NORTHERN TERRITORY OF AUSTRALIA

Electricity Reform Act

NOTICE OF ISSUING OF ELECTRICITY PRICING ORDER

I, David William Tollner, Treasurer, under section 44(8) of the *Electricity Reform Act*, give notice that:

(a) an electricity pricing order has been issued to regulate prices for the sale of electricity to customers of a class prescribed by regulation 13A(a), (b) or (c) of the *Electricity Reform (Administration) Regulations*; and

(b) the order will have the effect of regulating prices for the sale of electricity to those customers from 1 January 2014 to 31 December 2014; and

(c) a copy of the order may be inspected at, and obtained from, any office of the Power and Water Corporation.

Dated 17 December 2013

Treasurer

NORTHERN TERRITORY OF AUSTRALIA

Electricity Reform Act

ELECTRICITY PRICING ORDER

I, David William Tollner, Treasurer, under section 44(1)(a) of the *Electricity Reform Act*, issue the electricity pricing order set out in the Schedule, to take effect on 1 January 2014 and to remain in force for 1 year.

Dated 17 December 2013

Treasurer

SCHEDULE

ELECTRICITY PRICING ORDER

Customers of a class prescribed by regulation 13A(a), (b) or (c) of the *Electricity Reform (Administration) Regulations*

1 Definitions

In this electricity pricing order:

Corporation means the Power and Water Corporation.

kWh means kilowatt hours.

prescribed customer means a customer of a class prescribed by regulation 13A(a), (b) or (c) of the *Electricity Reform (Administration) Regulations.*

pricing period means 1 January 2014 to 31 December 2014.

2 Retail tariff for sale of electricity

(1) During the pricing period, the Corporation may charge a prescribed customer the retail tariff for the sale of electricity.

(2) The retail tariff is:

(a) while the constrained tariff relevant to the prescribed customer under clause 3 is less than the cost reflective tariff mentioned in clause 6 – the constrained tariff; or

(b) otherwise – the cost reflective tariff mentioned in clause 6.

3 Constrained tariff

(1) The constrained tariff relevant to a prescribed customer, when expressed in weighted average tariff form, is:

(a) for a customer who becomes a prescribed customer during the pricing period – the average price in cents per kWh, including or excluding GST, that would have applied had the customer been a prescribed customer during the period 1 October 2012 to 30 September 2013, plus the increase specified in clause 4; or

(b) otherwise – the average price in cents per kWh, including or excluding GST, that applied to the prescribed customer during the period 1 October 2012 to 30 September 2013, plus the increase specified in clause 4.

(2) In subclause (1):

weighted average tariff, per annum, means a multi-part retail tariff re-expressed in a cents per kWh weighted average form calculated in accordance with the following formula:

R_t/Q_t

where:

R is the amount of revenue per annum the customer is charged corresponding to ***Q***; and

Q is the amount of kWh per annum consumed by the customer; and

t is the period from 1 October 2012 to 30 September 2013.

4 Constrained tariff increase

For clause (3)(1)(a) and (b), the constrained tariff is increased by 5%.

5 Greenhouse gas price for first 6 months of pricing period

(1) This clause applies:

(a) in relation to the constrained tariff; and

(b) for the period 1 January 2014 to 30 June 2014.

(2) The Corporation may, in relation to the Greenhouse Gas Emission Scheme, charge a prescribed customer 1.53 cents per kWh for the electricity consumed by the customer.

(3) In subclause (2):

Greenhouse Gas Emission Scheme means the scheme under a law in force in the Territory that relates to the production, emission, reduction, limitation, cessation, prevention, offset, sequestration or management of greenhouse gas emissions or concentrations.

6 Cost reflective tariff

(1) The cost reflective tariff for a prescribed customer must be:

(a) at a level sufficient to recover from the 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 those customers; and

(b) structured in a manner that shows the economic costs of service provision.

(2) The cost reflective tariff must be calculated in accordance with a methodology developed by the Corporation.

7 Role of Utilities Commission

The Utilities Commission must:

(a) monitor compliance with this electricity pricing order; and

(b) enforce this order under section 23 of the *Utilities Commission Act* in the same way as if it were a determination under that Act; and

(c) investigate any complaint made to the Utilities Commission by a prescribed customer that prices to which this order applies do not comply with this order.