

~~Revised proposed revisions to~~ ~~the~~ Access Arrangement for the Western Power Network

ELECTRICITY NETWORKS CORPORATION

("WESTERN POWER")

ABN 18 540 492 861

ERA Approved _____

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1. Introduction

1.1 Purpose of this document

~~1.1.1~~ These revised *proposed revisions* are lodged by Western Power on 15 November 2022 for review and approval by the Authority in accordance with the processes and criteria set out in the *Electricity Networks Access Code 2004*, herein referred to as the “Code”. Henceforth this document is referred to as the “access arrangement”.

1.1.1 This document ~~access arrangement~~ is an arrangement for access to the *Western Power Network* from the date specified in section 1.3.1 of this *access arrangement*.

1.1.2 Henceforth this document is referred to as the “access arrangement”. The *Western Power Network* is a covered network under the *Electricity Networks Access Code 2004*, herein after referred to as the “Code”.

1.2 Definitions and interpretation

1.2.1 In sections 1 to 10 of this *access arrangement*, where a word or phrase is italicised, it has the definition given to that word or phrase as described in this *access arrangement* or section 1.3 of the *Code*, unless the context requires otherwise.

1.2.2 In each of the appendices to this *access arrangement*, a separate glossary of terms is provided where appropriate, and the definitions contained in those separate glossaries apply to the relevant appendix, unless the context requires otherwise.

1.2.3 In this *access arrangement*:

“**bi-directional service**” means a covered service provided by Western Power at a connection point under which the user may transfer electricity into and out of the Western Power Network at the connection point.

“**MSLA**” means the model service level agreement approved by the Authority under the *Metering Code* (which as at this *access arrangement start date* is the version dated 30 September 2020).

1.3 Proposed access arrangement revisions commencement date

1.3.1 Subject to section 5.6, this *access arrangement* (as revised) is effective from 1 July 2023 ~~or a later date in accordance with section 4.26 of the Code.~~

1.4 Revision's submission date and target revisions commencement date

1.4.1 Pursuant to section 5.31(a) of the *Code*, the *revisions submission date* for this *access arrangement* is 1 February 2026.

1.4.2 Pursuant to section 5.31(b) of the *Code*, the *target revisions commencement date* for this *access arrangement* is 1 July 2027.

1.5 Composition of this access arrangement

1.5.1 This *access arrangement* comprises this document together with:

- a) the *Standard Access Contract*, termed the Electricity Transfer Access Contract attached at Appendix A;
- b) the *Applications and Queuing Policy* attached at Appendix B;
- c) the *Contributions Policy* attached at Appendix C.1;
- d) the Distribution Low Voltage Connection Scheme Methodology attached at Appendix C.2;
- e) the *Multi-function Asset Policy* attached at Appendix D;
- f) the details of the *reference services* offered by Western Power attached at Appendix E;
- g) the *Tariff Structure Statement Overview* attached at F.1 ~~Appendix F.1~~;
- h) the *Tariff Structure Statement Technical Summary* attached at F.2 ~~Appendix F.2~~;
- i) ~~the price lists attached at Appendix F, which are a schedule of reference tariffs in effect for this access arrangement.~~

1.6 Relationship to technical rules

1.6.1 The *technical rules* do not form part of this *access arrangement*, although the *technical rules* are relevant in determining Western Power's *target revenue*.

2. Reference services

2.1 Purpose

2.1.1 Pursuant to sections 5.1(a) and 5.2 of the *Code*, this section of the *access arrangement* describes the *reference services* offered by Western Power.

2.2 Reference services

2.2.1 *Reference services* are provided to *users* that meet and continue to meet the eligibility criteria applicable to the *reference service* provided, on the terms and conditions of the Electricity Transfer Access Contract, at the related *service standard benchmarks* and at the related *reference tariff*.

2.2.2 Western Power specifies 23 *reference services at exit points*:

Table 1: Reference services at exit points

Reference service	Short name
Anytime Energy (Residential) Exit Service	A1
Anytime Energy (Business) Exit Service	A2
Time of Use Energy (Residential) Exit Service	A3
Time of Use Energy (Business) Exit Service	A4
High Voltage Metered Demand Exit Service	A5
Low Voltage Metered Demand Exit Service	A6
High Voltage Contract Maximum Demand Exit Service	A7
Low Voltage Contract Maximum Demand Exit Service	A8
Streetlighting Exit Service (including streetlight maintenance)	A9
Unmetered Supplies Exit Service	A10
Transmission Exit Service	A11
3 Part Time of Use Energy (Residential) Exit Service	A12
3 Part Time of Use Energy (Business) Exit Service	A13
3 Part Time of Use Demand (Residential) Exit Service	A14
3 Part Time of Use Demand (Business) Exit Service	A15
Multi Part Time of Use Energy (Residential) Exit Service	A16
Multi Part Time of Use Energy (Business) Exit Service	A17
Super Off-peak Energy (Residential) Exit Service	A18
Super Off-peak Energy (Business) Exit Service	A19
Super Off-peak Demand (Residential) Exit Service	A20
Super Off-peak Demand (Business) Exit Service	A21

Reference service	Short name
Low Voltage Electric Vehicle Charging Exit Service	A22
High Voltage Electric Vehicle Charging Exit Service	A23

2.2.3 Western Power specifies three *reference services at entry points*:

Table 2: Reference services at entry points

Reference service	Short name
Distribution Entry Service	B1
Transmission Entry Service	B2
Entry Service Facilitating a Distributed Generation or Other Non-Network Solution	B3

2.2.4 Western Power specifies 24 *bi-directional services as reference services at connection points*:

Table 3: Reference services at bi-directional points

Reference service name	Short name
Anytime Energy (Residential) Bi-directional Service	C1
Anytime Energy (Business) Bi-directional Service	C2
Time of Use Energy (Residential) Bi-directional Service	C3
Time of Use Energy (Business) Bi-directional Service	C4
High Voltage Metered Demand Bi-directional Service	C5
Low Voltage Metered Demand Bi-directional Service	C6
High Voltage Contract Maximum Demand Bi-directional Service	C7
Low Voltage Contract Maximum Demand Bi-directional Service	C8
3 Part Time of Use Energy (Residential) Bi-directional Service	C9
3 Part Time of Use Energy (Business) Bi-directional Service	C10
3 Part Time of Use Demand (Residential) Bi-directional Service	C11
3 Part Time of Use Demand (Business) Bi-directional Service	C12
Multi Part Time of Use Energy (Residential) Bi-directional Service	C13
Multi Part Time of Use Energy (Business) Bi-directional Service	C14
Bi-directional Service Facilitating a Distributed Generation or Other Non-Network Solution	C15
Super Off-peak Energy (Residential) Bi-directional Service	C16
Super Off-peak Energy (Business) Bi-directional Service	C17

Reference service name	Short name
Super Off-peak Demand (Residential) Bi-directional Service	C18
Super Off-peak Demand (Business) Bi-directional Service	C19
Low Voltage EV Charging Demand Bi-directional CMD -Service	C20
High Voltage EV Charging Demand Bi-directional CMD -Service	C21
Transmission Connected Storage Bi-directional Service	C22
Low Voltage Distribution Storage Bi-directional Service	C23
High Voltage Distribution Storage Bi-directional Service	C24

2.2.5 Western Power specifies nine *services* at a *connection point* as a *reference service* (ancillary).

Table 4: Reference services at connection points (ancillary)

Reference service name	Short name
Supply Abolishment Service	D1
Capacity Allocation Service	D2
Remote Load/Inverter Control Service	D6
Remote De-energise Service	D8
Remote Re-energise Service	D9
Streetlight LED Replacement Service	D10
Site Visit to Support Remote Re-energise Service	D11
Manual De-energise Service	D12
Manual Re-energise Service	D13

2.2.6 Western Power specifies 20 standard metering services as *reference services*:

Table 5: Standard metering services

Reference service name	Short name
Unidirectional, accumulation, bi-monthly, manual	M1
Unidirectional, accumulation (TOU), bi-monthly, manual	M2
Unidirectional, interval, bi-monthly, manual	M3
Unidirectional, interval, monthly, manual	M4
Unidirectional, interval, weekly, manual	M17
Unidirectional, interval, bi-monthly, remote	M5

Reference service name	Short name
Unidirectional, interval, monthly, remote	M6
Unidirectional, interval, weekly, remote	M18
Unidirectional, interval, daily, remote	M7
Bidirectional, accumulation, bi-monthly, manual	M8
Bidirectional, accumulation (TOU), bi-monthly, manual	M9
Bidirectional, interval, bi-monthly, manual	M10
Bidirectional, interval, monthly, manual	M11
Bidirectional, interval, weekly, manual	M19
Bidirectional interval, bi-monthly, remote	M12
Bidirectional, interval, monthly, remote	M13
Bidirectional, interval, weekly, remote	M20
Bidirectional, interval, daily, remote	M14
Unmetered supply, accumulation, bi-monthly, manual	M15
One off manual interval read	M16

2.2.7 Appendix E of this *access arrangement* provides details of each *reference service*, including:

- a description of the *reference service*;
- the *user* eligibility criteria;
- the applicable *reference tariff*;
- the applicable *standard access contract*; and
- the applicable *service standard benchmark*.

2.3 Payment by users

2.3.1 *Users* are required to pay a *charge* for *reference services* calculated by applying the related *reference tariffs*.

3. Excluded services

3.1 Purpose

3.1.1 This section of the *access arrangement* describes the *excluded services* offered by Western Power.

3.2 Excluded services

3.2.1 In accordance with section 6.35 of the *Code*, Western Power may at any time request the *Authority* to determine under section 6.33 of the *Code* that one or more *services* provided by means of the *Western Power Network* are *excluded services* and the *Authority* will confirm such determination to Western Power. Any capital costs incurred by Western Power for *excluded services* shall not be included in Western Power's regulated asset base.

3.2.2 At the *access arrangement revisions commencement date*, there is one *excluded service* as follows:

- Western Power owned storage devices.

4. Service standard benchmarks

4.1 Purpose

4.1.1 Pursuant to section 5.1(c) of the *Code*, this section provides the *service standard benchmarks* applicable to the *reference services*. *Service standard benchmarks* are not applicable to *non-reference services*.

4.2 Service standard benchmarks for distribution reference services

4.2.1 For the *reference services* A1 to A10, A12 to A23, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary *reference service* D2 and D6, the *service standard benchmarks* are expressed in terms of System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI) and call centre performance.

4.2.2 In sections 4.2.3 and 4.2.5 “**distribution customer**” means a *consumer* connected to the *distribution system*.

System Average Interruption Duration Index (SAIDI)

4.2.3 SAIDI is applied as follows:

Table 6: Application of SAIDI

	System Average Interruption Duration Index (SAIDI) CBD Urban Rural Short Rural Long
Unit of Measure	Minutes per year.
Definition	<p>Over a 12-month period, the sum of the duration of each sustained (greater than 1 minute) <i>distribution customer</i> interruption (in minutes) attributable to the <i>distribution system</i> (after exclusions) divided by the number of <i>distribution customers</i> served, that is:</p> $\frac{\sum \text{Sustained } \textit{distribution customer} \text{ interruption durations}}{\text{Number of } \textit{distribution customers} \text{ served}}$ <p>where:</p> <ul style="list-style-type: none"> • A CBD feeder is a feeder supplying predominantly commercial, high-rise buildings, supplied by a predominantly underground <i>distribution system</i> containing significant interconnection and redundancy when compared to urban areas. • An Urban feeder is a feeder, which is not a CBD feeder with actual maximum demand over the reporting period per total high voltage feeder route length greater than 0.3 MVA/km. • A Rural Short feeder is a feeder which is not a CBD or urban feeder with a total high voltage feeder route length less than 200 km. • A Rural Long feeder is a feeder which is not a CBD or urban feeder with a total high voltage feeder route length greater than 200 km.

	System Average Interruption Duration Index (SAIDI) CBD Urban Rural Short Rural Long
	<ul style="list-style-type: none"> The number of <i>distribution customers</i> served is determined by averaging the start of month values for the 12 months included in the 12-month period.
Exclusions	<p>One or more of:</p> <ul style="list-style-type: none"> For an unplanned interruption on the <i>distribution system</i>, a day on which the major event day threshold, applying the “2.5 beta method”, is exceeded. This method excludes events which are more than 2.5 standard deviations greater than the mean of the log normal distribution of five financial years of SAIDI data. The major event day threshold is determined at the end of each financial year for use in the next financial year. The data set comprises daily unplanned SAIDI calculated over the five immediately preceding financial years after exclusions (below) are applied. Where the logarithms of the data set are not normally distributed, the Box-Cox transformation will be applied to reach a better approximation of the normal distribution. Interruptions shown to be caused by a fault or other event on a third-party system (for instance, without limitation, interruptions caused by an intertrip signal, generator unavailability or a consumer installation). Planned interruptions caused by scheduled works on the <i>transmission system</i> and <i>distribution system</i>. Interruptions caused or extended by a total fire ban or direction from a local or state government body or state or federal emergency services, provided that a fault in, or the operation of, the <i>network</i> did not cause, in whole or part, the event giving rise to the direction.

4.2.4 The *service standard benchmarks* expressed in terms of SAIDI for the *reference services* A1 to A10, A12 to A23, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary *reference service* D2 and D6 for each year of this *access arrangement period* are shown in the following table:

Table 7: SAIDI service standard benchmarks for reference services A1 to A10, A12 to A23, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary reference service D2 and D6

SAIDI	For the financial year ending 30 June 2023	For the financial year ending 30 June 2024 and each financial year thereafter
CBD	33.7	13.7
Urban	130.6	123.8
Rural Short	215.4	202.5
Rural Long	848.3	<u>290.0733.5</u>

System Average Interruption Frequency Index (SAIFI)

4.2.5 SAIFI is applied as follows:

Table 8: Application of SAIFI

	System Average Interruption Frequency Index (SAIFI) CBD Urban Rural Short Rural Long
Unit of Measure	Sustained interruptions per year.
Definition	<p>Over a 12-month period, the number of sustained (greater than 1 minute) <i>distribution customer</i> interruptions (number) attributable to the <i>distribution system</i> (after exclusions) divided by the number of distribution customers served, that is:</p> $\frac{\text{Number of sustained } \textit{distribution customer} \textit{ interruptions}}{\text{Number of } \textit{distribution customers} \textit{ served}}$ <p>where:</p> <ul style="list-style-type: none"> • A CBD feeder is a feeder supplying predominantly commercial, high-rise buildings, supplied by a predominantly underground <i>distribution system</i> containing significant interconnection and redundancy when compared to urban areas. • An Urban feeder is a feeder, which is not a CBD feeder, with actual maximum demand over the reporting period per total high voltage feeder route length greater than 0.3 MVA/km. • A Rural Short feeder is a feeder which is not a CBD or urban feeder with a total high voltage feeder route length less than 200 km. • A Rural Long feeder is a feeder which is not a CBD or urban feeder with a total high voltage feeder route length greater than 200 km. • The number of <i>distribution customers</i> served is determined by averaging the start of month values for the 12 months included in the 12-month period.
Exclusions	<p>One or more of:</p> <ul style="list-style-type: none"> • For unplanned interruptions on the <i>distribution system</i>, a day on which the major event day threshold, applying the “2.5 beta method”, is exceeded. This method excludes events which are more than 2.5 standard deviations greater than the mean of the log normal distribution of five financial years of SAIDI data. The major event day threshold is determined at the end of each financial year for use in the next financial year. The data set comprises daily unplanned SAIDI calculated over the five immediately preceding financial years after exclusions (below) are applied. Where the logarithms of the data set are not normally distributed, the Box-Cox transformation will be applied to reach a better approximation of the normal distribution. • Interruptions shown to be caused by a fault or other event on a third-party system (for instance, without limitation interruptions caused by an intertrip signal, generator unavailability or a consumer installation).

	System Average Interruption Frequency Index (SAIFI) CBD Urban Rural Short Rural Long
	<ul style="list-style-type: none"> Planned interruptions caused by scheduled <i>works</i> on the <i>transmission system and distribution system</i>. Interruptions caused or extended by a total fire ban or direction from a local or state government body or state or federal emergency services, provided that a fault in, or the operation of, the <i>network</i> did not cause, in whole or part, the event giving rise to the direction.

4.2.6 The *service standard benchmarks* expressed in terms of SAIFI for the *reference services* A1 to A10, A12 to A21, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary *reference service* D2 and D6 for each year of this *access arrangement period* are shown in the following table:

Table 9: SAIFI service standard benchmarks for reference services A1 to A10, A12 to A21, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary reference service D2 and D6

SAIFI	For the financial year ending 30 June 2023	For the financial year ending 30 June 2024 and each financial year thereafter
CBD	0.21	0.21
Urban	1.27	1.25
Rural Short	2.34	2.09
Rural Long	5.70	4.45

4.2.7 For the purpose of this *access arrangement*, the definitions of CBD, Urban, Rural Short and Rural Long feeder classifications are consistent with those applied by the Steering Committee on National Regulatory Reporting Requirements.

Call centre performance

4.2.8 Call centre performance is applied as follows:

Table 10: Application of call centre performance

	Call centre performance
Unit of Measure	Percentage of calls per year.
Definition	Over a 12 month period, in relation to interruptions and life-threatening emergencies, percentage of calls responded to in 30 seconds or less (after exclusions), that is: $\frac{\text{Number of fault calls responded to in 30 seconds or less}}{\text{Total Number of fault calls}}$

Call centre performance	
	<p>where:</p> <p>(a) “Fault calls responded to in 30 seconds or less” is:</p> <p style="margin-left: 20px;">(i) unless paragraph (a)(ii) applies, where the caller’s postcode is automatically determined or when a valid postcode is entered by the caller, the number of fault calls where a recorded message commences within 30 seconds from that determination or entry; or</p> <p style="margin-left: 20px;">(ii) where the call is placed in the queue to be responded to by a human operator, the number of fault calls where the human operator commences to speak with the caller within 30 seconds of that placement.</p> <p>(b) A “fault call” is a telephone call from a caller entering the fault line or life threatening emergency line.</p> <p>(c) A call may be placed in a queue to be responded to by a human operator when the caller:</p> <p style="margin-left: 20px;">(i) chooses to hold (when invited to do so) at the end of the recorded message;</p> <p style="margin-left: 20px;">(ii) chooses to hold (when invited to do so) rather than enter a postcode when prompted to do so; or</p> <p style="margin-left: 20px;">(iii) enters an invalid postcode.</p> <p>(d) For a call to be counted as being responded to under paragraph (a), the caller must receive from the recorded message or the human operator information regarding power interruptions in their area and related restoration information</p> <p>(e) A call where the interactive message service fails to automatically determine the caller’s postcode or invite the entry of a postcode, as a result of which the service of providing information regarding power interruptions in their area and related restoration information does not commence, will be counted as a fault call not responded to in 30 seconds or less.</p>
Exclusions	<p>One or more of:</p> <ul style="list-style-type: none"> • Calls abandoned by a caller in 4 seconds or less of their postcode being automatically determined or when a valid postcode is entered by the caller. • Calls abandoned by a caller in 30 seconds or less of the call being placed in the queue to be responded to by a human operator. • All telephone calls received on a major event day which is excluded from SAIDI and SAIFI. • A fact or circumstance beyond the control of Western Power affecting the ability to receive calls to the extent that Western Power could not contract on reasonable terms to provide for the continuity of service.

4.2.9 The *service standard benchmarks* expressed in terms of call centre performance for the *reference services* A1 to A10, A12 to A23, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary *reference service* D2 to D6 for each year of this *access arrangement period* are shown in the following table:

Table 11: Call centre service standard benchmarks for reference services A1 to A10, A12 to A21, B1 and B3, C1 to C21, C23 and C24 and any applicable ancillary reference service D2 and D6

	For the financial year ending 30 June 2023	For the financial year ending 30 June 2024 and each financial year thereafter
Call centre performance	86.8%	91.7%

4.3 Service standard benchmarks for transmission reference services

4.3.1 For the *reference services* A11, B2 and B3, C22 and D2, where applicable, the *service standard benchmarks* are expressed in terms of loss of supply event frequency and average outage duration.

Loss of supply event frequency

4.3.2 Loss of supply event frequency is applied as follows:

Table 12: Application of loss of supply event frequency

	Loss of supply event frequency >0.1 and ≤1.0 system minutes interrupted >1.0 system minutes interrupted
Unit of Measure	Number of events per year.
Definition	<p>Over a 12-month period, the frequency of Unplanned consumer outage events for consumers connected to the regulated transmission circuits (after exclusions) where loss of supply:</p> <ul style="list-style-type: none"> exceeds 0.1 system minutes interrupted and less than or equal to 1.0 system minutes interrupted; or exceeds 1.0 system minutes interrupted. <p>System minutes are calculated for each supply interruption by the “load integration method” using the following formula, that is:</p> $\frac{\sum (\text{MWh unsupplied} \times 60)}{\text{System Peak MW}}$ <p>where:</p> <ul style="list-style-type: none"> “Unplanned customer outages” relates to unplanned customer outages occurring on all parts of the regulated <i>transmission system</i>. “MWh unsupplied” is the energy not supplied as determined by using Western Power metering and PI server database. This data is used to estimate the profile of the load over the period of the interruption by reference to historical load data. Period of the interruption starts when a loss of supply occurs and ends when Western Power offers supply restoration to the customer. “System Peak MW” is the maximum peak demand recorded for the South-West Interconnected System for the previous financial year, excluding the coincident demand for those customers receiving a <i>non-reference service</i>

	Loss of supply event frequency >0.1 and ≤1.0 system minutes interrupted >1.0 system minutes interrupted
	where the impact of an Unplanned customer outage event is excluded for the purpose of this measure.
Exclusions	One or more of: <ul style="list-style-type: none"> Planned interruptions. Momentary interruptions (less than one minute). Unregulated transmission assets. Interruptions affecting the <i>transmission system</i> shown to be caused by a fault or other event on a third-party system (for instance, without limitation interruptions caused by an intertrip signal, generator unavailability or a consumer installation). <i>Force majeure</i> events affecting the <i>transmission system</i>.

4.3.3 The *service standard benchmarks* expressed in terms of loss of supply event frequency for the *reference services* A11, B2 and B3, C22 and D2, where applicable, for each year of this *access arrangement period* are shown in the following table:

Table 13: Loss of supply event frequency service standard benchmarks for reference services A11, B2 and B3, C22 and D2

Loss of supply event frequency	For the financial year ending 30 June 2023	For the financial year ending 30 June 2024 and each financial year thereafter
> 0.1 and ≤1.0 system minutes interrupted	26	2
> 1.0 system minutes interrupted	7	1

Average outage duration

4.3.4 Average outage duration is applied as follows:

Table 14: Application of average outage duration

	Average outage duration
Unit of Measure	Minutes per year.
Definition	Over a 12-month period, the sum of the duration (in minutes) of all Unplanned outages divided by the total Number of events for consumers connected to regulated transmission circuits (after exclusions), that is: $\frac{\sum \text{Duration (in minutes) of all Unplanned outages}}{\text{Total Number of events}}$ where: <ul style="list-style-type: none"> “Unplanned outages” relates to interruptions occurring on all parts of the regulated <i>transmission system</i>. “Number of events” includes all forced and fault interruptions whether or not loss of supply occurs.

	Average outage duration
	<ul style="list-style-type: none"> A “transmission circuit” is an arrangement of primary transmission elements on the <i>transmission system</i> that is overhead lines, underground cables, and bulk transmission power transformers used to transport electricity.
Exclusions	One or more of: <ul style="list-style-type: none"> Planned interruptions. Momentary interruptions (less than one minute). Unregulated transmission assets. Reactive compensation plant. Interruptions affecting the <i>transmission system</i> shown to be caused by a fault or other event on a third-party system (for instance, without limitation interruptions caused by an intertrip signal, generator unavailability or a consumer installation). <i>Force majeure</i> events affecting the <i>transmission system</i>. The impact of each event is capped at 14 days.

4.3.5 The *service standard benchmarks* expressed in terms of average outage duration for the *reference services* A11, B2 and B3, C22 and D2, where applicable, for each year of this *access arrangement period* is shown in the following table:

Table 15: Average outage duration service standard benchmarks for reference services A11, B2 and B3, C22 and D2

	For the financial year ending 30 June 2023	For the financial year ending 30 June 2024 and each financial year thereafter
Average outage duration	1,234	822

4.4 Service standard benchmarks for street lighting reference services

4.4.1 For the *reference service* A9, the *service standard benchmarks* are expressed in terms of street lighting repair time.

Street lighting repair time

4.4.2 Street lighting repair time is applied as follows:

Table 16: Application of street lighting repair time

	Street lighting repair time Metropolitan area Regional area
Unit of Measure	Average number of <i>business days</i> .
Definition	Over a 12-month period, average number of <i>business days</i> to repair faulty streetlights is the sum of the number of <i>business days</i> to repair each faulty streetlight divided by the number of faulty streetlights repaired (after exclusions).

	Street lighting repair time Metropolitan area Regional area
	<p style="text-align: center;">$\frac{\sum \text{Number of } \textit{business days} \text{ to repair each faulty streetlight}}{\text{Number of faulty streetlights repaired}}$</p> <p>where:</p> <ul style="list-style-type: none"> • In calculating the number of <i>business days</i> to repair a faulty streetlight, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a faulty streetlight is detected by, or reported to, Western Power on a <i>business day</i>, the next <i>business day</i>; or – where a faulty streetlight is detected by, or reported to, Western Power on a day that is not a <i>business day</i>, the second <i>business day</i> after that day. • In calculating the number of <i>business days</i> to repair a faulty streetlight, the <i>business day</i> a fault is repaired is included (subject to the next point) even if the repair is effected part way through that <i>business day</i>. • In calculating the number of <i>business days</i> to repair a faulty streetlight: <ul style="list-style-type: none"> – where a faulty streetlight is detected by, or reported to, Western Power on a <i>business day</i> and the repair is effected on that <i>business day</i>, that <i>business day</i> is included as zero; – where a faulty streetlight is detected by, or reported to, Western Power on a day that is not a <i>business day</i> and the repair is effected on the next <i>business day</i>, that <i>business day</i> is included as zero. • A “faulty streetlight” is defined by a recorded fault report. • Metropolitan area means the areas of the State defined in Part 1.5 of the <i>Code of Conduct for the Supply of Electricity to Small Use Customers 2018</i>. • Regional area means all areas in the <i>Western Power Network</i> other than the metropolitan area. <p>Note:</p> <ul style="list-style-type: none"> • If a given streetlight is the subject of more than one fault report for the same fault, then only one fault report is recorded. • If a given streetlight is the subject of multiple fault reports that relate to different faults, then one report relating to each distinct fault is recorded.
Exclusions	<ul style="list-style-type: none"> • <i>Force majeure</i> events. • Streetlights for which Western Power is not responsible for streetlight maintenance.

4.4.3 The *service standard benchmarks* for the *reference service A9* for each year of this *access arrangement period* are set out in the following table:

Table 17: Street lighting repair time service standard benchmark for reference service A9

Region	For each financial year ending 30 June
Metropolitan area	<i>5 business days</i>
Regional area	<i>9 business days</i>

4.4.4 For the *reference service* D10 the *service standard benchmark* is the LED replacement, requested by the *user*, will be completed as soon as reasonably practicable in accordance with *good electricity industry practice*.

4.5 Service standard benchmark for supply abolishment reference service

4.5.1 For the *reference service D1*, the *service standard benchmark* is expressed in terms of response time.

Supply abolishment response time

4.5.2 Supply abolishment response time is applied as follows:

Table 18: Application of supply abolishment response time

	Supply abolishment (whole current meter) response time
Unit of Measure	<u>Number of days Percentage of the time that the supply abolishment request was performed within response time</u>
Definition	<p>Over a 12 month period, percentage of times to abolish supply is the number of supply abolishment requests performed within the response time multiplied by 100, divided by the number of supply abolishment requests made (after exclusions).</p> <p><u>$\frac{\text{Number of supply abolishment requests performed within response time} \times 100}{\text{Number of supply abolishment requests}}$</u></p> <p>where:</p> <ul style="list-style-type: none"> • InTo calculate the number of <i>business days</i> to abolish supply, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a supply abolishment request is made by a <i>user</i> to Western Power before 3:00 PM on a <i>business day</i>, the next <i>business day</i>; or – where a supply abolishment request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 3:00 PM on a <i>business day</i>, the second <i>business day</i> after that day. • In calculating the number of <i>business days</i> to abolish supply: <ul style="list-style-type: none"> – the <i>business day</i> supply is abolished is included (subject to the next point) even if the abolishment is performed part way through that <i>business day</i>; and – where a supply abolishment request is made by a <i>user</i> to Western Power on a <i>business day</i> and the abolishment is performed on that <i>business day</i>, that <i>business day</i> is counted as zero; or – where a supply abolishment request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 3:00 PM on a <i>business day</i>, and the abolishment is performed on the next <i>business day</i>, that <i>business day</i> is counted as zero. • A “supply abolishment request” is defined as an electricity transfer application for a supply abolishment made in accordance with the <i>Applications and Queuing Policy</i> containing all information that Western Power, as a <i>reasonable and prudent person</i>, requires to abolish supply. • “Abolish supply” is defined as the time when the permanent disconnection of supply and the removal of the <i>meter</i> (as defined in the <i>Electricity Industry (Metering) Code 2012</i>) is completed.

	Supply abolishment (whole current meter) response time
Exclusions	<ul style="list-style-type: none"> Supply abolishment requests that: <ul style="list-style-type: none"> are cancelled or are requested to be deferred; relate to non-whole current meters or non-standard technical configurations, site access issues or safety issues;¹ require external approvals or actions beyond the control of Western Power as a <i>reasonable and prudent person</i>; or A fact or circumstance beyond the control of Western Power as a <i>reasonable and prudent person</i> affecting the ability to abolish supply. <i>Force majeure</i> events affecting the ability to abolish supply.

4.5.3 The *service standard benchmarks* for the *reference service D1* for each year of this *access arrangement period* are set out in the following table:

Table 19: Supply abolishment response time for reference service D1

	For each financial year ending 30 June
Supply abolishment response time	15 business days

Table 20: Supply abolishment service standard benchmark for reference service D1

	For each financial year ending 30 June
Supply abolishment	15 business days 95% of supply abolishment requests performed within the response time

4.6 Service standard benchmarks for remote de-energise and remote re-energise reference services

4.6.1 For the *reference service D8* and *D9*, the *service standard benchmarks* are expressed in terms of response time.

4.6.2 These *service standard benchmarks* only come into effect once the remote de-energise and remote re-energise *reference services* are provided to one or more *users*.

Remote de-energise response time

4.6.3 Remote de-energise response time is applied as follows:

Table 21: Application of remote de-energise response time

	Remote de-energise response time
Unit of Measure	Number of days Percentage of the time that the remote de-energise request was performed within response time.

¹ In such instances, the supply abolishment will be carried out as soon as reasonably practicable in accordance with *good electricity industry practice*.

	Remote de-energise response time
Definition	<ul style="list-style-type: none"> • Over a 12 month period, percentage of times to remotely de-energise is the number of remote de-energise requests performed within the response time multiplied by 100, divided by the number of remote de-energise requests made (after exclusions). $\frac{\text{Number of remote de-energise requests performed within response times} \times 100}{\text{Number of remote de-energise requests}}$ <p>where:</p> <ul style="list-style-type: none"> • To calculating the number of <i>business days</i> to remotely de-energise, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a remote de-energise request is made by a <i>user</i> to Western Power before 12 noon on a <i>business day</i>, the next <i>business day</i>; or – where a remote de-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, the second <i>business day</i> after that day. • Fridays and the <i>business days</i> occurring before a <i>public holiday</i> are not calculated as <i>business days</i> in relation to this measure. • In calculating the number of <i>business days</i> to remotely de-energise: <ul style="list-style-type: none"> – the <i>business day</i> the remote de-energise is performed is included (subject to the next point), even if the remote de-energise is performed part way through that <i>business day</i>; and – where a remote de-energise request is made by a <i>user</i> to Western Power on a <i>business day</i> and the remote de-energise is performed on that <i>business day</i>, that <i>business day</i> is counted as zero; or – where a remote de-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, and the remote de-energise is performed on the next <i>business day</i>, that <i>business day</i> is counted as zero. <p>A “remote de-energise” is defined as the time when supply voltage is removed from all outgoing circuits from the <i>meter</i> on a non-permanent basis by a command sent to a <i>meter</i> from a remote locality.</p>
Exclusions	<ul style="list-style-type: none"> • Remote de-energise requests that are cancelled or are requested to be deferred. • Remote de-energisation requests received on a <i>business day</i> in relation to this measure, where the total number of de-energisation requests exceeds the maximum operational capacity of the infrastructure supporting the remote de-energisation requests. • A fact or circumstance beyond the control of Western Power as a <i>reasonable and prudent person</i> affecting the ability to remote de-energise. • <i>Force majeure</i> events affecting the remote de-energise service.

4.6.4 The *service standard benchmark* for the *reference service D8* for each year of this *access arrangement period* is set out in the following table:

Table 22: Remote de-energise response time for reference service D8

	For each financial year ending 30 June
Remote de-energise response time	1 business day

Table 23: Remote de-energise service standard benchmark for reference service D8

	For each financial year ending 30 June
Remote de-energise	<u>1 business day</u> 95% of remote de-energise requests performed within the response time

Remote re-energise response time

4.6.5 Remote re-energise response time is applied as follows:

Table 24: Application of remote re-energise response time

	Remote re-energise response time
Unit of Measure	<u>Number of days</u> Percentage of the time that the remote re-energise request was performed within response time.
Definition	<p>Over a 12 month period, percentage of times to remotely re-energise is the number of remote re-energise requests performed within the response time multiplied by 100, divided by the number of remote re-energise requests made (after exclusions).</p> $\frac{\text{Number of remote re-energise requests performed within response time} \times 100}{\text{Number of remote re-energise requests}}$ <p>where:</p> <ul style="list-style-type: none"> To calculate <u>in calculating</u> the number of <i>business days</i> to remotely re-energise, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a remote re-energise request is made by a <i>user</i> to Western Power before 12 noon on a <i>business day</i>, the next <i>business day</i>; or – where a remote re-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, the second <i>business day</i> after that day. In calculating the number of <i>business days</i> to remotely re-energise: <ul style="list-style-type: none"> – the <i>business day</i> the remote re-energise is performed is included (subject to the next point), even if the remote re-energise is performed part way through that <i>business day</i>; and – where a remote re-energise request is made by a <i>user</i> to Western Power on a <i>business day</i> and the remote re-energise is performed on that <i>business day</i>, that <i>business day</i> is counted as zero; or – where a remote re-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a

	Remote re-energise response time
	<p><i>business day</i>, and the remote re-energise is performed on the next <i>business day</i>, that <i>business day</i> is counted as zero.</p> <ul style="list-style-type: none"> A “remote re-energise” is defined as the time when a previously de-energised <i>meter</i> is re-armed by a command sent to that <i>meter</i> from a remote locality.
Exclusions	<ul style="list-style-type: none"> Remote re-energise requests that are cancelled or are requested to be deferred or where the remote re-energise request requires site visit, refer to “site visit to support remote re-energise service”. Remote re-energisation requests received on a <i>business day</i> in relation to this measure, where the total number of re-energisation requests exceeds the maximum operational capacity of the infrastructure supporting the remote re-energisation requests. A fact or circumstance beyond the control of Western Power as a <i>reasonable and prudent person</i> affecting the ability to remote re-energise. <i>Force majeure</i> events affecting the remote re-energise service.

4.6.6 The *service standard benchmark* for the *reference service D9* for each year of this *access arrangement period* is set out in the following table:

Table 25: Remote re-energise response time for reference service D9

	For each financial year ending 30 June
Remote re-energise response time	1 <i>business day</i>

Table 26: Remote re-energise service standard benchmark for reference service D9

	For each financial year ending 30 June
Remote re-energise	<u>1 <i>business day</i></u> 95% of remote re-energise requests performed within the response time

4.7 Service standard benchmark for site visit to support remote re-energise service

4.7.1 For the *reference service D11*, the *service standard benchmark* is expressed in terms of response time.

Site visit to support remote re-energise service

4.7.2 Site visit to support remote re-energise response time is applied as follows:

Table 27: Application of site visit to support remote re-energise response time

	Site visit to support remote re-energise response time
Unit of Measure	<u>Number of days</u> Percentage of the time that the site visit to support remote re-energise request was performed within response time.

	Site visit to support remote re-energise response time
Definition	<p>Over a 12 month period, percentage of times for a site visit to support remote re-energise is the number of site visits to support remote re-energise requests performed within the response time multiplied by 100, divided by the number of site visit to support remote re-energise requests made (after exclusions).</p> $\frac{\sum \text{Number of site visits to support remote re-energise requests performed within the response time} \times 100}{\text{Number of site visit to support remote re-energise requests}}$ <p>where:</p> <ul style="list-style-type: none"> • To calculate the number of <i>business days</i> to site visit to support remotely re-energise, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a site visit to support remote re-energise request is made by a <i>user</i> to Western Power before 12 noon on a <i>business day</i>, the next <i>business day</i>; or – where a site visit to support remote re-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, the second <i>business day</i> after that day. • In calculating the number of <i>business days</i> to site visit to support remotely re-energise: <ul style="list-style-type: none"> – the <i>business day</i> the site visit to support remote re-energise is performed is included (subject to the next point), even if the manual re-energise is performed part way through that <i>business day</i>; and – where a site visit to support remote re-energise request is made by a <i>user</i> to Western Power on a <i>business day</i> and the manual re-energise is performed on that <i>business day</i>, that <i>business day</i> is counted as zero; or – where a site visit to support remote re-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, and the manual re-energise is performed on the next <i>business day</i>, that <i>business day</i> is counted as zero. • A site visit to support remote re-energise is deemed to have been completed at the time when a previously de-energised <i>meter</i> is re-armed by a site visit to that <i>meter</i> from a manual locality. • A site visit to support remote re-energise business day is performed between the hours of 7am and 5pm on a business day. An extended after-hours service of 5pm – Midnight is offered by agreement with the <i>user</i> and Western Power. • Perth metropolitan area means the areas of the State defined in Schedule 3 of the <i>Planning and Development Act 2005</i>. • Metropolitan area means the areas of the State defined in Part 1.3 of the <i>Electricity Industry (Metering) Code 2012</i>. • Regional area means all areas in the <i>Western Power Network</i> other than the Perth metropolitan area and metropolitan area.

	Site visit to support remote re-energise response time
Exclusions	<ul style="list-style-type: none"> Site visit to support remote re-energise requests that are cancelled or are requested to be deferred. Site visit to support remote re-energisation requests received on a <i>business day</i> in relation to this measure, where the total number of re-energisation requests exceeds the maximum operational capacity of the infrastructure supporting the site visit to support remote re-energisation requests. A fact or circumstance beyond the control of Western Power as a <i>reasonable and prudent person</i> affecting the ability to site visit to support remote re-energise. <i>Force majeure</i> events affecting the site visit to support remote re-energise service.

4.7.3 The *service standard benchmark* for the *reference service D9* for each year of this *access arrangement period* is set out in the following table:

Table 28: Site visit to support remote re-energise standard response time for reference service D11

	For each financial year ending 30 June
Metropolitan area	1 <i>business day</i>
Regional area	5 <i>business days</i>

Table 29: Site visit to support remote re-energise urgent response time for reference service D11

	For each financial year ending 30 June
Perth Metropolitan area	3 hours
Other Metropolitan areas	1 <i>business day</i>
Regional area	1 <i>business day</i>

Table 30: Site visits to support remote re-energise service standard benchmark for reference service D11

	For each financial year ending 30 June
Site visits to support remote re-energise	95% of site visits to support remote re-energise requests performed within the response time
Standard Metropolitan area	1 <i>business day</i>
Standard Regional area	5 <i>business days</i>
Urgent Perth Metropolitan area	3 hours
Urgent Other Metropolitan areas	1 <i>business day</i>
Urgent Regional area	1 <i>business day</i>

4.8 Service standard benchmarks for manual de-energise and manual re-energise reference services

4.8.1 For the *reference service* D12 and D13, the *service standard benchmarks* are expressed in terms of response time.

4.8.2 These *service standard benchmarks* only come into effect once the manual de-energise and manual re-energise *reference services* are provided to one or more *users*.

Manual de-energise response time

Manual de-energise response time is applied as follows:

Table 31: Application of manual de-energise response time

	Manual de-energise response time
Unit of Measure	Number of days Percentage of the time that the manual de-energise request was performed within response time.
Definition	<p>Over a 12 month period, percentage of times to manually de-energise is the number of manual de-energise requests performed within the response time multiplied by 100, divided by the number of manual de-energise requests made (after exclusions).</p> $\frac{\text{Number of manual de-energise requests performed within response times} \times 100}{\text{Number of manual de-energise requests}}$ <p>where:</p> <ul style="list-style-type: none"> • To calculating the number of <i>business days</i> to manually de-energise, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a manual de-energise request is made by a <i>user</i> to Western Power before 12 noon on a <i>business day</i>, the next <i>business day</i>; or – where a manual de-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, the second <i>business day</i> after that day. • Fridays and the <i>business days</i> occurring before a <i>public holiday</i> are not calculated as <i>business days</i> in relation to this measure. • In calculating the number of <i>business days</i> to manually de-energise: <ul style="list-style-type: none"> – the <i>business day</i> the manual de-energise is performed is included (subject to the next point), even if the manual de-energise is performed part way through that <i>business day</i>; and – where a manual de-energise request is made by a <i>user</i> to Western Power on a <i>business day</i> and the manual de-energise is performed on that <i>business day</i>, that <i>business day</i> is counted as zero; or – where a manual de-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, and the manual de-energise is performed on the next <i>business day</i>, that <i>business day</i> is counted as zero.

	Manual de-energise response time
	<ul style="list-style-type: none"> • A manual de-energise deemed to have been completed at the time when supply voltage is removed from all outgoing circuits from the <i>meter</i> on a non-permanent basis by a site visit to a <i>meter</i> from a manual locality. • A manual de-energise business day is performed between the hours of 7:30am and 2:00pm (WST) on a <i>business day</i>, where the <i>business day</i> is not a Friday or a business day prior to a public holiday • Metropolitan area means the areas of the State defined in Part 1.3 of the <i>Electricity Industry (Metering) Code 2012</i>. • Regional area means all areas in the <i>Western Power Network</i> other than the Perth metropolitan area and metropolitan area.
Exclusions	<ul style="list-style-type: none"> • Manual de-energise requests that are cancelled or are requested to be deferred. • Manual de-energisation requests received on a <i>business day</i> in relation to this measure, where the total number of de-energisation requests exceeds the maximum operational capacity of the infrastructure supporting the manual de-energisation requests. • A fact or circumstance beyond the control of Western Power as a <i>reasonable and prudent person</i> affecting the ability to manual de-energise. • <i>Force majeure</i> events affecting the manual de-energise service.

4.8.3 The service standard benchmark for the reference service D12 for each year of this access arrangement period is set out in the following table:

Table 32: Manual de-energise response time for reference service D12

	For each financial year ending 30 June
Metropolitan area	1 business day
Regional area	5 business days

Table 33: Manual de-energise service standard benchmark for reference service D12

	For each financial year ending 30 June
Manual de-energise	95% of manual de-energise requests performed within the response time
Metropolitan area	1 business day
Regional area	5 business days

Manual re-energise response time

4.8.4 Manual re-energise response time is applied as follows:

Table 34: Application of manual re-energise response time

	Manual re-energise response time
Unit of Measure	Number of days. Percentage of the time that the manual re-energise request was performed within response time.
Definition	<p>Over a 12-month period, percentage of times manual re-energise requests performed within the response time multiplied by 100, divided by the number of manual re-energise requests made (after exclusions).</p> $\frac{\text{Number of manual re-energise requests performed within response time} \times 100}{\text{Number of manual re-energise requests}}$ <p>where:</p> <ul style="list-style-type: none"> • In To calculating the number of <i>business days</i> to manually re-energise, the first <i>business day</i> is: <ul style="list-style-type: none"> – where a manual re-energise request is made by a <i>user</i> to Western Power before 12 noon on a <i>business day</i>, the next <i>business day</i>; or – where a manual re-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, the second <i>business day</i> after that day. • In calculating the number of <i>business days</i> to manually re-energise: <ul style="list-style-type: none"> – the <i>business day</i> the manual re-energise is performed is included (subject to the next point), even if the manual re-energise is performed part way through that <i>business day</i>; and – where a manual re-energise request is made by a <i>user</i> to Western Power on a <i>business day</i> and the manual re-energise is performed on that <i>business day</i>, that <i>business day</i> is counted as zero; or – where a manual re-energise request is made by a <i>user</i> to Western Power on a day that is not a <i>business day</i>, or after 12 noon on a <i>business day</i>, and the manual re-energise is performed on the next <i>business day</i>, that <i>business day</i> is counted as zero. • A manual re-energise is deemed to have been completed when a previously de-energised <i>meter</i> is re-armed by a site visit to that <i>meter</i> from a manual locality. • A manual re-energise business day is performed between the hours 7am and 5pm on a <i>business day</i>. An extended after-hours service of 5pm – Midnight is offered by agreement with the retailer and Western Power. • Perth metropolitan area means the areas of the State defined in Schedule 3 of the <i>Planning and Development Act 2005</i>. • Metropolitan area means the areas of the State defined in Part 1.3 of the <i>Electricity Industry (Metering) Code 2012</i>. • Regional area means all areas in the <i>Western Power Network</i> other than the Perth metropolitan area and metropolitan area.

	Manual re-energise response time
Exclusions	<ul style="list-style-type: none"> Manual re-energise requests that are cancelled or are requested to be deferred. Manual re-energisation requests received on a <i>business day</i> in relation to this measure, where the total number of re-energisation requests exceeds the maximum operational capacity of the infrastructure supporting the manual re-energisation requests. A fact or circumstance beyond the control of Western Power as a <i>reasonable and prudent person</i> affecting the ability to manual re-energise. <i>Force majeure</i> events affecting the manual re-energise service.

4.8.5 The *service standard benchmark* for the *reference service D13* for each year of this *access arrangement period* is set out in the following table:

Table 35: Manual re-energise standard response time for reference service D13

	For each financial year ending 30 June
Metropolitan area	1 <i>business day</i>
Regional area	5 <i>business days</i>

Table 36: Manual re-energise urgent response time for reference service D13

	For each financial year ending 30 June
Perth Metropolitan area	3 hours
Metropolitan area	1 <i>business day</i>
Regional area	1 <i>business days</i>

Table 37: Manual re-energise service standard benchmark for reference service D13

	For each financial year ending 30 June
Manual re-energise	95% of manual re-energise requests performed within the response time
Standard Metropolitan area	1 <i>business day</i>
Standard Regional area	5 <i>business days</i>
Urgent Perth Metropolitan area	3 hours
Urgent Metropolitan area	1 <i>business day</i>
Urgent Regional area	1 <i>business days</i>

4.9 Service standard benchmarks for metering services

4.9.1 The service standards for metering services are set out in the *MSLA*.

4.10 Exclusions

- 4.10.1 In each of the *service standard benchmarks* there is a definition of the measure and stated exclusions. Each exclusion is a circumstance in relation to which, when it occurs, the resulting units are not included in the measure. For example, for SAIDI, when a planned interruption event occurs the duration of the interruption in minutes is not included in the calculation of the measure.
- 4.10.2 Whether or not particular circumstances meet the criteria to be an exclusion, such that the resulting units are not included in the measure, may be considered by the *Authority* when it publishes Western Power's actual *service standard* performance against the *service standard benchmarks* under section 11.2 of the *Code*. Where the *Authority* accepts an exclusion in such a report, it will be an exclusion for the purposes of the application of this *access arrangement* and the *Code*.
- 4.10.3 Where Western Power has applied a Box-Cox transformation method to the daily unplanned SAIDI data set to determine the major event day threshold, in the *service standard performance report* provided for the financial year in which the major event day threshold is used, Western Power must:
- a) Demonstrate that the natural logarithm of the data set of each unplanned SAIDI value is not normally distributed.
 - b) Provide the calculations that demonstrate the application of the Box-Cox transformation method to the unplanned SAIDI values.
 - c) Provide the data set resulting from applying the Box-Cox transformation method.
 - d) Demonstrate that the resulting data set is normally distributed or that the normality of the data set is improved.

5. Price control

5.1 Overview of price control

5.1.1 In this *access arrangement*:

“non-revenue target services” means the following services:

- a) *non-reference services* provided by Western Power by means of the *Western Power Network* other than *non-reference services* that are provided as *revenue target services*;
- b) *reference services* described as *reference services* (ancillary) in Appendix E; and
- c) *reference service* (metering) M16 as set out in Appendix E.

“revenue target services” means the following *covered services* provided by Western Power by means of the *Western Power Network*:

- a) *connection service*;
- b) *exit service*;
- c) *entry service*;
- d) *bi-directional service*;
- e) *reference services* (metering) M1 to M15 and M17 to M20 as set out in Appendix E; and
- f) *streetlight maintenance*.

5.1.2 In accordance with sections 6.1 and 6.2(c) of the *Code*:

- a) a *price control* will apply to *revenue target services* that is set by reference to Western Power’s *approved total costs*;
- b) subject to paragraph (c), charges for *non-revenue target services* will be:
 - i. any applicable lodgement fees payable under the *Applications and Queuing Policy*;
 - ii. a charge set out in the Price List for, *reference service* (metering) M16; and if not provided for in the above instruments, then the charges will be;
 - iii. negotiated in good faith;
 - iv. consistent with the *Code objective*; and
 - v. reasonable; and
- c) charges for *access applications* will be consistent with the *Applications and Queuing Policy* and charges for extended metering services (within the meaning of the *MSLA*) will be consistent with the *MSLA* and clause 6.6(1)(e) of the *Electricity Industry (Metering) Code 2012*.

- 5.1.3 A single revenue target will apply in respect of the *revenue target services* provided by means of the *transmission system* and the *distribution system*. The establishment of the revenue target has been made by reference to Western Power's *approved total costs for revenue target services* provided by the *transmission system* and the *distribution system*.
- 5.1.4 The calculation of Western Power's *approved total costs for revenue target services* has been undertaken in accordance with the building block method for each of the *transmission system* and the *distribution system*, as contained in the revenue model.
- 5.1.5 Despite section 1.3.1 of this *access arrangement*, the *price control* and all incentive and cost recovery mechanisms described in this *access arrangement* operate from 1 July 2022, and therefore references to *access arrangement period* should be interpreted accordingly.

5.2 Capital base value

5.2.1 The tables below show the derivation of the *capital base value* as at 30 June 2022.

Table 38: Derivation of Transmission Initial Capital Base (net) (\$ million real as at 30 June 2022)

Financial year ending:	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Opening capital base value	3,537.3,396.8	3,465.83,328.3	3,436.93,300.5	3,539.03,398.5	3,551.637,33,410.7
less depreciation	125.3120.2	132.0126.6	134.139.70	147.3141.4	151.2145.0
less accelerated depreciation	0.0	0.0	0.0	0.0	0.0
less asset disposals	9.0	4.0	12.5	8.7	16.8
plus new facilities investment (net of capital contributions and asset disposals)	62.951.7	107.098.9	254.3232.0	168.7153.5	180.9164.0
Closing capital base value	3,465.83,328.3	3,436.93,300.5	3,539.03,398.5	3,551.673,410.7	3,564.53,429.7

Table 39: Derivation of Distribution Initial Capital Base (net) (\$ million real as at 30 June 2022)

Financial year ending:	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Opening capital base value	6,605.16,337.2	6,658.86,388.0	6,743.96,468.8	6,896.76,613.2	7,063.16,772.7
less depreciation	293.5281.6	313.9301.3	318.1305.7	306.5294.4	298.3286.3
less accelerated depreciation	4.4	6.9	4.4	0.0	0.0
less asset disposals	1.6	0.6	0.7	1.7	0.2
Plus, new facilities investment (net of capital contributions and asset disposals)	353.2336.8	406.6389.1	475.9454.5	474.7453.9	456.6452.7
Closing capital base value	6,658.86,388.0	6,7434.906,468.8	6,896.676,613.2	7,063.16,772.7	7,221.26,939.2

5.3 Depreciation

- 5.3.1 Pursuant to section 6.70 of the *Code*, the *price control* set out in this *access arrangement* provides for the depreciation of the *network assets* that comprise the *capital base*. References to depreciation in this *access arrangement* relate solely to regulatory depreciation for the purposes of calculating the *target revenue*, and do not relate to the calculation of depreciation for accounting or taxation purposes.
- 5.3.2 The depreciation provision contained in the *target revenue* for each year of this *access arrangement period* is calculated using:
- a) the straight-line depreciation method;
 - b) the existing weighted average lives for each of the *transmission system* and *distribution system* that comprise the *capital base* value as at 30 June 2022; and
 - c) for *new facilities investment* forecast for this *access arrangement period* the weighted average lives for each of the *transmission system* and *distribution system* based on the asset lives for each group of *network assets* as set out in the following tables:

Table 40: Transmission asset groupings and economic lives for depreciation purposes

Asset group	Economic Life (years) for depreciation purposes
Transmission transformers	50 years
Transmission reactors	40 years
Transmission capacitors	40 years
Transmission circuit breakers	40 years
Transmission lines – steel towers	60 years
Transmission lines - wood poles	45 years
Transmission cables	55 years
Transmission metering	40 years
Transmission SCADA and communications	11 years
Transmission IT	6 years
Transmission other, non-network assets	27 years
Transmission secondary systems	30 years

Table 41: Distribution asset groupings and economic lives for depreciation purposes

Asset group	Economic Life (years) for depreciation purposes
Distribution lines - wood poles	41 years
Distribution underground cables	60 years
Distribution transformers	35 years
Distribution switchgear	35 years
Street lighting	20 years
Distribution meters and services	15 years
Distribution IT	6 years
Distribution SCADA & communications	10.16 years
Distribution other, non-network assets	27 years
Stand-alone power systems	20 years
Storage	20 years

5.3.3 Western Power is not proposing any accelerated depreciation in this *access arrangement period* in relation to *network assets* for the *transmission system*.

5.3.4 Western Power is not proposing any accelerated depreciation in this *access arrangement period* in relation to *network assets* for the *distribution system*.

5.3.5 The depreciation of the opening *capital base* at the commencement of the next *access arrangement period* will be the forecast depreciation contained in the *target revenue* for the *access arrangement period*.

5.4 Weighted average cost of capital

5.4.1 Pursuant to section 6.64 of the *Code* the *weighted average cost of capital* for the ~~for the~~ financial year ending 30 June 2023 is 7.0510% nominal post tax, derived using the following formula:

$$WACC_{Nom} = r_e \times \frac{E}{E + D} + r_d \times \frac{D}{E + D}$$

where:

- r_e is the cost of equity, being 8.0016%
- r_d is the cost of debt, being 6.284% for the financial year ended 30 June 2023
- E is the proportion of equity used to finance regulated assets by a benchmark electricity network service provider (45%)
- D is the proportion of debt used to finance regulated assets by a benchmark electricity network service provider (55%)

5.4.2 Pursuant to section 6.64 of the Code the *weighted average cost of capital* for the financial year ending 30 June 2024 is 7.02% nominal post tax, which updates the debt risk premium, derived using the following formula:

$$WACC_{Nom} = r_e \times \frac{E}{E + D} + r_d \times \frac{D}{E + D}$$

where:

- r_e is the cost of equity, being 8.00%
- r_d is the cost of debt, being 6.22% for the financial year ended 30 June 2024
- E is the proportion of equity used to finance regulated assets by a benchmark electricity network service provider (45%)
- D is the proportion of debt used to finance regulated assets by a benchmark electricity network service provider (55%)

5.4.25.4.3 The cost of debt (r_d) in section 5.4.1 and 5.4.2 will be updated annually to give effect to the annual update of the trailing average ~~debt risk premium~~~~cost of debt approach~~ described in section 5.4.55.4.4 to 5.4.75.4.6. The annual update of the ~~debt risk premium~~~~cost of debt~~ will give rise to an annual update of the *weighted average cost of capital*. The update of the ~~debt risk premium~~~~cost of debt~~ and *weighted average cost of capital* will apply to the financial years ending ~~30 June 2024~~, 30 June 2025, 30 June 2026 and 30 June 2027.

5.4.35.4.4 The updated ~~debt risk premium~~~~cost of debt~~ and resulting updated *weighted average cost of capital* will be reflected in the update of the *price list* in accordance with sections 6.4.1 and 6.4.2.

Trailing average ~~debt risk premium~~~~cost of debt~~ variation

5.4.5 The automatic formula for the simple, equally-weighted 10-year trailing average debt risk premium is:

$$\bullet \quad TA\ DRP_0 = \frac{\sum_{t=0}^{-9} DRP_t}{10}$$

where

$TA\ DRP_0$ is the equally weighted trailing average of the debt risk premium to apply in the following year as the annual update of the estimate used in the current year; and

DRP_t is the debt risk premium estimated for each of the 10 regulatory years $t=0, -1, -2, \dots, -9$.

(a) The estimated trailing average debt risk premium for the final decision is follows:

Year	Debt risk premium (%)
<u>2014/15</u>	<u>2.634</u>
<u>2015/16</u>	<u>1.640</u>
<u>2016/17</u>	<u>2.352</u>
<u>2017/18</u>	<u>1.656</u>
<u>2018/19</u>	<u>1.241</u>
<u>2019/20</u>	<u>1.724</u>
<u>2020/21</u>	<u>1.497</u>

<u>Year</u>	<u>Debt risk premium (%)</u>
<u>2021/22</u>	<u>1.219</u>
<u>2022/23</u>	<u>2.103</u>
<u>2023/24</u>	<u>2.179</u>
<u>Trailing average debt risk premium</u>	<u>1.825</u>

The annual update of the trailing average cost of debt in each relevant financial year of this ~~access arrangement period~~ is to be calculated by applying the following formula:

$$rd_t = DIC + \frac{\sum_{i=-1}^{-10} BY_i}{10}$$

Where;

rd_t is the cost of debt in financial year t

DIC is the debt issuing cost, which is equal to 10 basis points

BY_i is the Bond Yield estimated for each of the 10 regulatory years

————— $i = 1, 2 \dots, 10$

BY_i refers to the Bond Yields estimated in each year, which are either:

The forward looking estimators for the financial years ending 30 June 2022, 30 June 2023, 30 June 2024, 30 June 2026 and 30 June 2027 estimated during the 20 *business day* averaging period, using the method set out in section 5.4.5 or as otherwise set in accordance with section 5.4.6; or

The following estimates, derived as follows:

financial year 2012/13: $BY_{2012/13}$: 7.034 per cent;

financial year 2013/14: $BY_{2013/14}$: 5.666 per cent;

financial year 2014/15: $BY_{2014/15}$: 5.167 per cent;

financial year 2015/16: $BY_{2015/16}$: 4.508 per cent;

financial year 2016/17: $BY_{2016/17}$: 4.491 per cent;

financial year 2017/18: $BY_{2017/18}$: 4.522 per cent;

financial year 2018/19: $BY_{2018/19}$: 3.474 per cent;

financial year 2019/20: $BY_{2019/20}$: 3.072 per cent;

financial year 2020/21: $BY_{2020/21}$: 3.025 per cent.

Where an estimate of BY_i is not available, a placeholder value of the most recently available estimate will be used.

5.4.45.4.6 Western Power will nominate an averaging period for the purposes of determining the ~~cost of deb~~ updated debt risk premium values, for the purposes of price variation, for each of the financial years ending 30 June 2024, 30 June 2025, 30 June 2026 and 30 June 2027. The averaging periods are a nominated 20 *business days* (based on NSW public holidays) during the period 1 November to 1-March in the financial year prior to the relevant financial year. The nominated 20 *business day* averaging period does not need to be identical in each year.

5.4.5.4.7 Estimation of ~~DRP~~ ~~BY~~ will be undertaken based on the method set out by the [Economic Regulation Authority Australian Energy Regulator](#) in the [2022 Final Gas Rate of Return Instrument](#),² ~~relying solely on data from the Reserve Bank of Australia.~~

5.5 Deferred revenue from the second, ~~and third~~ and fourth access arrangement period

5.5.1 Western Power deferred the recovery of some transmission and distribution revenue from the second *access arrangement period* to the third or subsequent *access arrangement periods*.

5.5.2 The tables below show the derivation of the *deferred revenue* value as at 30 June 2022 to be recovered so that Western Power is financially neutral compared to a situation where revenue deferral had not occurred.

Table 42: Derivation of transmission system deferred revenue (\$ million real as at 30 June 2022)

Financial year ending:	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Opening deferred revenue value	<u>105.7</u> 101.4	<u>104.8</u> 100.6	<u>103.9</u> 99.7	<u>102.9</u> 98.7	<u>101.9</u> 97.7
less principal recovered	<u>0.9</u> 0.8	0.9	1.0	<u>1.1</u> 1.0	1.1
Closing deferred revenue value	<u>104.8</u> 100.6	<u>103.9</u> 99.7	<u>102.9</u> 98.7	<u>101.9</u> 97.7	<u>100.8</u> 96.7

Table 43: Derivation of distribution system deferred revenue (\$ million real as at 30 June 2022)

Financial year ending:	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Opening deferred revenue value	<u>780.3</u> 748.7	<u>770.7</u> 739.4	<u>760.7</u> 729.8	<u>749.8</u> 719.4	<u>738.5</u> 708.5
less principal recovered	<u>9.6</u> 9.3	<u>10.0</u> 9.6	<u>10.9</u> 10.4	<u>11.4</u> 10.9	<u>11.9</u> 11.4
Closing deferred revenue value	<u>770.7</u> 739.4	<u>760.7</u> 729.8	<u>749.8</u> 719.4	<u>738.5</u> 708.5	<u>726.6</u> 697.1

5.5.3 Western Power will recover the *deferred revenue* amounts detailed in section 5.5.2 of this *access arrangement* as a real annuity amount over:

- a) a 50 year period for the *transmission system deferred revenue* commencing 1 July 2012; and
- b) a 42 year period for the *distribution system deferred revenue* commencing 1 July 2012.

5.5.4 The interest rate applicable for the calculation of the real annuity during this *access arrangement period* is the *weighted average cost of capital* for the *Western Power Network* as set out in section 5.4.1 of this *access arrangement*.

5.5.5 The amounts that will be added to the *target revenue* for the *transmission system* and *distribution system* and recovered during this *access arrangement period* are detailed in the table below.

² ERA, [2022 final gas rate of return instrument, 16 December 2022](https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/rate-of-return-instrument-2018). <https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/rate-of-return-instrument-2018>

Table 44: Amount to be added to the target revenue due to the recovery of deferred revenue (\$-million real as at 30 June 2022)

Financial year ending:	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
Transmission system	<u>5.374.9</u>	<u>5.344.9</u>	<u>5.344.9</u>	<u>5.344.9</u>	<u>5.344.9</u>
Distribution system	<u>42.5539.1</u>	<u>42.3839.1</u>	<u>42.3839.1</u>	<u>42.3839.1</u>	<u>42.3839.1</u>

5.6 Price control – period of application

Despite section 1.3.1 of this *access arrangement*, the *transmission system price control* commences on 1 July 2022. This *price control* applies annually on a financial year basis for the duration of the *access arrangement period*.

5.7 Price control for revenue target services

5.7.1 The *price control for revenue target services* is used to determine the maximum total network revenue target (TNR_t) for each financial year t, where t is financial years ending 30 June ~~2023-2024~~ through to 30 June 2027.

5.7.2 TNR_t is determined as follows:

$$TNR_t = NR_t + TEC_t + DTEC_t$$

where:

TNR_t is the maximum total network revenue target services revenue for each financial year, t, of this *access arrangement period*

NR_t is the annual revenue target services revenue in financial year t

TEC_t is any cost incurred for the financial year t as a result of the tariff equalisation contribution in accordance with section 6.37A of the *Code*.

DTEC_t is an adjustment for any shortfall or over recovery of actual distribution system revenue compared to TEC_t in preceding years and is calculated in accordance with section 5.7.4 of this *access arrangement*.

5.7.3 ~~Not used [Notwithstanding section 5.7.2 for the financial year ending 30 June 2025, TNR_t will also include an additional term TK' as follows:~~

~~$$TK' = (FTNR_{2022/23} - ATNR_{2022/23}) * (1 + WACC_{2022/23}) * (1 + WACC_{2023/24})$$~~

~~where:~~

~~FTNR_{2022/23} = \$1,734.6M nominal~~

~~ATNR_{2022/23} is the actual network revenue received in 2022/23.~~

~~WACC_{2022/23} is as defined in section 5.4.~~

~~WACC_{2023/24} is as defined in section .]~~

5.7.4 DTEC_t is determined as follows:

$$\text{DTEC}_t = (\text{FTEC}_{t-2} - \text{ATEC}_{t-2}) * (1 + \text{WACC}_t) * (1 + \text{WACC}_{t-1}) + (\text{TEC}_{t-1} - \text{FTEC}_{t-1}) * (1 + \text{WACC}_t)$$

where:

ATEC_t is the actual tariff equalisation contribution revenue received in financial year t.

FTEC_t is the forecast of tariff equalisation contribution revenue to be received in financial year t.

TEC_t is the amount of tariff equalisation contribution to be recovered in a financial year t as gazetted.

WACC_t is the *weighted average cost of capital* in year ~~t-1~~ for the *Western Power Network* as detailed in section 5.4 of this *access arrangement*, on a post-tax real basis.

Table 45: Annual revenue target service revenues to be used for calculating TNR_t (\$ million real as at 30 June 2022)

Financial year ending:	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
NR _t	<u>1,428.61,516.7</u>	<u>1,475.31,497.0</u>	<u>1,512.51,469.5</u>	<u>1,562.31,451.0</u>	<u>1,610.31,424.9</u>

For the purpose of calculating NR_t, TK_t and therefore TNR_t, in each financial year *CPI* adjustments will be effected by using published *CPI* data relating to the most recent December quarter compared to the December quarter in the previous year.

6. Pricing methods, price lists and price information

6.1 Purpose

6.1.1 Pursuant to section 5.1(e) and chapter 7 of the *Code*, this section describes the *pricing methods* applied by Western Power.

6.2 Network pricing objectives

6.2.1 Western Power's *pricing methods* are designed to achieve the *pricing objective* set out in section 7.3 of the *Code* and comply with the *pricing principles* in sections 7.3D to 7.3J of the *Code*.

6.2.2 In accordance with the *pricing objective* and the *pricing principles*, Western Power's *pricing methods* seek to recover the costs of providing *reference services* from *users* in a manner that is simple, practical and equitable.

6.3 Overview of pricing methods

6.3.1 *Reference tariffs* are derived from an analysis of the cost of *reference service* provision which entails:

- a) identifying the costs of providing *revenue target services*;
- b) determining the expected *non-reference service* revenue within the costs of providing *revenue target services*;
- c) deducting the expected *non-reference service* revenue from the costs of providing *revenue target services* to determine the costs of providing *reference services*;
- d) allocating the costs of providing *reference services* to particular *reference service* customer groups;
- e) translating the costs of serving particular *reference service* customer groups to the costs of providing *reference tariffs*; and
- f) determining a structure of *reference tariffs* in a manner that reflects the underlying cost structure, in accordance with section 7.6 of the *Code*.

6.3.2 The costs relating to *reference services* A1 to A10, A12 to A23 and C1 to C21, C23 and C24 are allocated so that these costs can determine the relevant *reference tariff* in a cost reflective manner.

6.3.3 *Reference tariffs* for *reference services* A11, B1 to B3 and C22 are location-specific and are published for each electrical node.

6.4 Price list and tariff structure statement

6.4.1 ~~Not used~~ The *price list* in respect of the pricing year commencing on 1 July 2022 is attached at Appendix F.3.

6.4.2 In accordance with section 8.1 of the *Code* this *access arrangement* requires Western Power to submit to the Authority, as soon as practicable, and in any case within 15 business days, after the Authority publishes its final decision, a *price list* (the “*initial price list*”) for the pricing year commencing 1 July 2023. For subsequent *pricing years*, section 8.1 of the *Code* requires Western Power to submit to the Authority, at least 3 months before the commencement of the second and each subsequent pricing year of the *access arrangement period*, a further *price list* (an “*annual price list*”) for the relevant *pricing year*, being the financial years commencing 1 July 2024, 1 July 2025 and 1 July 2026.

6.4.3 The *pricing years* for the *access arrangement period* are defined in the table below:

Table 46: Pricing years for this access arrangement period

Pricing year	Start date	End date
1	1 July 2022	30 June 2023
2	1 July 2023	30 June 2024
3	1 July 2024	30 June 2025
4	1 July 2025	30 June 2026
5	1 July 2026	30 June 2027

6.4.4 Chapter 7 of the *Code* requires Western Power to prepare a *tariff structure statement*. Western Power’s [Reference Tariff Forecast Structure Statement Overview](#) and [Tariff Structure Statement Technical Summary](#) are attached at Appendices F.1 and F.2 respectively.

6.4.5 For the purposes of the *price list* and *tariff structure statement* in the financial years ending 30 June 2024, [30 June 2025](#), 30 June 2026 and 30 June 2027, Western Power will use the customer information in the table below to determine prices:

Table 47: Customer numbers and energy volumes

Customer segment	Tariffs	2023/24		2024/25		2025/26		2026/27	
		Customer numbers	Energy volumes GWh	Customer numbers	Energy volumes GWh	Customer numbers	Energy volumes GWh	Customer numbers	Energy volumes GWh
Residential	RT1, RT3, RT13, RT15, RT17, RT19, RT21, RT35, RT37	1,103,159	5,205	1,112,494	5,073	1,122,457	4,989	1,133,184	4,878
LV business – small	RT2, RT4, RT14, RT16, RT18, RT20, RT22, RT34, RT36	100,629	2,247	107,187	2,206	113,743	2,145	119,913	2,037
LV business – large	RT6, RT8	3,749	1,933	3,774	1,933	3,800	1,940	3,827	1,942
HV business	RT5, RT7	686	4,013	711	4,021	737	4,042	764	4,053
Streetlights	RT9	293,180	138	297,685	140	302,467	142	307,357	144
Unmetered	RT10	19,811	47	20,162	48	20,513	49	20,864	49
Electric vehicle chargers	RT40, RT41	12	0	24	0	36	1	50	1
CMD	TRT1	42	4,430	42	4,431	42	4,431	42	4,431

6.5 Pricing methods

6.5.1 The *pricing methods* are set out in Appendix F.1 Tariff Structure Statement Overview and Appendix F.2 Tariff Structure Statement Technical Summary of this *access arrangement*. In accordance with the *Code* requirements, the *tariff structure statement* explains the *pricing methods* that underpin the development of *reference tariffs* for this *access arrangement period*.

6.6 Policy on prudent discounting

6.6.1 In accordance with section 7.9 of the *Code* and section 10.6 of the *applications and queuing policy*, if a *user* seeks to implement initiatives to promote the economically efficient investment in and operation of the *Western Power Network*, Western Power must reflect in the *user's tariff*, by way of a *discount*, a share of any reductions in either or both of the *capital-related costs* or *non-capital costs* which arise as a direct result of such initiatives by:

- a) entering into an agreement with a *user* to apply a *discount* to the equivalent *tariff* to be paid by the *user* for a *reference service* or *non-reference service*; and
- b) then, recovering the amount of the *discount* from other *users* of *reference services* or *non-reference services* through the applicable *tariffs*.

6.6.2 In exercising its discretion with regard to prudent discounting, Western Power will have regard to the *pricing objective* in section 7.3 of the *Code*.

6.6.3 Western Power may offer a prudent discount if the existing *user* or *applicant* seeking *access* to the *Western Power Network* is able to demonstrate that another supply option arising as the result of its initiative will directly provide a reduction in Western Power's future capital related costs or non-capital costs.

6.6.4 The existing *user* or *applicant* must pay the appropriate fee and satisfy the discount criteria published on Western Power's website from time to time in order to qualify for the *discount*.

6.6.5 Western Power's discounted price offer will be as described and calculated under the *price list* and set to reflect the higher of:

- a) the cost of the other option; or
- b) the *incremental cost of service provision*.

6.7 Policy on discounts for distributed generation

6.7.1 In accordance with section 7.10 of the *Code* and section 10.6 of the *applications and queuing policy*, Western Power will provide, through *reference services* B3 and C15, to *users* who *connect distributed generating plant* and other non-network solutions behind the *connection* point which provide benefits to the *Western Power Network* that defer its *capital-related costs* or *non-capital costs* and which benefits arise as a result of the *entry point* or *bi-directional point* being located in a particular part of the *Western Power Network* a *discount* as described and calculated under the *price list*.

7. Adjustments to target revenue in the next access arrangement period

7.1 Adjusting target revenue for unforeseen events

7.1.1 If a *force majeure* event occurs which results in Western Power incurring unrecovered costs (within the meaning of the *Code*) during this *access arrangement period* then Western Power will, as part of its *proposed revisions* for the next *access arrangement period*, provide a report to the *Authority* setting out:

- a) a description of the nature of the *force majeure* event;
- b) a description of the insurance cover that Western Power had in place at the time of the *force majeure* event;
- c) the unrecovered costs borne, or an estimate of the unrecovered costs likely to be borne, by Western Power during the *access arrangement period* as a result of the occurrence of the *force majeure* event; and
- d) a demonstration that the amount to be added to the *target revenue* for the next *access arrangement period* in respect of those unrecovered costs does not exceed the costs which would have been (or, in the case of estimated costs, would be) borne by a *service provider* *efficiently minimising costs*.

7.1.2 Pursuant to sections 6.6 to 6.8 of the *Code*, an amount will be added to the *target revenue* for the next *access arrangement period* in respect of the unrecovered costs relating to a *force majeure* event which occurred in this *access arrangement period*.

7.1.3 The addition to *target revenue* in the next *access arrangement period* must leave Western Power financially neutral given the timing of when Western Power incurred any unrecovered costs by taking account of:

- a) the effects of inflation; and
- b) the time value of money as reflected by Western Power's *weighted average cost of capital* for the *Western Power Network* as determined in section 5.4.

7.2 Adjusting target revenue for technical rule changes

7.2.1 If the *technical rules* are amended during this *access arrangement period*, Western Power will, as part of its *proposed revisions* for the next *access arrangement period*, provide a report to the *Authority* setting out:

- a) a description of the nature and timing of the impact of the *technical rule* change on Western Power's *non-capital costs* and *new facilities investment* for this *access arrangement period*; and
- b) the costs (or cost savings) incurred, or an estimate of the costs (or cost savings) likely to be incurred, by Western Power as a result of that *technical rule* change.

- 7.2.2 Pursuant to sections 6.9 to 6.12 of the *Code*, if the *technical rule* change leads to a cost increase, an amount will be added to the *target revenue* for the next *access arrangement period*.
- 7.2.3 Pursuant to sections 6.9 to 6.12 of the *Code*, if the *technical rule* change leads to a cost saving, an amount will be deducted from the *target revenue* for the next *access arrangement period*.
- 7.2.4 The adjustment to *target revenue* in the next *access arrangement period* must leave Western Power financially neutral given the timing of when Western Power incurred any costs or received cost savings as a result of the *technical rule* change by taking account of:
- a) the effects of inflation; and
 - b) the time value of money as reflected by Western Power's *weighted average cost of capital* for the *Western Power Network* as determined in section 5.4.

7.3 Investment adjustment mechanism

- 7.3.1 In accordance with sections 6.13 to 6.18 of the *Code*, an *investment adjustment mechanism* applies in relation to this *access arrangement*.
- 7.3.2 An amount will be added to, or deducted from, the *target revenue* for the next *access arrangement period* in accordance with the *investment adjustment mechanism* set out below.
- 7.3.3 The *investment adjustment mechanism* will apply separately to each of:
- a) *new facilities investment* for the *transmission system*; and
 - b) *new facilities investment* for the *distribution system*.
- 7.3.4 The purpose of the *investment adjustment mechanism* is to adjust Western Power's *target revenue* in the next *access arrangement period* in a manner that exactly corrects for the economic loss or gain to Western Power as a result of any *investment difference* in this *access arrangement period* in relation to the categories of *new facilities investment* specified in section 7.3.7 of this *access arrangement*. In order to give effect to this purpose, the *investment adjustment mechanism* must take account of:
- a) the effects of inflation;
 - b) the time value of money as reflected by Western Power's *weighted average cost of capital* for the *Western Power Network* as determined in section 5.4; and
 - c) the *capital-related costs* due to any *investment difference* in the *access arrangement period*.
- 7.3.5 Given the requirements of the *investment adjustment mechanism* as described in section 7.3.4 of this *access arrangement*, Western Power's approach to calculating the *capital-related costs* due to any *investment difference* is to calculate the difference in present value terms between:
- a) the *target revenue* that would have been calculated for this *access arrangement period* if the *investment difference* had been zero (i.e. there was no forecasting error in relation to the *new facilities investment* categories that are subject to the *investment adjustment mechanism*); and
 - b) the *target revenue* that actually applied in this *access arrangement period*.

- 7.3.6 The amount under section 7.3.2 of this *access arrangement* is equal to the present value of the difference calculated under section 7.3.5 of this *access arrangement*.
- 7.3.7 The categories that are used in calculating the *investment difference* are *new facilities investment* undertaken for *augmentation* of:
- (a) the *transmission system* and *distribution system* under the current or succeeding underground power program;
 - ~~(b)~~ the *distribution system* under the standalone power systems program; ~~and~~
 - ~~(b)~~ ~~the *distribution system* under the Distribution — Capacity Expansion program.~~
 - (c) the transmission network expansion projects identified by Government to support the announced closures of coal fired generation as set out in the AA5 final decision; and
 - ~~(c)~~(d) the allowance for developing and implementing an overall plan to address regional reliability, including implementing solutions that improve reliability in pilot areas, as set out in the AA5 final decision.

7.4 Gain sharing mechanism and efficiency and innovation benchmarks

- 7.4.1 In accordance with sections 6.20 and 5.25 of the *Code*, a *gain sharing mechanism* and *efficiency and innovation benchmarks* will apply with respect to the *access arrangement*.
- 7.4.2 An *above-benchmark surplus* or a *below-benchmark deficit* (within the meaning of the *Code*) is to be calculated for each of the financial years of the access arrangement period as follows:

$$SD_{t1} = EIB_{t1} - A_{t1}$$

$$SD_{t2} = (EIB_{t2} - A_{t2}) - (EIB_{t1} - A_{t1})$$

$$SD_{t3} = (EIB_{t3} - A_{t3}) - (EIB_{t2} - A_{t2})$$

$$SD_{t4} = (EIB_{t4} - A_{t4}) - (EIB_{t3} - A_{t3})$$

$$SD_{t5} = (EIB_{t5} - A_{t5}) - (EIB_{t4} - A_{t4})$$

where:

SD_t is the *above-benchmark surplus* in financial year t of the *access arrangement period* (if positive) or the *below-benchmark deficit* in financial year t of the *access arrangement period* (if negative);

EIB_t is the *efficiency and innovation benchmark* for financial year t as set out in Table 48.

Table 48: Efficiency and innovation benchmarks (\$M real as at 30 June 2022)

Financial year ending:	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
<u>Efficiency and innovation benchmark -</u> <u>EIB_t Network</u>	<u>422.2288.4</u>	<u>416.2295.3</u>	<u>405.6296.2</u>	<u>402.3298.4</u>	<u>400.8298.7</u>

and

A_t is the sum of the actual *non-capital costs* incurred by Western Power for the *transmission system* and *distribution system* in financial year t , excluding any amount of *non-capital costs* incurred by Western Power:

- A. in accordance with the D-factor scheme in the *access arrangement* and providing that the expenditure has been approved by the *Authority*;
- B. in accordance with the *demand management innovation allowance* mechanism in the *access arrangement*;
- C. in accordance with any adjustment made under section 7.1;
- D. in accordance with any adjustment made under section 7.2; and
- E. in relation to *non-revenue target services*.

7.4.3 The gain sharing mechanism amount ($GSMA_{AA}$) for the *access arrangement period* is to be calculated as follows:

$$GSMA_{AA} = \sum[GSMA_{1:5}]$$

where:

$$GSMA_1 = (SD_{t1} + SD_{t2} + SD_{t3} + SD_{t4} + SD_{t5})$$

$$GSMA_2 = (SD_{t2} + SD_{t3} + SD_{t4} + SD_{t5})$$

$$GSMA_3 = (SD_{t3} + SD_{t4} + SD_{t5})$$

$$GSMA_4 = (SD_{t4} + SD_{t5})$$

$$GSMA_5 = (SD_{t5})$$

where:

$GSMA_n$ is the total *above-benchmark surplus* (if positive) or the *below-benchmark deficit* (if negative) for the equivalent financial year of the *access arrangement period*; and

SD_t is the *above-benchmark surplus* (if positive) or the *below-benchmark deficit* (if negative) in financial year t of the *access arrangement period* calculated in accordance with section 7.4.2.

7.4.4 The total *gain sharing mechanism* revenue amount for the *access arrangement* ($GSMA_{AA}$) will be added to, or deducted from, *target revenue* for the next *access arrangement period*. The *gain sharing mechanism* does not affect the ordinary operation of the *transmission system* and *distribution system* revenue targets (absent the *gain sharing mechanism*), which already provides for Western Power to retain 100% of any efficiency gains achieved during the *access arrangement period*. This characteristic is consistent with section 6.24 of the *Code* which ensures that Western Power can retain all of the *surplus* achieved in the *access arrangement period*.

7.5 Service standards adjustment mechanism

- 7.5.1 In accordance with section 6.30 of the *Code*, a *service standards adjustment mechanism* applies to the *access arrangement*.
- 7.5.2 An amount will be added to, or deducted from, the *target revenue* for each of the *transmission system* and the *distribution system* for the next *access arrangement period* in accordance with the *service standards adjustment mechanism* set out below.
- 7.5.3 The *service standards adjustment mechanism* will apply to the “**SSAM Measures**” meaning the units of measure for each of SAIDI, call centre performance, loss of supply event frequency and average outage duration as defined in section 4.
- 7.5.4 In relation to actual service performance for each financial year of the access arrangement period, a reward (a positive amount) or a penalty (a negative amount) will be calculated for each SSAM Measure by applying the applicable incentive rate specified in section 7.5.12 to the relevant Service Standard Difference (“SSD”). SSD_t is calculated as $SSB - SSA_t$.

where:

SSD_t is the Service Standard Difference in financial year *t*;

SSB is the relevant Service Standard Benchmark detailed in Section 4; and

SSA_t is the actual service performance in financial year *t* with respect to the relevant *SSAM Measure*.

- 7.5.5 In relation to SAIDI and SAIFI, the rewards or penalties are calculated as the sum of the application of the formula in section 7.5.4 to each component of SAIDI and SAIFI.
- 7.5.6 The rewards and penalties are applied to the performance *in each financial year* of the *access arrangement period* and:
- (a) the reward or penalty for SAIDI and SAIFI will be allocated to the performance of the *distribution system*;
 - (b) the reward or penalty for call centre performance will be allocated to the performance of the *distribution system*;
 - (c) the reward or penalty for loss of supply event frequency will be allocated to the performance of the *transmission system*; and
 - (d) the reward or penalty for average outage duration will be allocated to the performance of the *transmission system*.
- 7.5.7 The rewards and penalties applied to each *financial year* as allocated to each of the *transmission system* and *distribution system* are summed for each of the *transmission system* and *distribution system*.
- 7.5.8 Notwithstanding section 7.5.7 of this *access arrangement*, the sum of the rewards and penalties for the *transmission system* applied to each financial year is capped at 1% of the total average revenue applicable to reference service customers connected to the *transmission system* for this *access arrangement period* which is \$~~1,000,000~~953,338 (real dollars values as at 30 June 2022). For the avoidance of doubt, the amount will not be updated as a result of the annual updates to *weighted average cost of capital* as determined in section 5.4.
- 7.5.9 Notwithstanding section 7.5.7 of this *access arrangement*, the sum of the rewards and penalties for the *distribution system* applied to each financial year is capped at 1% of the total average revenue applicable to reference service customers connected to the *distribution system* for this *access arrangement period* which is \$~~14,980,300~~14,173,593 (real dollars values as at 30 June 2022). For the avoidance of doubt, the amount will not be updated as a result of the annual updates to *weighted average cost of capital* as determined in section 5.4.
- 7.5.10 The amount that will be added to, or deducted from, the *target revenue* for each of the *transmission system* and the *distribution system* is equal to the present value of the sum of the amounts for each of the *transmission system* and the *distribution system* calculated under section 7.5.7 of this *access arrangement* (as subject to sections 7.5.8 and 7.5.9 of this *access arrangement*).
- 7.5.11 Notwithstanding sections 7.5.1 to 7.5.10 of this access arrangement, providing Western Power can demonstrate that it has spent the allowance included in the AA5 final decision to effectively develop and implement an overall plan to address regional reliability, including implementing solutions that improve reliability in pilot areas, the penalty relating to the difference between 290 minutes and the service standard benchmark Western Power proposed in its revised proposal for AA5 (733.5 minutes) will not be imposed.

~~7.5.10~~7.5.12 The incentive rates for the *SSAM Measures* are as follows:

Table 49: SAIDI incentive rates (\$ real as at 30 June 2022)

	Reward side incentive rate (\$ per SAIDI minute)	Penalty side incentive rate (\$ per SAIDI minute)
SAIDI - CBD (minutes)	<u>22,591,211,195</u>	<u>22,591,211,195</u>
SAIDI - Urban (minutes)	<u>419,383,393,457</u>	<u>419,383,393,457</u>
SAIDI - Rural Short (minutes)	<u>169,547,159,066</u>	<u>169,547,159,066</u>
SAIDI - Rural Long (minutes)	<u>52,141,48,918</u>	<u>52,141,48,918</u>

Table 50: SAIFI incentive rates (\$ real as at 30 June 2022)

	Reward side incentive rate (\$ per 0.01 event)	Penalty side incentive rate (\$ per 0.01 event)
SAIFI - CBD (events)	<u>9,845,923,7</u>	<u>9,845,923,7</u>
SAIFI - Urban (events)	<u>275,785,258,737</u>	<u>275,785,258,737</u>
SAIFI - Rural Short (events)	<u>109,524,102,754</u>	<u>109,524,102,754</u>
SAIFI - Rural Long (events)	<u>22,653,53,755</u>	<u>22,653,53,755</u>

Table 51: Call centre performance incentive rate (\$ real as at 30 June 2022)

	Reward side incentive rate (\$ per 0.1%)	Penalty side incentive rate (\$ per 0.1%)
Call centre performance (Percentage of calls responded to within 30 seconds)	<u>56,694,59,921</u>	<u>56,694,59,921</u>

Table 52: Loss of supply event frequency incentive rate (\$ real as at 30 June 2022)

	Reward side incentive rate (\$ per event)	Penalty side incentive rate (\$ per event)
Loss of supply event frequency >0.1 and ≤1.0 system minutes interrupted (number of events)	<u>150,000,143,008</u>	<u>150,000,143,008</u>
Loss of supply event frequency >1.0 system minutes interrupted (number of events)	<u>300,000,286,017</u>	<u>300,000,286,017</u>

Table 53: Average outage duration incentive rate (\$ real as at 30 June 2022)

	Reward side incentive rate (\$ per minute)	Penalty side incentive rate (\$ per minute)
Average outage duration (minutes)	<u>48,746,4</u>	<u>48,746,4</u>

7.6 D factor

7.6.1 In section 7.6.3 “**network control service**” means demand management or generation solutions (such as *distributed generating plant*) that can be a substitute for *network augmentation*.

For the avoidance of doubt, this definition of “network control service” applies exclusively in relation to this *access arrangement* and does not apply in any other context (including but not limited to the Wholesale Electricity Market Rules (“**WEM Rules**”)).

7.6.2 This D factor scheme applies separately to each of:

- a) *non-capital costs* for the *transmission system*; and
- b) *non-capital costs* for the *distribution system*.

7.6.3 In the next *access arrangement period*, the *Authority* will add to Western Power’s *target revenue* an amount so that Western Power is in a financially neutral position as the result of:

- a) any additional *non-capital costs* incurred by Western Power as a result of deferring a *new facilities investment* projects during this *access arrangement period*, net of any amounts previously included in *target revenue* in relation to the deferred *new facilities investment* (other than such amounts included in the calculation of the *capital-related costs* due to any *investment difference* under section 7.3.5); and
- b) any additional *non-capital costs* incurred by Western Power in relation to demand management initiatives or *network control services*;

7.6.4 In relation to section 7.6.3(a), the *new facilities investment* project that has been deferred must have been included in the *forecast new facilities investment* for this *access arrangement period*.

7.6.5 In relation to sections 7.6.3(a) and 7.6.3(b), an amount will only be added to *target revenue* for the next *access arrangement period* if there is an approved business case for the relevant expenditure, and this business case is made available to the *Authority*. The business case must demonstrate to the *Authority’s* satisfaction that the proposed *non-capital costs* satisfy the requirements of sections 6.40 and 6.41 of the *Code*, as relevant.

7.6.6 In relation to sections 7.6.3(a) and 7.6.3(b), the adjustment to the *target revenue* for the next *access arrangement period* must leave Western Power in a financially neutral position by taking account of:

- a) the effects of inflation; and
- b) the time value of money as reflected by Western Power’s *weighted average cost of capital* for the *Western Power Network* as determined in section 5.4.

7.7 Deferred revenue

- 7.7.1 For the purposes of sections 6.5A to 6.5E of the *Code* an amount must be added to the target revenue for the *distribution system* in the sixth *access arrangement period* or subsequent *access arrangement periods* such that the present value (at 30 June 2022) of the total amount added to *target revenue* (taking account of inflation and the time value of money) is equal to ~~\$667.2637.1~~ million (real dollars values as at 30 June 2022).
- 7.7.2 For the purposes of sections 6.5A to 6.5E of the *Code* an amount must be added to the *target revenue* for the *transmission system* in the sixth *access arrangement period* or subsequent *access arrangement periods* such that the present value (at 30 June 2022) of the total amount added to *target revenue* (taking account of inflation and the time value of money) is equal to ~~\$95.491.2~~ million (real dollars values as at 30 June 2022).
- 7.7.3 The timeframe for recovering the deferred revenue amounts in section 7.7.1 will be 27 years and in section 7.7.2 will be 35 years at the end of this *access arrangement*.

8. Trigger events

8.1.1 For the purposes of sections 4.37 and 5.34 of the *Code*, a *trigger event* in this *access arrangement* is any significant unforeseen event which has a materially adverse impact on Western Power, and which is:

- a) outside the control of Western Power; and
- b) not something that Western Power, acting in accordance with *good electricity industry practice*, should have been able to prevent or overcome; and
- c) so substantial that the advantages of making a variation to this *access arrangement* before the end of this *access arrangement period* would outweigh the disadvantages of doing so, having regard to the impact of the variation on regulatory certainty.

8.1.2 The *designated date* by which Western Power must submit *proposed revisions* to the *Authority* is 90 *business days* after a *trigger event* has occurred. If the costs associated with the *trigger event* are uncertain at the time of the *designated date*, Western Power's proposed revision submitted to the *Authority* under sections 4.37 and 5.34 of the *Code* must incorporate an appropriate mechanism for cost recovery having regard to the *Code objective*.

9. Demand management innovation allowance mechanism

9.1.1 Pursuant to section 6.32A of the *Code* a *demand management innovation allowance* mechanism applies to this fifth access arrangement period and subsequent access arrangement periods.

9.1.2 For the purposes of section 6.32B of the *Code* the *demand management innovation allowance* is an annual, ex-ante allowance provided in the form of a fixed amount of additional non-capital target revenue at the commencement of each pricing year of an access arrangement period. For this *access arrangement period*, the allowance is 0.08% of the target revenue for each pricing year during the period as shown in the table below.

Table 54: Target revenue excluding the *demand management innovation allowance* (\$m real as at 30 June 2022)

Pricing year	FY23	FY24	FY25	FY26	FY27
Target Revenue smoothed less <i>demand management innovation allowance</i>	1,583.71 1,683.57	1,631.21 1,664.61	1,677.21 1,635.84	1,734.31 1,612.52	1,786.21 1,612.52
<i>Demand management innovation allowance</i>	1.261.35	1.291.33	1.321.31	1.351.29	1.381.27

9.1.3 Pursuant to section 6.32F of the *Code*, if any amount of the *demand management innovation allowance* is not used or not approved by the *Authority* over the *access arrangement period*, this amount must not be carried over into the subsequent *access arrangement period* or reduce the amount of the *demand management innovation allowance* for the next *access arrangement period*.

9.1.4 The *demand management innovation allowance* mechanism will operate as per the demand management innovation allowance guideline published by the *Authority* in accordance with sections 6.32D, 6.32J and 6.32K of the *Code*.

10. Supplementary matters

10.1 General

- 10.1.1 Western Power will discharge the obligations it has under the WEM Rules as in force from time to time relating to balancing requirements, ancillary services, trading and settlement requirements in accordance with the WEM Rules. Western Power will also support the Australian Energy Market Operator (“**AEMO**”) in the discharge of its functions, including by providing information to AEMO as required by the WEM Rules.

{Note: Previous access arrangements have referred, in the Supplementary Matters chapter, to balancing requirements, ancillary services, trading and settlement requirements. Under the WEM Rules, these functions are now principally undertaken by AEMO. This occurred when the System Management functions were transferred from Western Power to AEMO on 1 July 2016.}

10.2 Line losses

- 10.2.1 Requirements for the treatment of line losses under the *access arrangement* shall be in accordance with the WEM Rules.

10.3 Metering

- 10.3.1 Metering requirements under the *access arrangement* shall be in accordance with the *Electricity Industry (Metering Code) 2012* and the MSLA.

Appendix A: Electricity transfer access contract

Appendix B: Applications and queuing policy

Appendix C: Contributions policy

C.1 Contributions policy

C.2 Distribution low voltage connection scheme methodology

Appendix D: Multi-function asset policy

Appendix E: Reference services

Appendix F: Tariff structure statement

F.1 Tariff Structure Statement Overview

F.2 Tariff Structure Statement Technical Summary

~~F.3 2022-23 Price List~~