

NATIONAL ELECTRICITY LAW

Undertaking to the Australian Energy Regulator given for
the purposes of section 59A of the *National Electricity (ACT) Law*

by

ActewAGL Distribution (ABN 76 670 568 688)

Person giving this Undertaking

1. This Undertaking is given to the Australian Energy Regulator (the **AER**) by ActewAGL Distribution (**ActewAGL**) of 40 Bunda Street, Canberra 2600 for the purposes of section 59A of the *National Electricity Law* (the **NEL**).

Background

2. ActewAGL is the owner and operator of an electricity distribution network located in the Australian Capital Territory (**ACT**). It provides electricity distribution services to retailers through this network.
3. ActewAGL is registered as a distribution network service provider (**DNSP**) under section 12(1) of the NEL and clause 2.5.1 of the National Electricity Rules (**NER**).
4. Section 5 of the *Electricity (National Scheme) Act 1997* (**ACT**) provides that the NEL, as set out in the Schedule to the *National Electricity (South Australia) Act 1996* (**SA**), applies as a law of the ACT. The NEL and the NER regulate the revenue that ActewAGL is permitted to derive from the provision of distribution services, specifically those of its distribution services that are 'direct control network services' as defined in section 2B of the NEL.
5. On 30 April 2015 the AER published the *Final Decision ActewAGL distribution determination 2015–16 to 2018–19* (**Final Determination**) encompassing its reasons together with the distribution determination.
6. On 12 June 2015, the AER approved the *ActewAGL Distribution 2015/16 Network Pricing Proposal* pursuant to clause 6.18.8 of the NER (**2015-16 Pricing Proposal**). The 2015-16 Pricing Proposal specifies ActewAGL's tariffs for the 2015/16 regulatory

year, determined in accordance with the NER and the Final Determination, including tariffs for the provision of its standard control services.

7. On 21 May 2015, ActewAGL filed an application to the Australian Competition Tribunal (the **Tribunal**) seeking leave to apply, and subject to that leave applying, for review of the Final Determination under Division 3A of Part 6 of the NEL.
8. On 17 July 2015, the Tribunal gave leave to ActewAGL to apply for review of the Final Determination.
9. Pursuant to section 71P(2)(c) of the NEL, on 26 February 2016 the Tribunal determined that the Final Determination be set aside and remitted to the AER to make the decision again in accordance with its directions on:
 - a. cost of debt;
 - b. estimated cost of corporate income tax (gamma);
 - c. operating expenditure;
 - d. service target performance incentive scheme; and
 - e. any other appropriate variations necessary in light of the other directions given by the Tribunal.
10. On 24 March 2016, the AER applied to the Federal Court for a judicial review of the Tribunal's decision.
11. ActewAGL acknowledges that having regard to the judicial review proceeding before the Federal Court (file number NSD419/2016) and remittal process before the AER there may be significant delay in the AER remaking its decision with respect to ActewAGL's distribution determination. The effect of this delay is likely to create uncertainty for users about applicable prices and the legal effect of the non-price provisions of the Final Determination.
12. To ameliorate this uncertainty, ActewAGL has agreed to proffer this Undertaking to the AER to provide that:
 - a. the network use of system tariffs and the tariffs for those standard control services which do not relate to network use of system to be applied in the 2016–17 regulatory year are the relevant tariffs set out in the 2015-16 Pricing Proposal, adjusted for changes in the consumer price index; and
 - b. the tariffs for alternative control services are to be applied in the 2016–17 regulatory year in accordance with the Final Determination.
13. Pursuant to the NEL and NER, the Final Determination otherwise continues to apply. The Final Determination applies in respect of matters including but not limited to

connection policies, the classification of services, the negotiating framework, the procedures for assigning retail customers to tariff classes and pass through events.

14. Terms used in this Undertaking which are defined in the NEL and/or the NER take their meaning as so defined.

Commencement of Undertaking

15. This Undertaking comes into effect when:
 - a. The Undertaking is executed by ActewAGL; and
 - b. The AER accepts the Undertaking so executed.
16. Pursuant to section 59A(2) of the NEL, ActewAGL may withdraw or vary this Undertaking at any time with the consent of the AER. This Undertaking is taken to be withdrawn or varied on the date the AER consents in writing to its withdrawal or variation.

Undertaking by ActewAGL

17. ActewAGL undertakes for the purposes of section 59A of the NEL that:
 - a. the network use of system tariffs and the tariffs for those standard control services which do not relate to network use of system which ActewAGL will impose in the 2016-17 regulatory year will be those set out in the pricing schedule which forms Schedule 2 of this Undertaking. Those tariffs set out in the pricing schedule have been derived using the relevant tariffs identified in the 2015-16 Pricing Proposal and making an adjustment for the 2015–16 consumer price index calculated in a manner that is consistent with the formulae for distribution standard control services set out in the Final Determination (Attachment 14 – Figure 14.1).
 - b. the tariffs for alternative control services which ActewAGL will impose in the 2016-17 regulatory year will be in accordance with the Final Determination.
 - c. ActewAGL will otherwise act in accordance with the NEL and the NER on the basis that the Final Determination continues in force.

Operation and termination of the Undertaking

18. Nothing in this Undertaking is intended to waive any legal rights that ActewAGL otherwise has, including without limitation under the NEL or NER and including in respect of any adjustments made or provided for in any remaking of the AER's

distribution determination for ActewAGL for the 2015-16 to 2018-19 regulatory control period or any future pricing proposal for that period approved by the AER under clause 6.18.8 of the NEL for under or over recovery of revenue amounts arising in respect of any difference between the AER's Final Determination and its remade distribution determination and/or the continued force of the 2015-16 Pricing Proposal in respect of tariffs for standard control services beyond the 2015-16 regulatory year.

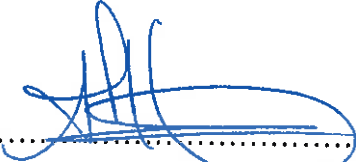
19. Upon the commencement of this Undertaking, ActewAGL undertakes to assume the obligations set out in paragraph 17 but only to the extent that compliance with those obligations would not prevent ActewAGL from complying with any applicable obligations under the NEL or the NER in relation to tariffs to be applied in the 2016-17 regulatory year.
20. Subject to the prior termination of this Undertaking in accordance with paragraph 21:
 - a. the obligations set out in paragraphs 17b and 17c shall cease to apply upon the occurrence of either:
 - i. the affirming of the Final Determination; or
 - ii. the making of a distribution determination for the period from 1 July 2015 to 30 June 2019 in place of the Final Determination; and
 - b. the obligation set out in paragraph 17a shall cease to apply upon the commencement of a new distribution network pricing proposal which has been submitted by ActewAGL and approved by the AER.
21. The Undertaking will terminate on the earlier of:
 - a. the withdrawal of the Undertaking by ActewAGL with the consent of the AER;
 - b. 30 June 2017.

Acknowledgments

22. ActewAGL acknowledges that:
 - a. The AER will make this Undertaking publicly available including by publishing it on the AER's website;
 - b. The AER will, from time to time, make public reference to the Undertaking including in news media statements and in AER publications.

Executed by

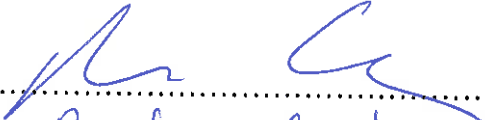
ActewAGL Distribution ABN 76 670 568 688


..... AYESHA RAZZAQ, AI CEO

Authorised representative of ActewAGL Distribution

This..... 10day of May2016

ACCEPTED BY THE AUSTRALIAN ENERGY REGULATOR PURSUANT TO
SECTION 59A OF THE NATIONAL ELECTRICITY LAW


.....

Chair

This..... 16thday of May2016

ActewAGL Use of Network Charges 2016/17

Schedule of Charges from 1 July 2016

Description	Unit	Excluding GST	Including GST
RESIDENTIAL TARIFFS			
10 Residential Basic Network			
Network access charge	cents/day	33.285	36.614
Energy consumption	cents/kWh	6.902	7.592
11 Residential Basic Network XMC*			
Network access charge	cents/day	25.641	28.205
Energy consumption	cents/kWh	6.902	7.592
15 Residential TOU Network			
Network access charge	cents/day	33.285	36.614
Energy at max times	cents/kWh	11.937	13.131
Energy at mid times	cents/kWh	5.766	6.343
Energy at economy times	cents/kWh	2.608	2.869
16 Residential TOU Network XMC*			
Network access charge	cents/day	25.641	28.205
Energy at max times	cents/kWh	11.937	13.131
Energy at mid times	cents/kWh	5.766	6.343
Energy at economy times	cents/kWh	2.608	2.869
20 Residential 5000 Network			
Network access charge	cents/day	54.805	60.286
Energy for the first 60 kWh per day	cents/kWh	5.360	5.896
Energy above 60 kWh per day	cents/kWh	6.902	7.592
21 Residential 5000 Network XMC*			
Network access charge	cents/day	47.161	51.877
Energy for the first 60 kWh per day	cents/kWh	5.360	5.896
Energy above 60 kWh per day	cents/kWh	6.902	7.592
30 Residential with Heat Pump Network			
Network access charge	cents/day	98.149	107.964
Energy for the first 165 kWh per day	cents/kWh	3.888	4.277
Energy above 165 kWh per day	cents/kWh	6.902	7.592
31 Residential with Heat Pump Network XMC*			
Network access charge	cents/day	90.505	99.556
Energy for the first 165 kWh per day	cents/kWh	3.888	4.277
Energy above 165 kWh per day	cents/kWh	6.902	7.592
60 Off-Peak (1) Night Network			
Energy consumption	cents/kWh	1.878	2.066
70 Off-Peak (3) Day & Night Network			
Energy consumption	cents/kWh	2.771	3.048
COMMERCIAL LOW VOLTAGE TARIFFS			
40 General Network			
Network access charge	cents/day	60.408	66.449
Energy for the first 330 kWh per day	cents/kWh	10.729	11.802
Energy above 330 kWh per day	cents/kWh	13.957	15.353

41 General Network XMC*			
Network access charge	cents/day	47.039	51.743
Energy for the first 330 kWh per day	cents/kWh	10.729	11.802
Energy above 330 kWh per day	cents/kWh	13.957	15.353
135 Small Unmetered Loads Network			
Network access charge	cents/day	38.269	42.096
Energy consumption	cents/kWh	11.207	12.328
80 Streetlighting Network			
Network access charge	cents/day	60.905	66.996
Energy consumption	cents/kWh	7.319	8.051
81 Streetlighting Network XMC*			
Network access charge	cents/day	47.536	52.290
Energy consumption	cents/kWh	7.319	8.051
90 General TOU Network			
Network access charge	cents/day	60.408	66.449
Energy at business times	cents/kWh	16.962	18.658
Energy at evening times	cents/kWh	8.323	9.155
Energy at off-peak times	cents/kWh	3.441	3.785
91 General TOU Network XMC*			
Network access charge	cents/day	47.039	51.743
Energy at business times	cents/kWh	16.962	18.658
Energy at evening times	cents/kWh	8.323	9.155
Energy at off-peak times	cents/kWh	3.441	3.785
Low voltage time of use demand network			
101 LV TOU kVA Demand Network			
Network access per connection point	cents/day	158.962	174.858
Maximum demand charge	c/KVA/day	42.329	46.562
Energy at business times	cents/kWh	6.527	7.180
Energy at evening times	cents/kWh	3.482	3.830
Energy at off-peak times	cents/kWh	1.563	1.719
103 LV TOU Capacity Network			
Network access per connection point	cents/day	158.962	174.858
Maximum demand charge	c/KVA/day	19.794	21.773
Capacity charge	c/KVA/day	19.794	21.773
Energy at business times	cents/kWh	6.527	7.180
Energy at evening times	cents/kWh	3.481	3.829
Energy at off-peak times	cents/kWh	1.563	1.719
104 LV TOU kVA Demand Network XMC*			
Network access per connection point	cents/day	51.059	56.165
Maximum demand charge	c/KVA/day	42.329	46.562
Energy at business times	cents/kWh	6.527	7.180
Energy at evening times	cents/kWh	3.482	3.830
Energy at off-peak times	cents/kWh	1.563	1.719

105 LV TOU Capacity Network XMC*

Network access per connection point	cents/day	51.059	56.165
Maximum demand charge	c/KVA/day	19.794	21.773
Capacity charge	c/KVA/day	19.794	21.773
Energy at business times	cents/kWh	6.527	7.180
Energy at evening times	cents/kWh	3.481	3.829
Energy at off-peak times	cents/kWh	1.563	1.719

HIGH VOLTAGE TARIFFS**High voltage time of use demand network with ActewAGL low voltage network****111 HV TOU Demand Network**

Network access per connection point	\$/day	19.287	21.216
Maximum demand charge	c/KVA/day	16.952	18.647
Capacity charge	c/KVA/day	16.952	18.647
Energy at business times	cents/kWh	4.659	5.125
Energy at evening times	cents/kWh	2.700	2.970
Energy at off-peak times	cents/kWh	1.127	1.240

112 HV TOU Demand Network – Customer HV

Network access per connection point	\$/day	19.287	21.216
Maximum demand charge	c/KVA/day	15.937	17.531
Capacity charge	c/KVA/day	15.937	17.531
Energy at business times	cents/kWh	4.659	5.125
Energy at evening times	cents/kWh	2.700	2.970
Energy at off-peak times	cents/kWh	1.127	1.240

High voltage time of use demand network without ActewAGL low voltage network**121 HV TOU Demand Network – Customer LV**

Network access per connection point	\$/day	19.287	21.216
Maximum demand charge	c/KVA/day	16.952	18.647
Capacity charge	c/KVA/day	16.952	18.647
Energy at business times	cents/kWh	4.253	4.678
Energy at evening times	cents/kWh	2.346	2.581
Energy at off-peak times	cents/kWh	0.984	1.082

122 HV TOU Demand Network – Customer HV and LV

Network access per connection point	\$/day	19.287	21.216
Maximum demand charge	c/KVA/day	15.937	17.531
Capacity charge	c/KVA/day	15.937	17.531
Energy at business times	cents/kWh	4.253	4.678
Energy at evening times	cents/kWh	2.345	2.580
Energy at off-peak times	cents/kWh	0.984	1.082

Note: The above 2016/17 prices have been calculated by applying CPI of 1.51% to 2015/16 prices.

* XMC tariffs exclude metering capital charges.

ActewAGL Regulated Metering Charges 2016/17

Schedule of Charges from 1 July 2016

Code	Description	Unit	Excluding GST	Including GST
MP1	Quarterly basic metering rate			
	Accumulation and time-of-use meters read quarterly	cents per day per NMI*	3.766	4.143
MP2	Monthly basic metering rate			
	Accumulation and time-of-use meters read monthly	cents per day per NMI	6.588	7.247
MP3	Time-of-use metering rate			
	Time-of-use meters read monthly	cents per day per NMI	6.588	7.247
MP4	Monthly manually-read interval metering rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed monthly	cents per day per NMI	53.19	58.509
MP6	Quarterly manually-read interval metering rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed quarterly	cents per day per NMI	15.176	16.694
MP7	Quarterly basic metering capital rate			
	Accumulation and time-of-use meters read quarterly	cents per day per NMI*	7.644	8.408
MP8	Monthly basic metering capital rate			
	Accumulation and time-of-use meters read monthly	cents per day per NMI	13.369	14.706
MP9	Time-of-use metering capital rate			
	Time-of-use meters read monthly	cents per day per NMI	13.369	14.706
MP10	Monthly manually-read interval metering capital rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed monthly	cents per day per NMI	107.903	118.693
MP11	Quarterly manually-read interval metering capital rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed quarterly	cents per day per NMI	30.787	33.866

*National Meter Identifier.

Notes: The above 2016/17 prices have been calculated by applying CPI of 1.51% to 2015/16 prices.

ActewAGL Ancillary Service Charges 2016/17

Schedule of Charges from 1 July 2016

Code	Service	Unit	Excluding GST	Including GST
Premise Re-energisation – Existing Network Connection				
501	Re-energise premise – Business Hours	per visit	67.82	74.60
502	Re-energise premise – After Hours	per visit	85.97	94.57
Premise De-energisation – Existing Network Connection				
503	De-energise premise – Business Hours	per visit	67.82	74.60
505	De-energise premise for debt non-payment	per test	135.65	149.22
Meter Reconfiguration				
507	Install single phase, single element manually read interval meter	per meter	511.93	563.12
508	Install subsequent single phase, single element meter - same location & visit	per meter	323.64	356.00
509	Install single phase, two element meter	per meter	622.57	684.83
511	Install subsequent single phase, two element meter - same location & visit	per meter	434.28	477.71
512	Install three phase meter	per meter	749.64	824.60
513	Install subsequent three phase meter - same location & visit	per meter	561.34	617.47
Meter Investigations				
504	Meter Test (Whole Current) – Business Hours	per test	271.30	298.43
510	Meter Test (CT/VT) – Business Hours	per test	314.20	345.62
Special Meter Services				
506	Special Meter Read	per read	31.37	34.51
Temporary Network Connections (excludes meter cost)				
520	Temporary Builders Supply – Overhead (Business Hours) (excludes meter cost)	per installation	609.61	670.57
522	Temporary Builders Supply – Underground (Business Hours) (excludes meter costs)	per installation	1,330.82	1,463.90
New Network Connections (excludes meter installation)				
523	New Underground Service Connection – Greenfield	per installation	-	-
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	800.66	880.73
527	New Underground Service Connection – Brownfield from Front	per installation	1,330.82	1,463.90
528	New Underground Service Connection – Brownfield from Rear	per installation	1,330.82	1,463.90
Network Connection Alterations and Additions (excludes meter installation)				
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	764.19	840.61
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	1,528.37	1,681.21
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	764.19	840.61
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	800.66	880.73
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	1,294.36	1,423.80

546	Underground Service Upgrade – Service Cable Replacement Required	per installation	1,330.82	1,463.90
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	1,330.82	1,463.90
548	Install surface mounted point of entry (POE) box	per installation	615.47	677.02
Temporary De-energisation				
560	Temporary de-energisation – LV (Business Hours)	per occurrence	406.95	447.65
561	Temporary de-energisation – HV (Business Hours)	per occurrence	406.95	447.65
Supply Abolishment / Removal				
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	573.15	630.47
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	1,035.49	1,139.04
Miscellaneous Customer Initiated Services				
564	Install & Remove Tiger Tails – Per Installation (Business Hours)	per installation	1,345.92	1,480.51
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	677.55	745.31
566	Install & Remove Warning Flags – Per Installation (Business Hours)	per installation	1,146.28	1,260.91
567	Install & Remove Warning Flags - Per Span (Business Hours)	per installation	580.75	638.83
Embedded Generation - Operational & Maintenance Fees				
568	Small Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%
569	Small Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%
Connection Enquiry Processing - PV Installations				
570	PV Connection Enquiry – LV Class 1 (<= 10kW Single Phase / 30kW Three Phase)	per installation	-	-
571	PV Connection Enquiry – LV Class 2 to 5 (> 30kW <= 1500kW Three Phase)	per installation	557.20	612.92
572	PV Connection Enquiry – HV	per installation	1,114.41	1,225.85
573	Provision of information for Network technical study for large scale installations	per installation	11,144.12	12,258.53
Network Design & Investigation / Analysis Services - PV Installations				
(See: http://www.actewagl.com.au/~media/ActewAGL/ActewAGL-Files/About-us/Publications/Guidelines-for-LV-embedded-generator-connections.ashx)				
574	Design & Investigation - LV Connection Class 1 PV (<= 10kW Single Phase / 30kW Three Phase)	per installation	-	-
575	Design & Investigation - LV Connection Class 2 PV (> 30kW and <= 60kW Three Phase)	per installation	3,714.71	4,086.18
576	Design & Investigation - LV Connection Class 3 PV (> 60 kW and <= 120kW Three Phase)	per installation	5,572.05	6,129.26
577	Design & Investigation - LV Connection Class 4 PV (> 120 kW and <= 200kW Three Phase)	per installation	7,429.41	8,172.35
578	Design & Investigation - LV Connection Class 5 PV (> 200kW and <= 1500kW Three Phase) – ActewAGL Network Study	per installation	11,144.12	12,258.53
579	Design & Investigation - HV Connection Class 5 PV (> 200kW and <= 1500kW Three Phase) – Customer Network Study	per installation	13,930.14	15,323.15
Residential Estate Subdivision Services				
580	URD Subdivision Electricity Distribution Network Reticulation - Multi-Unit Blocks	per block	-	-

581	URD Subdivision Electricity Distribution Network Reticulation - Blocks <= 650 m2	per block	1,678.95	1,846.85
582	URD Subdivision Electricity Distribution Network Reticulation - Blocks 650 - 1100m2 with average linear frontage of 22-25 meters	per block	2,199.69	2,419.66
Upstream Augmentation				
585	HV Feeder	per KVA	36.37	40.01
586	Distribution substation	per KVA	21.06	23.17
Rescheduled Site Visits				
590	Rescheduled Site Visit – One Person	per site visit	135.65	149.22
591	Rescheduled Site Visit – Service Team	per site visit	573.15	630.47
Trenching charges				
592	Trenching - first 2 meters	per visit	520.26	572.29
593	Trenching - subsequent meters	per meter	120.99	133.09
Boring charges				
594	Under footpath	per occurrence	943.73	1,038.10
595	Under driveway	per occurrence	1,125.22	1,237.74

Notes:

The above 2016/17 prices have been calculated by applying CPI of 1.51% and appropriate X factors to 2015/16 prices. Codes 507-513 use an X factor of -0.68, as per Table 16.23 of AER Final Decision (April 2015)

Codes 580-582 and 585-586 relate to standard control services, not alternative control services, and are therefore not included in the AER's table of charges for ancillary network services (classified as alternative control services) in the Final Decision (i.e. Table 16.17). In the 2015/16 pricing proposal, these charges were included in this list for completeness. For the 2015/16 pricing proposal, these charges were calculated in accordance with ActewAGL Distribution's Connection Policy 2015-19, approved by the AER in the Final Decision. For 2016/17, these charges have been increased by CPI only, as per the Enforceable Undertaking given by ActewAGL Distribution and accepted by the AER.

All other ancillary codes use an X factor of -1.13, as per Table 16.17 of AER Final Decision (April 2015)

