



## POWERCOR'S CUSTOMER GUIDELINE FOR MAKING AN ELECTRICITY SUPPLY AVAILABLE

Powercor Australia has a commitment to providing professional advice and service to customers. This Guideline outlines the steps Powercor and you must take to provide a new or upgraded electricity supply to your property. It also explains how we calculate the costs you will need to pay.

**Your early enquiry with Powercor regarding a new or upgraded electricity supply to your property will ensure it is available when you need it.**

This Guideline is for information purposes only and is not a legally binding document. The details of your and our legal obligations are detailed in any contract we agree with you and in the relevant regulations and laws covering Victoria's Electricity Industry.

Nothing in this Guideline should be construed as an offer of service or forming part of the terms of any agreement with Powercor. Powercor has used its best endeavours to ensure information in this Guideline is correct at the time of publishing. This Guideline is subject to change.

General information about the rights and responsibilities you have with Powercor, and those we have with you, is contained in our [Customer Distribution Charter](#). This is available at **www.powercor.com.au**, or you can arrange for us to post a copy by calling Powercor General Enquiries on **13 22 06**.

Powercor is committed to safeguarding customers' personal information. Details of Powercor's [Privacy Policy](#) are available **www.powercor.com.au** or by calling **13 22 06**.

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## Distributors and Retailers

Powercor is an Electricity Distributor – we own the distribution network that carries electricity but we do not sell electricity.

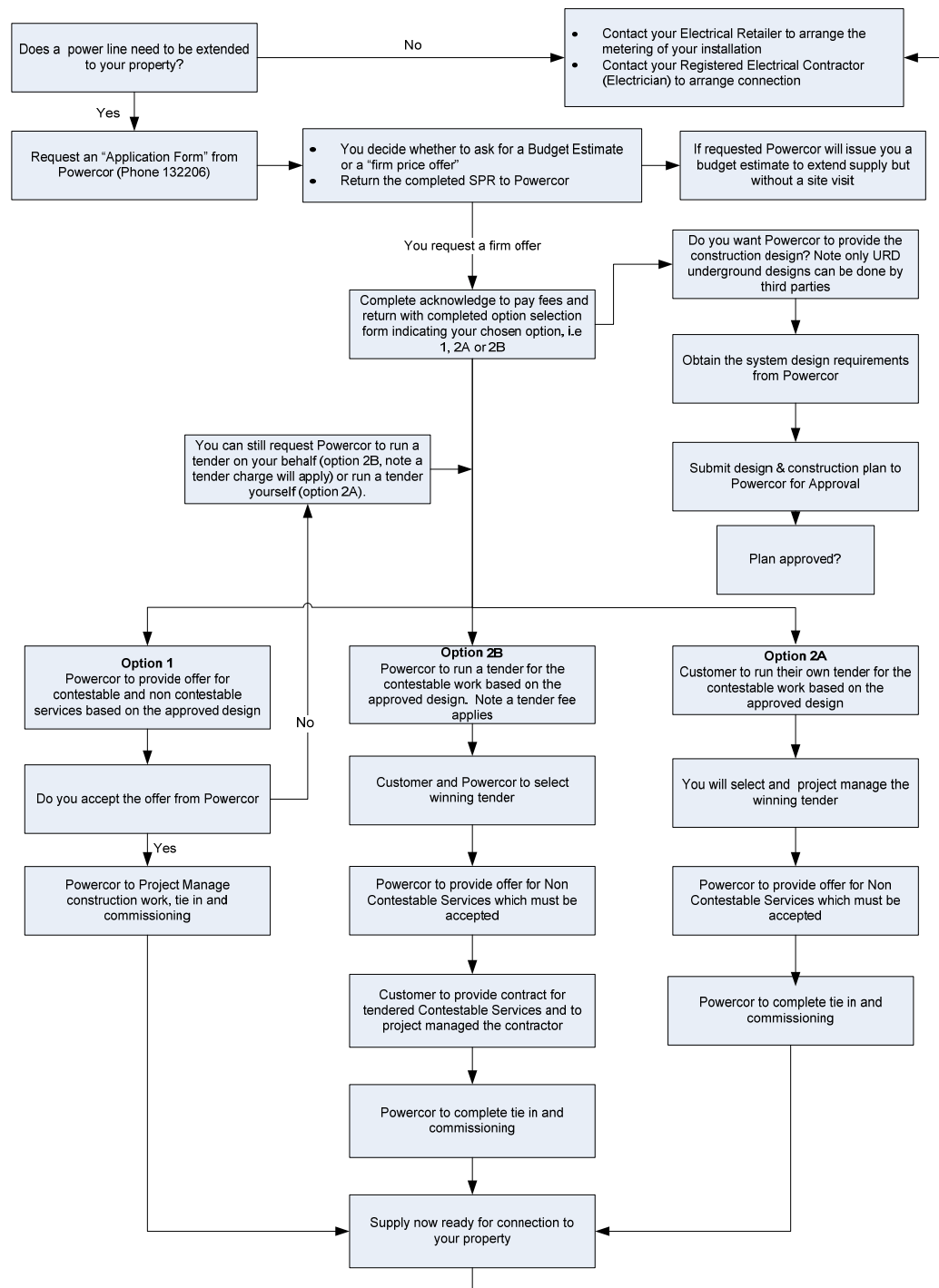
You must choose your Electricity Retailer before Powercor can make the electricity supply to your property active because Retailers are responsible for your electricity account.

Your selected Retailer will advise Powercor when we can proceed with connecting the electricity supply to your premises.

The following flow diagram shows the typical activities required when arranging an electricity supply to your property. Explanations of the terms used in the diagram are provided in the following pages.

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## Diagram Flow



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## Is supply already available?

If your property has not previously had an electricity supply but a land developer has arranged this through Powercor for you, then your Registered Electrician can normally arrange the actual connection for you. In most cases you need to pay only a **New Connection Fee** (see [Other fees and charges](#)).

Check for poles, lines, or an underground electricity pit near your property boundary. If none are evident, it is likely that Powercor will need to extend an electricity line to provide you with supply. If you are unsure we recommend that you complete an [Application Form](#).

In some cases, an electricity supply is available to your property but we need to increase the capacity of our lines and electrical equipment to meet your needs.

You are responsible for meeting the total cost, or a proportion of the cost, of extending or upgrading Powercor's lines to provide electricity supply to your property. The amount you must pay is called the **Total Customer Payment** (see Customer Contribution). Where another customer has already paid for an initial extension of a power line you may also be required to pay an equitable (not necessarily equal) share of their cost. This cost sharing if applicable will be included in the Total Customer Payment.

We calculate the amount of the Total Customer Payment using the guidelines provided by Victoria's Essential Services Commission. In this calculation we will allow for any future revenue we will receive from you.

## Requesting supply

If you are unsure or have determined that no electricity supply to your property exists, and you wish to begin the process for Powercor to extend or upgrade lines to your property, you must complete an [Application Form](#).

Where a group of nearby property owners wish to arrange the connection of electricity to their respective properties they may make a **Group Application** to share some of the costs.

Many customers choose to request connection independently, because it can be difficult to achieve agreement between all the property owners.

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The **Application Form** asks you to:

1. **Detail your precise property location.** A copy of your title or subdivision plan, along with a sketch illustrating the required location of your Point of Supply greatly assists Powercor to correctly identify your property and where you want your supply (see [The Point of Supply](#)). The Melway or Vic Roads Reference should also be provided.

If you wish to connect supply to a large rural property, you must also detail the precise location of the premises and your preferred Point of Supply.

2. **Provide the nearest Powercor pole identification.** Each Powercor pole has an identification number of 4-6 digits located on an aluminium strip, or black and yellow plastic strip about 1.6 metres from its base.
3. **Estimate as accurately as possible the amount of electricity you will need.** Your electrician can help provide this information. Domestic customers usually require about 40 Amps (diversified) at 230 volts single phase.

Before purchasing major electrical appliances or equipment (such as under-floor heating, three-phase air conditioners or motors), please confirm Powercor can meet these needs without the need to further increase the capacity of our lines. If an increased line capacity is necessary additional costs will apply to you.

For commercial, industrial and other non-domestic loads Powercor will require detailed load information. Powercor requires this information before we can process your application for supply. We recommend you consult your registered electrician to help determine your required load information.

You will need to also calculate your Load Estimation as accurately as possible as it affects the proportion of the total cost we may agree to contribute (Incremental Revenue) for providing supply.

If you fail to use the amount of electricity you specified and Powercor has built that capacity into the lines we may seek to recover costs from you.

4. **Request Powercor prepares either Budget Estimate or a Firm Offer** (see [What is a Budget Estimate?](#) and [What is a Firm Offer?](#) for an explanation of these terms).

You can obtain an Application Form by calling Powercor on **13 22 06**. Alternatively, you can print an [Application Form](#) from [www.powercor.com.au](http://www.powercor.com.au).

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## What is a Budget Estimate?

A Budget Estimate is an indication of the main cost components in providing an electricity supply to your property. The costs are expressed as an order of magnitude and do not include detail cost breakdowns. Budget Estimates should not be used for making binding financial decisions.

Budget Estimates are only applicable for domestic customer. Powercor does not charge you for the first Budget Estimate. However, a charge does apply for any subsequent Budget Estimates requested. Business customers, developers and streetscape works will be charged a consultancy fee to provide advice and costing for their project.

When preparing a Budget Estimate, Powercor does not visit your property or prepare a detailed design.

We calculate a Budget Estimate by assessing how far we may need to extend our lines to reach your property and determining the type of line that may be required based on the information you provide to us.

Powercor estimates the costs for project management, design, construction and materials based upon previous projects we have completed similar to yours.

In a Budget Estimate we tell you:

- If other Recognised Contractors are permitted to complete particular tasks, called Contestable Services (see [Using Service Providers](#));
- If Cost Sharing arrangements are in place with existing customers on the line, when you may need to repay some of their original costs for their connection (see [Cost Sharing Arrangements](#)).

It is important to note a Budget Estimate is indicative only and non-binding. Additional costs may arise when you formally request supply and we begin preparing a Firm Offer.

For example, a Budget Estimate does not take into account costs that may arise:

- When negotiating easements if we need to extend lines across neighbouring properties not owned by you (see [Easements](#));
- If a longer alternative route is required to avoid trees or overcome objections from third parties;
- If you need to clear trees (see [Tree Clearing and other Access Issues](#)); or
- When meeting regulatory requirements, such as those applied by the Department of Sustainability and Environment and local Councils.

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You can request a Firm Offer without first asking for a Budget Estimate (see [What is a Budget Estimate?](#) or [What is a Firm Offer?](#)). Powercor advises that if you have started building work or will shortly start that you request a Firm Offer to avoid the time delay in preparing a Budget Estimate.

## What is a Firm Offer?

A **Firm Offer for Network Connection Services** provides a fixed price from Powercor for making an electricity supply available to your property. It also provides a works program estimating when supply will be available to your property. After we have received all the necessary information from you and other third parties to enable a final design to be completed, then Powercor can make an offer within the ESC guidelines of 20 working days. Information required from you before the design can be finalised include:

- Full details of the applicant or their agent
- The precise property location, including clearly surveyed property boundaries on site
- The precise location within the property that supply will be required
- The amount and type of supply required and its intended use
- Operational requirements of electrical appliances and motors
- Approval for line routes requiring easements, leases, tree clearing, removal or protection of native vegetation, significant cultural historical sites, environmental impact studies, and construction requiring planning permits
- Your commitment to pay relevant Powercor Network fees
- Your completed option selection form

To prepare a Firm Offer, Powercor physically inspects your site and prepares a detailed technical assessment of the best available option to supply electricity to your property. If you wish to be present as part of the on site visit please arrange this with the Powercor project adviser for your project. We select a route to minimise necessary tree clearing, and prepare a design to extend our lines to your property. If an easement is required we will ask you to make the initial approach to all affected neighbours to seek their in principle agreement. Once you have reached easement agreement with your neighbour, Powercor will send the easement form to your neighbour for their signature. (see [Easements](#)).

When you request a Firm Offer for Network Connections you must complete an **Option Selection Form**. (See the [Diagram Flow](#) connecting with Powercor for the options available)

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The **Option Selection Form** asks you to decide who will complete various tasks in making supply available to your property and how the costs are provided.

In a firm offer we will advise you:

- The Total Customer Contribution and on what terms (see Customer Contributions).
- If you must contribute towards costs other customers have already paid (see [Cost Sharing Arrangements](#)).

Powercor does not perform tree-clearing services, and the cost of tree clearing is not included in our Firm Offer.

A Firm Offer is valid for up to 15 days.

## Using Service Providers

Contractors other than Powercor can complete some tasks required to provide an electricity supply to your property if they are **Recognised Contractors**. These tasks are called **Contestable Services**.

Recognised Contractors have demonstrated to Powercor they have the qualifications, training, experience, and quality systems of work to complete Contestable Services.

For safety reasons Powercor does not permit recognised contractors to work on our existing lines. These tasks are called **Non-Contestable Services**. Powercor also completes all Network Connection Services (see [Connection Services Charges](#)).

Contestable Services can include:

- Project management;
- Underground Residential Subdivision (URD) Design, including surveying and drafting services; and
- Construction, which includes the provision of all materials and 'as-constructed' plans.

If you run your own tender and choose a Recognised Contractor to perform Contestable Services, Powercor requests a **Refundable Guarantee** from you to cover any costs associated with fixing faults or defects that may arise from the contractor's work within three years of its completion.

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The Refundable Guarantee is 5% of Powercor's estimate of the total cost of Contestable Services work. We will return any unused portion of your Refundable Guarantee after three years.

A compliance audit of the recognised contractors Contestable Service work must be completed to ensure compliance with our construction standards prior to connecting to our system. This inspection is necessary because Powercor is responsible for the safety and future maintenance of the line after connection occurs. **An Audit Fee** is payable by you for this inspection and any necessary subsequent inspections.

**It is important to note if you run your own tender and nominate a Recognised Contractor other than Powercor to perform any Contestable Services, we will be unable to provide a final date for connection, as your Recognised Contractor controls when particular tasks are completed.**

## Choosing who does the work

When you request a Firm Offer from Powercor, you will need to complete an **Option Selection Form**. By completing this form you are informing Powercor of your choice of who you wish to do the work and your acknowledgement of your agreement to pay any Connection Services Charges. The **Option Selection Form** forms part of the **Application Form** or can be sent to you independently. You are welcome to discuss these options with us.

The **Option Selection Form** is how you inform Powercor of your decision of who will complete various tasks in making supply available to your property and how the costs are provided.

These tasks in making supply available can be divided into the following:

- **Design**

All overhead designs for new and augmentation of the existing Powercor distribution system can only be completed by Powercor. All designs for Underground Residential Distribution (URD) Developments can be completed by Powercor or any Powercor approved service provider.

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- **Non Contestable Services**

There are some tasks called 'Non Contestable Services' that only Powercor can complete, such as:

- System design
- Plan approval
- Updating records
- Augmentation works
- Works that need to be completed on Powercor's existing power lines

We will provide you with a description of the non-contestable services and the cost of these works in our Budget Estimate or Firm Offer. You must accept any offer from Powercor for Non Contestable Services in order to proceed in making supply available to your property.

- **Contestable Services**

These are the task than can be completed by Powercor or any Powercor approved service provider. Generally the tasks involve:

- Project Management
- Designs for Underground Residential Subdivisions
- The construction of new assets which includes the provision of materials and as built plans

The cost of Contestable Services will depend on a number of variables, including:

- The distance we need to extend our lines to your property;
- Avoiding trees or overcoming objections from third parties;
- The type and size of equipment used to provide the amount of supply you have requested; and
- Meeting regulatory requirements, such as those applied by the Department of Sustainability and Environment and local Councils.

The option selection form provides you with the following choices of who will provide the design, if you want an offer from Powercor for the contestable services and whether you want Powercor or yourself to run a tender for the contestable services.

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When you select Powercor to complete Contestable Services we will provide a description of these contestable services and the cost of these works in our Budget Estimate or Firm Offer.

The combination of choices for the provision of contestable services provide two options

### Option 1

- **Powercor completes all of the work and provides an all inclusive price.**

Powercor will provide you with an offer for both the contestable and non contestable services. This is only if you want an all inclusive price from Powercor. If you do request an offer from Powercor for the contestable services you can reject that offer and still have the choice of requesting Powercor to run a tender (a tender fee will apply) or running one yourself.

### Option 2 - Under this option you have 2 choices:

- **2A - You run your own tender process and select the Recognised Contractor**

You run your own tender process and select which Recognised Contractor you wish to use for the Contestable Services. You will need to enter into a contract with the Recognised Contractor and provide the project management of your project. Powercor will provide you with an offer for, and complete the Non Contestable Services

Powercor will complete:

- Any Non-Contestable Services; and
- All the necessary Network Connection Services such as design approval, final connection of supply, updating drawings.
- **2B - You request Powercor run a tender process for the contestable services.**

Powercor will charge you for managing the tender process. You then select and contract with the Recognised Contractor you wish to use for Contestable Services. Powercor will provide an offer to you for the Non Contestable Services. . We will enter into a contract with you for the non contestable services. Powercor calculates the cost of calling tenders on your behalf based on the hours of work required to prepare the tender documents and conduct the tender analysis, plus expenses (postage, printing etc). We will inform you upfront what these costs are and require them to be paid if you request us to proceed with a tender on your behalf.

Powercor will complete:

- The tender process for the Contestable services.
- Any Non-Contestable Services; and

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- All the necessary Network Connection Services such as design approval, final connection of supply, updating drawings.

When you request a Firm Offer, regardless of which option you choose, **Connection Service Fees** are payable to Powercor (see [Connection Services Charges](#)). The Registration Fee covers the costs associated with registration calculating firm costs and producing contracts. For more complex projects a Design Fee may also be charged. The Design Fee covers the cost of identifying line routes and easement negotiations,

The Registration Fee is a non-refundable amount, but will be deducted from our Firm Offer if you proceed. The Registration Fee will vary depending on the project, and Powercor will advise you of the Registration Fee amount when you request a Firm Offer. If easements or complex designs are involved then the Design fee would vary or additional costs charged, to include the extra work required.

## Easements

Easements are written agreements allowing Powercor to install and maintain our electricity distribution lines over and/or under private property.

Extending new lines across private property in rural areas, either to reduce the length of the line or to avoid tree clearing in road reserves, can significantly reduce construction costs.

You will make an initial approach to the affected property owners to gain their in principle agreement for a new line crossing their property. Powercor will then ask each property owner to grant a free easement over a strip crossing their land for the payment of 10 cents (minimum tender, payable on request). A Memorandum of Agreement for an Easement form is completed and signed by the landowner and then held by Powercor. For overhead lines the easement is rarely registered on title, but with underground lines it is considered necessary for safety reasons to register these lines on title.

Neighbouring property owners can refuse permission for Powercor to build new lines across their property. This can significantly affect the costs and time necessary to make supply available to your property, particularly if we need to choose a longer alternative route.

It is important to note that when you and Powercor, need to negotiate easements across neighbouring properties, long delays may occur before a Firm Offer for connection can be provided.

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## Tree Clearing and other Access Issues

Powercor endeavours to limit the need for tree clearing when building new lines. However, some tree clearing may be necessary to minimise potential interruptions to supply, maintain public safety, and prevent bushfires.

You will be required to arrange and pay for any necessary tree clearing, treatment of stumps, and removal of all debris along the route of the proposed power line, including road reserves and property crossings.

It is important you do not begin tree clearing until you have obtained all necessary approvals from your local Council, the Department of Sustainability and Environment, and any other approval bodies that apply regulations in your area. You must also confirm the final route of the proposed electricity line with Powercor.

Tree clearing is to be completed in accordance with the **Code of Practice for Electric Line Clearance (Vegetation) 1999** administered by the Office of the Chief Electrical Inspector.

In addition to providing a clear path through trees for our lines and poles to your property you are also responsible for removing other obstacles along the route, such as large mounds of dirt, or derelict buildings. You must also ensure access for heavy vehicles which may be used during construction of the line on your property and maintain access for future maintenance.

## The Point of Supply

The **Point of Supply** is the point where Powercor's line connects to your property as defined in the Electricity Safety Act. When you receive a Firm Offer from Powercor, we will advise you of your Point Of Supply.

The Point of Supply will normally be at:

- An underground line – the point at which the line crosses the boundary of the property (usually in an underground pit;) or
- A short aerial service line from a Powercor pole – at the first point of attachment of that service line within the property (up to maximum 20 metres into your property, usually at the front of the premises); or
- A high voltage line and substation within the property – at the low voltage terminals of that substation.

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Powercor is responsible for maintaining the lines and poles up to the Point Of Supply.

Overhead or underground private lines located on your property after the Point of Supply are called **Private Electric Lines (PEL)**. You are responsible for the maintenance of PELs on your property in accordance with the **Electricity Safety Act (Installation) Regulations** administered by the Office of the Chief Electrical Inspector.

In fire risk areas, customers must install underground lines from the Point of Supply. Installing an underground line minimises maintenance costs by eliminating the need to keep trees clear and providing greater protection from weather conditions. Powercor or the Country Fire Authority can advise you if your property is located in a bushfire risk area.

Powercor advises you contact a Registered Electrical Contractor to determine the costs of installing your Private Electric Line as these costs will increase the further the Point Of Supply is located from your premises.

In rural areas Powercor may provide a short overhead line from one of our poles located outside your property only. The maximum length of this service may be up to 20 metres inside your property and must be directly onto the premises.

On large rural properties Powercor can build a high voltage line and substation at your cost into your property to reduce the length and cost of your PEL, and to provide a higher quality electricity supply. In this case the Point of Supply is located at the low voltage terminals of the substation.

## How long does it take?

### Extending or Upgrading Electricity Lines

Once you have accepted Powercor's Firm Offer, and request us to proceed with construction work, it can take a further 4-8 months before construction work can be completed and your property has an electricity supply.

During this time Powercor completes the detailed designs, surveys, plan drawings, material purchases and delivery, arranges electricity shutdowns, advice to neighbours, and permission from authorities such as councils and other utilities like Telstra.

We may be able to complete the work in less time, but it may mean an additional cost to you if we need to reprogram other work, pay for additional resources, or arrange work to occur after business hours.

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## Installing an Underground Electricity Line

If Powercor needs to install an underground service line and pit to provide supply to your property, you should allow around six weeks for the completion of the work after you have accepted your contracts, and provided easements are not required through neighbouring properties.

Although the actual underground service line installation may take only a few days, we must prepare contracts, schedule trenching contractors, and obtain approvals from other relevant authorities.

If we are installing the underground service line through a neighbouring property the property owner can influence where Powercor is able to place our lines and can also refuse permission for us to install lines across their property. It is important to note when Powercor is required to negotiate easements, considerable delays can occur before a Firm Offer for connection can be provided to you.

This can also have a significant impact on the costs and time to make an electricity supply available, particularly if we need to choose a longer alternative route.

## Principles behind Customer Contributions

Powercor follows the approach advocated by Victoria's Essential Services Commission when calculating the Customer Contribution. The **Total Customer Contribution** amount you will be charged will be the cost from the **Customer Contribution** plus the **Connection Services Charges** (see [Connection Services Charges](#)).

- Customer contributions are non-discriminatory — the calculation of the contribution remains the same whether or not the work necessary to connect supply is completed by Powercor or by a Recognised Contractor.
- The Customer Contribution is charged for connecting to the network only when it is expected the customer will contribute less in distribution tariffs than the incremental cost of providing supply, and
- Customers whose ventures are considered by Powercor to be speculative are responsible for the risk of network assets being under-utilised or 'stranded'.
- Your customer contribution is calculated using the ESC guidelines:

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$$CC=[IC - IR] + SF$$

Where:

CC is the maximum amount of the customer's capital contribution:

IC is the amount of incremental cost in relation to the connection offer;

IR is the amount of incremental revenue in relation to the connection offer;

SF is the amount of any security fee

- **Incremental Cost** is the cost of the project works including new incremental capital, operating maintenance and the costs of any works that Powercor will incur in making your supply available to the nominated point of supply. The Incremental Cost excludes the Connection Service Fees and transmission costs.
  - If you choose to run your own tender and use a Recognised Contractor other than Powercor to complete any Contestable Services you must provide us with evidence detailing the total cost of these tasks. We compare these costs against the average cost for equivalent work completed on our lines, when calculating any Incremental Cost.
- **Incremental Revenue** is the revenue that Powercor will receive from your new connection via the distribution tariffs. Revenue is allowed per ESC guidelines at 15 years for a business connection and 30 years for a domestic connection.
  - The value of the Customer Contribution also depends on the amount of electricity you agree to use. It is in your interests to advise us accurately of the amount of electricity you will need, because this influences the type of line we build. The amount of electricity consumption you require is used to calculate your Incremental Revenue.
- **Security Fee** is like a bond. It is the amount held by Powercor and returned with interest, should you achieve the agreed electrical revenue consumption targets.

For work constructed by Powercor under option 1A or 1B we advise you in our Firm Offer of the required Total Customer Payment, when, and how it will be paid. For works constructed under option 2 any Network Contribution, if applicable, will be paid to you by Powercor at the end of the project when the new work is connected to our lines.

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## What is a Security Fee?

Some projects may require a security fee to be paid. The security fee is applied to manage the risk associated with Powercor not receiving the distribution revenue amount that was assumed when calculating your incremental revenue. Subject to actual energy consumption the security fee is refundable

## When will a Security Fee be required?

Generally a security fee will only be required for large new customer works. The security fee will be evaluated against the project location, industry type, and project size in terms of dollar value of the customer's incremental revenue.

The Security Fee will be calculated at the time of either:

If Powercor completes or tenders all the work (Option1A or 1B) we will calculate the Security Fee and inform you at the time of the offer.

If a Recognised Contractor completes some of the work (Option 2), we will calculate the security fee at the time of the offer or after the project completion, in conjunction with any Network Contribution calculation.

## Refunding the Security Fee

Powercor will allow an annual rebate of the Security Fee over a period of five years. The first qualifying period is 12 months from the tie in date. In order to receive the maximum allowable refund amount, Powercor will verify your actual electricity consumption is in agreement with the minimum electricity usage you agreed to use when requesting a firm offer. Interest will be payable on the refund amount, based on the Reserve Bank Australia overnight cash rate less 15 basis points and accrued monthly.

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## Undergrounding of Existing Assets

If you require existing distribution assets to be placed underground or relocated for the purpose of health and safety or amenity and appearance of the environment, Powercor will assist in developing a proposal.

Powercor will provide you with a proposal for your consideration that includes costs. The costs that will be provided to you will have a cost contribution from Powercor using the guidelines provided by Victoria's Essential Services Commission.

Powercor's contribution will take into consideration avoided costs of the existing assets such as:

- Future Maintenance
- Future Tree clearing
- Deferred asset replacement.

## Connection Services Charges

Powercor follows the approach advocated by Victoria's Essential Services Commission when calculating the Customer Contribution. The customer contribution is made up of:

- Contestable services charges
- Non contestable service charges
- Network Connection Services Fees (Registration,)
- Other fees and charges. (Design and Tender)

These fees and charges are explained below.

### Network Connection Services and Fees

Regardless of whether or not you use a Recognised Contractor to complete the Contestable Services, there are a number of other tasks that only Powercor can complete. These are called Network Connection Services.

The Network Connection Services costs are recovered through the Registration Fee and any Non Contestable Service charge.

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The **Registration Fee** covers the costs of:

- Recording and maintaining customer and property details;
- Preparing initial letters to you;
- Preparing specifications (scope of work) for the design;
- Identify any cost sharing arrangements that might be applicable;

All fees include GST, and are payable before connection of supply is made to your property.

The Registration fee for the installation of a service pit for an individual residential customer is **\$275.00** including GST. Registration fees for larger projects or multiple customer extensions will apply and vary according to the complexity and location of the work.

Notes:

- The above fees are subject to change. Please refer to the online version of this document for the latest fees.
- The type of connection to your property (single wire, single phase, or three phase) will depend on the type of existing Powercor power lines in your area, and the type of wiring installed by your Registered Electrical Contractor (electrician) on your property.

## Cost Sharing Arrangements

You should not assume that a power line that passes, or even crosses your land, means electricity is available for only the cost of a New Connection Fee (see [Other fees and charges](#)).

Where another customer has already paid for the initial extension of a power line, future customers taking a low voltage supply from that line within the Sharing Period will be required to pay an equitable portion (not necessarily equal) towards the cost of the shared line.

This means before your property can be connected to an existing power line Powercor must check to see if you will be required to pay a cost share amount which is then paid back to the initial customer.

The amount of any cost sharing payment you will need to make will be included in our Firm Offer.

At any point during the sharing period, customers may share costs equitably. If other customers connect after you, you may also receive a Cost Sharing rebate.

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## Principles of Cost Sharing

Domestic and small business customers who use less than 50kVA (a normal domestic customer uses about 6kVA diversified) can often share Customer Contribution costs if they connect to the same power line at different times within a **Sharing Period** of 7 years from the asset installation date.

The initial customer pays the cost of a new power line at the outset. Powercor then collects **Cost Shares** from future customers to rebate back to the initial customer(s). Cost Sharing applies within each separate high voltage extension, where a new customer is connected at low voltage, (but not a separate high voltage extension).

Cost sharing does not apply between separate high voltage extensions, and there is a practical reason for this. If we were to try and apply cost sharing between high voltage extensions then each new customer would, in theory, also need to pay a share of the cost of every previous high voltage extension built in the past 7 years. Obviously this arrangement would be impracticable and it is therefore necessary to limit cost sharing within each separate high voltage extension. Cost sharing is however based on the Least Cost Technically Acceptable (LCTA) Design. That is, a new customer cannot request a high voltage extension in order to avoid a cost share payment when a low voltage connection is technically acceptable. A separate HV extension does not remove the obligation for cost sharing if the LCTA Design meant that the separate HV extension was not required.

When we calculate Cost Sharing arrangements between you and existing customers, we identify who paid for the existing power line installed within the past 7 years. You do not contribute to costs paid by other customers before then, and you do not receive a rebate from connections made more than 7 years after the asset installation date.

In many rural areas, development is highly uncertain and all customers, both initial and subsequent, equitably bear the risk that future connections on the line, and cost sharing, may not occur.

In addition, at any point during the Sharing Period, the customers connected should equitably (not necessarily equally) share the initial construction cost of the shared line.

## Summary of Cost Sharing Principles

- Domestic and small business customers who use less than 50kVA may be eligible for cost sharing
- Cost sharing does not apply between separate high voltage extensions
- Cost sharing period is limited to 7 years from the asset installation date.
- Cost sharing is calculated as if all the applicants applied at the same time.

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- There is no retrospective calculation of Customer Contributions for the initial customer or future applicants, apart from the original calculation of their Customer Contribution.
- Where a new customer can be supplied from more than one extension (such as with a corner lot), the customer is connected to the extension that provides the least overall cost technically acceptable method for that particular customer.
- When there has been a change in property ownership Powercor will pay any cost share rebate amount to the person who last purchased the property. That purchaser is deemed to have included adjustment for the future receipt of cost sharing amounts in the purchase price of the property.

Cost sharing can be complex to work out, and the results are not always what you expect. Each case needs to be determined individually to maintain equity between customers.

## Other fees and charges

Other fees and charges may arise when providing you with an electricity supply. These fees and charges are based on the actual costs incurred by Powercor and may include:

- **New Connection Fee.** A new connection fee is applied in addition to any costs for extending or upgrading the Powercor lines. The New Connection Fee is included in your first electricity account sent by your Retailer.
- **Special metering or servicing arrangements,** for example if you request Powercor installs an underground service line when a less expensive overhead service line is possible.
- **Maintaining clearances from an electricity line.** This may involve the construction of a temporary protective cover when building works that present a risk of equipment or workers contacting Powercor's lines.
- **Complex easement negotiations,** if multiple site visits, discussions, and correspondence with neighbouring property owners are necessary.

A list of Powercor's Standard Service fees and charges is available at [www.powercor.com.au](http://www.powercor.com.au) or by calling us on 13 22 06.

## If you disagree

Powercor's Network Connection policies and practices are consistent with the approach advocated by Victoria's Essential Services Commission.

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If you do not accept our proposals or assessments we invite you to discuss the issue with the Powercor representative you have been dealing with.

In addition, you are also welcome to request a formal review of any work we have prepared for you by a Powercor Senior Manager.

If a formal review does not provide satisfaction you can contact the Energy and Water Ombudsman (Victoria).

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## Contacting Powercor Australia

### Powercor Australia Customer Service

General Enquiries (24 hours)	<b>13 22 06</b>
Service Faults and Difficulties (24 hours)	<b>13 24 12</b>
Telephone Interpreter	<b>13 14 50</b>
Facsimile	<b>(03) 5440 5798</b>
Website	<b>www.powercor.com.au</b>

### Powercor Australia Office Locations

<b>Head Office</b> Locked Bag 14090 Melbourne Victoria 8001	<b>Bendigo</b> 601 Napier Street Epsom  Private Bag 8004 Bendigo Victoria 3550	<b>Geelong</b> 72 Roseneath Street North Geelong  PO Box 185 Geelong Victoria 3220	<b>Mildura</b> 148 Eleventh Street Mildura  PO Box 544 Mildura Victoria 3502
<b>Ballarat</b> Gate 1 990 Norman Street Wendouree  PO Box 572 Ballarat Victoria 3353	<b>Shepparton</b> 8 Wheeler Street Shepparton  PO Box 6141 Shepparton Victoria 3632	<b>Ardeer</b> 740 -742 Ballarat Rd Ardeer  Locked Bag 6 Sunshine Victoria 3020	<b>Warrnambool</b> 7 Strong Street Warrnambool  PO Box 83 Warrnambool Victoria 3280

### Australian Energy Regulator (Victoria)

www.aer.gov.au  
 (03) 9290 1444

### Energy Safe Victoria (ESV)

www.esv.vic.gov.au  
 (03) 9203 9700

### Energy and Water Ombudsman (Victoria)

www.ewov.com.au  
 1800 500 509

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