

NORTHERN TERRITORY OF AUSTRALIA

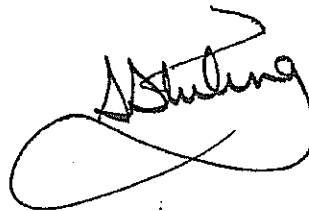
Electricity Reform Act

NOTICE OF MAKING OF ELECTRICITY PRICING ORDER

I, SYDNEY JAMES STIRLING, the Treasurer, pursuant to section 44(8) and (9) of the *Electricity Reform Act*, give notice that an electricity pricing order has been made regulating the sale of electricity to customers of the class prescribed by regulation 13A of the *Electricity Reform (Administration) Regulations* that will have the effect of regulating the maximum annual percentage increase in tariff payable by those customers from 1 July 2007 to 30 June 2008 to 4.4%

Copies of the electricity pricing order are available at any office of the Power and Water Corporation for inspection by members of the public.

Dated

A handwritten signature in black ink, appearing to read 'Stirling', with a large, stylized flourish underneath.

Treasurer

11 MAY 2007

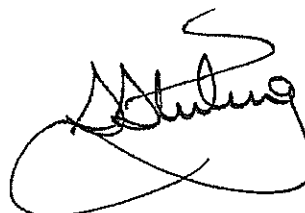
NORTHERN TERRITORY OF AUSTRALIA

Electricity Reform Act

ELECTRICITY PRICING ORDER

I, SYDNEY JAMES STIRLING, the Treasurer, under section 44(1)(a) of the *Electricity Reform Act*, issue the electricity pricing order specified in the Schedule for the sale of electricity to customers of the class prescribed by regulation 13A of the *Electricity Reform (Administration) Regulations*, to take effect on 1 July 2007 and remain in force to 30 June 2008.

Dated



Treasurer

11 MAY 2007

SCHEDULE

ORDER

1. Definitions

In this Order:

"Constrained Tariff", for a particular Prescribed Customer, means a Retail Tariff calculated in accordance with clause 5 of this Schedule, as applicable;

"Corporation" means the Power and Water Corporation;

"Cost Reflective Tariff", for a particular Prescribed Customer, means a Retail Tariff calculated in accordance with clause 4 of this Schedule;

"Prescribed Customer" means a customer of the class prescribed by regulation 13A of the *Electricity Reform (Administration) Regulations*;

"Retail Tariff", for the supply of electricity, means the price that, when applied to a customer's characteristics and requirements, determines the charge that is payable by that customer to the Corporation for the purchase of that electricity;

"Weighted Average Tariff", with respect to a particular year, means a multi-part Retail Tariff re-expressed in a cents per kWh weighted average form calculated in accordance with the following formula:

$$[\sum_{i=1..n} [p^i \cdot q^{i-1}]] / Q_{t-1}$$

where:

"p" is a price component of the Retail Tariff;

"q" is the quantity weight associated with a price component of the Retail Tariff; and

"Q" is the amount of kWh per annum purchased by the customer;

and:

the "i" superscript denotes an individual price component of the Retail Tariff;

the " Σ " symbol denotes the summation of all relevant values across all individual price components of the Retail Tariff; and

the "t-based" subscript denotes a particular Year, with t denoting the current Year and t-1 the most recently completed Year;

"Year" means a 12 month period commencing on 1 July.

2. Application of Order

This Order applies in relation to retail prices for electricity and related services supplied to customers of the class prescribed by regulation 13A of the *Electricity Reform (Administration) Regulations* ("Prescribed Customers").

3. Tariff for Prescribed Customer

For each Prescribed Customer, until a Cost Reflective Tariff has applied to the customer (and thereafter the Constrained Tariff is no longer applicable), the Retail Tariff must be the lesser of:

- (a) the Cost Reflective Tariff; or
- (b) the Constrained Tariff.

4. Cost Reflective Tariff

The Cost Reflective Tariff for a particular Prescribed Customer must be calculated in accordance with a methodology developed by the Corporation which:

- (a) is at a level sufficient to recover from that customer no more than the customer's reasonable share of the forward-looking and efficient costs of supplying electricity to Prescribed Customers including a reasonable risk-adjusted rate of return on the capital employed in supplying such customers; and
- (b) is structured in a manner that signals the economic costs of service provision.

5. Constrained Tariff

For the period 1 July 2007 to 30 June 2008, the Constrained Tariff for a particular Prescribed Customer, when expressed in Weighted Average Tariff form, equals the average price (in cents per kWh) including or excluding GST:

- (a) that applied to the Prescribed Customer for the period 1 July 2006 to 30 June 2007 plus the percentage increase specified in clause 7 of this Schedule; or

- (b) for a customer who becomes a Prescribed Customer during the period 1 July 2007 to 30 June 2008 – that would have applied to the customer had they been a Prescribed Customer during the period 1 July 2006 to 30 June 2007 plus the percentage increase specified in clause 7 of this Schedule.

6. Role of Utilities Commission

The Utilities Commission must:

- (a) monitor compliance with this Order; and
- (b) enforce this Order in accordance with section 23 of the *Utilities Commission Act* in the same manner as if it were a determination under that Act; and
- (c) investigate any complaints made to the Utilities Commission by customers of the class prescribed by regulation 13A of the *Electricity Reform (Administration) Regulations* that prices to which this Order applies do not comply with this Order.

7. Percentage increase from previous year

For the year 1 July 2007 to 30 June 2008, the percentage increase from the previous year is 4.4%.
