



ELECTRICITY TRANSMISSION USE OF SYSTEM PRICES

1 July 2009 to 30 June 2010

VENCorp's Transmission Use of System (TUOS) charges recover the costs for the provision of the shared transmission network in Victoria, and are calculated in accordance with the National Electricity Rules.

VENCorp publishes its TUOS prices for the financial year 1 July 2009 to 30 June 2010 in accordance with its obligations under clause 6A.23.2 of the National Electricity Rules. VENCorp's TUOS prices for the financial year 1 July 2009 to 30 June 2010 are calculated in accordance with VENCorp's pricing methodology.

VENCorp's TUOS prices are comprised of the following components:

TUOS Locational Price

The TUOS Locational price is based on summer demand, which is reflective of the long run marginal cost of transmission at each connection point, and is calculated using the cost reflective network pricing methodology.

Common Service Price

The Common Service price is either an energy price or a capacity price, each of which have a common value across all locations and recovers the costs for provision of prescribed common transmission services including the costs of planning and operating the network.

TUOS Non-locational Price

The TUOS Non-locational price is either an energy price or a capacity price, each of which have a common value across all locations and recovers the balance of VENCorp's annual revenue for provision of the shared transmission network.

Schedule of Prices for 1 July 2009 to 30 June 2010

TUOS Locational Prices

Point of Supply	TUOS Locational		
	Summer Demand (\$/MW pa)		
	TUOS Locational Price	plus GST	Total Price
Altona	13,985	1,399	15,384
Ballarat	18,786	1,879	20,665
Bendigo	22,422	2,242	24,664
Brooklyn	13,664	1,366	15,030
Brunswick	11,546	1,155	12,701
Cranbourne	11,413	1,141	12,554
East Rowville	10,817	1,082	11,899
Fishermans Bend	12,483	1,248	13,731
Fosterville	20,835	2,084	22,919
Geelong	16,320	1,632	17,952
Glenrowan	12,798	1,280	14,078
Heatherston	11,418	1,142	12,560
Horsham	29,960	2,996	32,956
Kellor	13,405	1,341	14,746
Kerang	30,567	3,057	33,624
Loy Yang	10,419	1,042	11,461
Malvern	12,709	1,271	13,980
Morwell	4,681	468	5,149
Mount Beauty	3,218	322	3,540
Point Henry	18,357	1,836	20,193
Portland Smelter	32,999	3,300	36,299
Red Cliffs	42,242	4,224	46,466
Richmond	12,749	1,275	14,024
Ringwood	10,415	1,042	11,457
Shepparton	15,948	1,595	17,543
South Morang	10,348	1,035	11,383
Springvale	10,043	1,004	11,047
Templestowe	10,803	1,080	11,883
Terang	29,170	2,917	32,087
Thomastown	11,176	1,118	12,294
Tyabb	13,120	1,312	14,432
West Melbourne	12,439	1,244	13,683
Western Port	13,661	1,366	15,027
Wodonga	7,567	757	8,324
Yallourn PS G.5	5,415	542	5,957

Common Service Prices

(either one of the following)	Common Service		
	Common Service Price <i>plus</i>	GST	Total Price
Energy Price (\$/MWh)	4.65	0.47	5.12
Capacity Price (\$/MW pa)	18,910	1,891	20,801

TUOS Non-locational Prices

(either one of the following)	TUOS Non-locational		
	TUOS Non-locational Price <i>plus</i>	GST	Total Price
Energy Price (\$/MWh)	1.90	0.19	2.09
Capacity Price (\$/MW pa)	7,735	774	8,509

Notes:

1. VENCORP's TUOS prices as shown in this document have been determined in accordance with Chapter 6A of the National Electricity Rules and the AER's electricity transmission pricing methodology guidelines. TUOS prices have been varied by the Victorian network pricing derogation set out in clause 9.8.4.
2. The prices apply to metered usage at terminal stations, which are the interfaces between the transmission network and network assets owned by Distribution Businesses and other transmission customers.
3. TUOS locational prices are on a dollar per MW basis, applied to the average of the top ten summer peak demands at a point of supply, measured on half hour intervals on weekdays from 1 November 2009 to 31 March 2010 from 11:00 to 19:00 EST in accordance with Appendix C of the AER's Pricing Methodology Guidelines.
4. The Common Service charge and the TUOS Non-locational charge for a billing period may be either:
 - a. The energy price multiplied by the metered energy at the connection point in the equivalent billing period in 2007/08; or
 - b. The capacity price multiplied by the maximum contract demand for the connection point referable to that billing period. Note that the capacity price is only available where a customer's agreement with VENCORP nominates a fixed maximum demand and a penalty for exceeding that demand.
5. Equalisation Adjustments: In accordance with clause 9.8.4(a)(3) of the National Electricity Rules, an equalisation adjustment is applied to the monthly TUOS invoices of each Distribution Business as shown below.

Distribution Business	Equalisation Adjustment (\$ per annum)		
	Exclusive of GST	GST	Total
TXU (SPI Electricity)	-\$2,963,400	-\$296,340	-\$3,259,740
Powercor Australia	-\$11,406,600	-\$1,140,660	-\$12,547,260
AGL Electricity	\$3,102,600	\$310,260	\$3,412,860
CitiPower	\$3,552,000	\$355,200	\$3,907,200
United Energy	\$7,715,400	\$771,540	\$8,486,940

Equalisation Adjustments

6. Prices for new connection points which do not appear in the schedule will be calculated by VENCORP in accordance with the National Electricity Rules.
7. Exit and Entry charges are charged separately by SP AusNet (www.sp-ausnet.com.au).
8. Prices are not subject to variation within a financial year unless there are exceptional circumstances.
9. Prices can vary significantly up or down from one financial year to the next in accordance with the National Electricity Rules.

Service Standards

The service standards to which the transmission use of system prices apply are as follows:

1. The AER's Final Decision on SP AusNet's Transmission Network Revenue Cap for the period 2008-2014 dated 31 January 2008 sets out a performance incentive scheme for SP AusNet's transmission network assets which places 1% of its regulated revenue at risk.
2. In addition, the AER's Final Decision also approved an Availability Incentive Scheme which is in place between SP AusNet and VENCORP. This scheme, which places approximately 2% of SP AusNet's regulated revenue at risk, provides for time sculptured availability rebates for each network element based on its importance to the Victorian transmission network.
3. In addition, VENCORP also has availability incentive schemes for network assets provided to VENCORP on a contestable basis. These include the Moorabool, Rowville and Cranbourne 500/220kV transformers, the South Morang series capacitors and the SNOVIC capacitor banks.

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