.8 For the purposes of calculating the *average retailer price control*:
- (a) maximum revenue in dollars per gigajoule must be measured to a minimum of two decimal places; and
 - (b) a consistent approach to rounding must be used in each regulatory period.
- 29.9 All *standing contract prices* calculated under this Standing Contract Price Determination must be rounded to the accuracy, in terms of the number of decimal places, required by the *declared retailer's* charging and billing systems.
- 29.10 A *standing contract price* that has been calculated and rounded under the principles in clause 29.9 must not be rounded to a different level of accuracy when utilised in calculations made under this Standing Contract Price Determination.
- 29.11 CPI is to be calculated in accordance with clause 2.C of the *Price Path Schedule*.
- 29.12 When a calculation is required under this Standing Contract Price Determination:
- (a) *Regulatory period "t"* is the *regulatory period* in respect of which the calculation is being made; and
 - (b) *Regulatory period "t-1"* is the *regulatory period* immediately preceding *regulatory period "t"*.

SCHEDULE 1 INITIAL STANDING CONTRACT PRICE SCHEDULE

The various *standing contract prices* apply according to the geographical region in which a *standing contract customer's connection point* is located and according to whether the *standing contract customer* is a *residential customer* or an *SME customer*.

METROPOLITAN AREA

(Areas of the State of South Australia other than Mt Gambier, Port Pirie, Whyalla, Riverland and Murray Bridge but including Barossa and Peterborough)

These *standing contract prices* are applicable to all meter readings or estimates from 1 August 2011 and are to be applied pro rata to the number of days in the billing period from 1 August 2011. All prices below are maximum per quarter prices.

Residential Customers

<i>For gas sold and supplied from 1 August 2011 to residential customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$55.20
<i>Consumption during the quarter:</i>	
<i>for the first 4,500 megajoules:</i>	2.42 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.38 cents for each megajoule

SME Customers

<i>For gas sold and supplied from 1 August 2011 to SME customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$95.05
<i>Consumption during the quarter:</i>	
<i>for the first 25,000 megajoules:</i>	1.73 cents for each megajoule
<i>for the next 65,000 megajoules:</i>	1.71 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.22 cents for each megajoule

Note these quarterly consumption bands for *SME customers* are to be adjusted proportionately for monthly billing periods.

MT GAMBIER

(The areas within Post Code areas 5277; 5280; 5290)

These *standing contract prices* are applicable to all meter readings or estimates from 1 August 2011 and are to be applied pro rata to the number of days in the billing period from 1 August 2011. All prices below are maximum per quarter prices.

Residential Customers

<i>For gas sold and supplied from 1 August 2011 to residential customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$55.20
<i>Consumption during the quarter:</i>	
<i>for the first 4,500 megajoules:</i>	2.48 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.40 cents for each megajoule

SME Customers

<i>For gas sold and supplied from 1 August 2011 to SME customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$95.05
<i>Consumption during the quarter:</i>	
<i>for the first 25,000 megajoules:</i>	1.73 cents for each megajoule
<i>for the next 65,000 megajoules:</i>	1.68 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.25 cents for each megajoule

Note these quarterly consumption bands for *SME customers* are to be adjusted proportionately for monthly billing periods.

PORT PIRIE

(Post Code area 5540)

These *standing contract prices* are applicable to all meter readings or estimates from 1 August 2011 and are to be applied pro rata to the number of days in the billing period from 1 August 2011. All prices below are maximum per quarter prices.

Residential Customers

For gas sold and supplied from 1 August 2011 to residential customers the following charges, which are exclusive of GST, apply.	
<i>Supply Charge per quarter:</i>	\$55.20
<i>Consumption during the quarter:</i>	
<i>for the first 4,500 megajoules:</i>	2.48 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.37 cents for each megajoule

SME Customers

For gas sold and supplied from 1 August 2011 to SME customers the following charges, which are exclusive of GST, apply.	
<i>Supply Charge per quarter:</i>	\$95.05
<i>Consumption during the quarter:</i>	
<i>for the first 25,000 megajoules:</i>	1.73 cents for each megajoule
<i>for the next 65,000 megajoules:</i>	1.71 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.22 cents for each megajoule

Note these quarterly consumption bands for *SME customers* are to be adjusted proportionately for monthly billing periods.

WHYALLA

(The areas within Post Code areas 5600; 5608; 5609)

These *standing contract prices* are applicable to all meter readings or estimates from 1 August 2011 and are to be applied pro rata to the number of days in the billing period from 1 August 2011. All prices below are maximum per quarter prices.

Residential Customers

<i>For gas sold and supplied from 1 August 2011 to residential customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$55.20
<i>Consumption during the quarter:</i>	
<i>for the first 4,500 megajoules:</i>	2.48 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.39 cents for each megajoule

SME Customers

<i>For gas sold and supplied from 1 August 2011 to SME customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$95.05
<i>Consumption during the quarter:</i>	
<i>for the first 25,000 megajoules:</i>	1.74 cents for each megajoule
<i>for the next 65,000 megajoules:</i>	1.73 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.25 cents for each megajoule

Note these quarterly consumption bands for *SME customers* are to be adjusted proportionately for monthly billing periods.

RIVERLAND AND MURRAY BRIDGE

(The areas within Post Code areas 5253; 5342; 5343; 5344)

These *standing contract prices* are applicable to all meter readings or estimates from 1 August 2011 and are to be applied pro rata to the number of days in the billing period from 1 August 2011. All prices below are maximum per quarter prices.

Residential Customers

<i>For gas sold and supplied from 1 August 2011 to residential customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$55.20
<i>Consumption during the quarter:</i>	
<i>for the first 4,500 megajoules:</i>	2.50 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.43 cents for each megajoule

SME Customers

<i>For gas sold and supplied from 1 August 2011 to SME customers the following charges, which are exclusive of GST, apply.</i>	
<i>Supply Charge per quarter:</i>	\$82.85
<i>Consumption during the quarter:</i>	
<i>for the first 25,000 megajoules:</i>	1.80 cents for each megajoule
<i>for the next 65,000 megajoules:</i>	1.65 cents for each megajoule
<i>and for each additional megajoule thereafter:</i>	1.09 cents for each megajoule

Note these quarterly consumption bands for *SME customers* are to be adjusted proportionately for monthly billing periods.

SCHEDULE 2 PRICE PATH SCHEDULE

2.A Price Path Formula

(a) Obligation for *residential customers*

- (i) The *standing contract prices* for *residential customers* as at the *commencement date* are as fixed under clause 9.1(a).
- (ii) The *standing contract prices* for *residential customers* for the *initial regulatory period* are set out in the *Initial Standing Contract Price Schedule*.
- (iii) The *initial average retailer revenue control* for *residential customers* is \$14.11/GJ.
- (iv) The *average retailer revenue control* (\$/GJ) for *residential customers* (ARC_r) for any *regulatory period t* after the *initial regulatory period* is calculated as follows:

$$ARC_{r_t} = \$13.84 \times CPI_t$$

where,

$$CPI_t = CPI \text{ as defined in clause 2.C.}$$

(b) Obligation for *SME customers*

- (i) The *standing contract prices* for *SME customers* as at the *commencement date* are as fixed under clause 9.1(a).
- (ii) The *standing contract prices* for *SME customers* for the *initial regulatory period* are as set out in the *Initial Standing Contract Price Schedule*.
- (iii) The *initial average retailer revenue control* for *SME customers* is \$7.76/GJ.
- (iv) The *average retailer revenue control* (\$/GJ) for *SME customers* (ARC_s) for any *regulatory period t* after the *initial regulatory period* is calculated as follows:

$$ARC_{s_t} = \$7.51 \times CPI_t$$

where,

$$CPI_t = CPI \text{ as defined in clause 2.C.}$$

2.B Rebalancing Formula

(a) Obligation for residential customers

The *declared retailer* must ensure that the charge to a *residential customer* under each *standing contract price* at any level of annual consumption in *regulatory period t* is no more than $CPI + 2\%$ greater than the charge under that *standing contract price* (or, where the *standing contract price* has been closed or a new equivalent *standing contract price* has been introduced under Part 3 the most comparable *standing contract price*) at the same level of annual consumption in *regulatory period t-1*, such that:

$$RTC_t \leq RTC_{t-1} [CPI + X]$$

where, for the same *standing contract price*,

RTC_t = the total charges payable by a *residential customer* in *regulatory period t* for any level of annual consumption.

RTC_{t-1} = the total charges payable by a *residential customer* in *regulatory period t-1* for the same level of annual consumption being considered for *regulatory period t*.

CPI = CPI as defined in clause 2.C.

(b) Obligation for SME customers

The *declared retailer* must ensure that the charge to a *SME customer* under each *standing contract price* at any level of annual consumption in *regulatory period t* is no more than $CPI + 2\%$ greater than the charge under that *standing contract price* (or, where the *standing contract price* has been closed or a new equivalent *standing contract price* has been introduced under Part 3, the most comparable *standing contract price*) at the same level of annual consumption in *regulatory period t-1*, such that:

$$RTC_t \leq RTC_{t-1} [CPI + X]$$

where, for the same *standing contract price*,

RTC_t = the total charges payable by a *residential customer* in *regulatory period t* for any level of annual consumption.

RTC_{t-1} = the total charges payable by a *SME customer* in *regulatory period t-1* for the same level of annual consumption being considered for *regulatory period t*.

CPI = CPI as defined in clause 2.C

2.C CPI

(a) For each *regulatory period t*, *CPI* is calculated as follows:

- (i) the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the March Quarter immediately preceding the start of *regulatory period t*;

divided by

- (ii) the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the March Quarter immediately preceding the start of *regulatory period t-1*.

(b) For each *regulatory period t-1*, *CPI* is calculated as follows:

- (i) the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the March Quarter immediately preceding the start of *regulatory period t-1*;

divided by

- (ii) the Consumer Price Index, All Groups Index Number (weighted average of eight capital cities) published by the Australia Bureau of Statistics for the March Quarter immediately preceding the start of *regulatory period t-2*.