

DLVCS: comments received by the ERA in submissions to AA3

This document details the comments noted by the ERA received in response to the Issues Paper for the AA3 proposal, as detailed in the Draft Decision.¹

Western Power notes that similar comments were received during Western Power's consultation on the DLVCS, and that, as far as is possible, the DLVCS has incorporated these comments.

Western Power provides these comments to further assist the Authority in its deliberations.

Paragraph from the Draft Decision	Comment	Western Power response
1608	Synergy's submission notes that a proposed Code amendment allowing for an increase in the headworks charges that Western Power may directly recover from consumers who are subject to Western Power's proposed Distribution Low Voltage Connection Scheme (DLVCS), is yet to be approved and hence the scheme should not be considered as part of the AA3 revisions.	The proposed variation to the Access Code has now been gazetted.
1609	The National Electrical and Communications Association supports the proposed distribution low voltage connection scheme as providing greater transparency whilst removing the disparity in pricing for customers who request the same scope of works yet are charged very different prices.	No comment.
1610	Submissions from FINBAR and the Property Council of Australia both raise similar points and are concerned particularly with the potential impact on the competitiveness of multi-unit development in Western Australia. Specific points raised include:	See below.
1610	<ul style="list-style-type: none"> there is no effective means to gauge the risk of having Contributions Policy section 7.5 (exclusion from DLVCS) applied to a 	The threshold exists to ensure that developments with a high average cost are not subsidised

¹ Available at:

<http://www.erawa.com.au/cproot/10284/2/20120329%20Draft%20Decision%20on%20Proposed%20Revisions%20to%20the%20AA%20for%20the%20WPN%20-%20Submitted%20by%20WP.pdf>

Paragraph from the Draft Decision	Comment	Western Power response
	project, thus providing no certainty to a developer when considering the initial feasibility of a project;	by other customers within the DLVCS. Unfortunately, until an accurate assessment of the expected costs is made, it cannot be determined whether a proposed development will fall within the threshold. Our analysis indicates that only 1.5% of applications will be excluded from the DLVCS under this provision.
1610	<ul style="list-style-type: none"> the revenue offset is not clearly set out and the current arrangements include the inequitable exclusion of multi-residential development from having a revenue offset applied to the headworks costs; and 	There is a revenue offset for any connection that is subject to the DLVCS. This particular concern relates to connections that are subject to Appendix 8 augmentations which are potentially at full cost. This issue is being considered further as part of the implementation of this policy but does not impact on the policy itself.
1610	<ul style="list-style-type: none"> the formula to be used for calculating the level of security. 	The formula is as per the approved Contributions Policy. Western Power considers that this approach is equitable for all customers.
1611	The Office of Energy's submission raised some points relating to drafting:	See below.
1611	<ul style="list-style-type: none"> The Contributions Policy defines "headworks scheme" as meaning "the scheme described in clause 6 of this contributions policy". Clause 6 only refers to the distribution headworks scheme. This definition therefore does not include Western Power's distribution low voltage connection scheme which is described in clause 7 of the contributions policy. 	The original headworks scheme (Distribution Headworks) defined headworks in this way. To minimise variations to the Contributions Policy this has been retained. Western Power considers that the definition does not need to be expanded.
1611	<ul style="list-style-type: none"> The Distribution Headworks Methodology states that "headworks has the same meaning given to it in the Contributions Policy". However, the definition in the DLVCS Methodology does not contain the reference to HV (or high voltage) like the Contributions Policy definition does. The high voltage reference may have implications for the classification of the proposed distribution low voltage 	As per the above, the DLVCS does not relate to the definition of "headworks" used in the Contributions Policy. Therefore this issue is not relevant.

Paragraph from the Draft Decision	Comment	Western Power response
	connection scheme as a headworks scheme.	