



ELECTRICITY TRANSMISSION USE OF SYSTEM PRICES - 1 JULY 2014 TO 30 JUNE 2015

FOR THE NATIONAL ELECTRICITY MARKET

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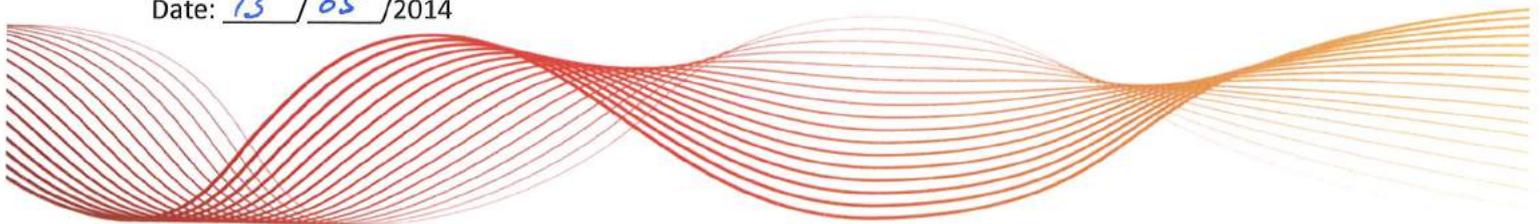
Approved for Distribution and Use

Matt Zema



Managing Director and Chief Executive Officer

Date: 13 / 05 / 2014





IMPORTANT NOTICE

Purpose

AEMO has prepared this document to provide information about the electricity transmission use of system (TUoS) prices, as at the date of publication.

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1 ELECTRICITY TRANSMISSION USE OF SYSTEM PRICES

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

AEMO publishes its TUOS prices for the financial year 1 July 2014 to 30 June 2015 in accordance with its obligations under chapter 6A of the National Electricity Rules. AEMO's TUOS prices for the financial year 1 July 2014 to 30 June 2015 are set in accordance with AEMO's pricing methodology.

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

1.1 Locational Price

The Locational price is based on average maximum demand in Victoria in accordance with the approved methodology¹, 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.

1.2 Common Service Price

The Common Service price is either an energy price or a capacity price, each of which has a common value across all locations and recovers the costs for provision of prescribed common transmission services. These services include the cost of planning and operating the network such as control buildings, protection systems, easement and land tax etc.

1.3 Non-Locational Price

The Non-Locational price is either an energy price or a capacity price, each of which have a common value across all locations. These charges recover the balance of AEMO's annual revenue for provision of the shared transmission network and mainly relate to overhead and financing costs.

¹ On 1 April 2014 the new Pricing Methodology for Prescribed Shared Transmission Services was approved by the AER for the 2014-19 regulatory control period.



2 SCHEDULE OF PRICES FOR 1 JULY 2014 TO 30 JUNE 2015

2.1 Locational Prices

Point of Supply	TUOS Locational (\$/MW)		
	TUOS Locational Price	GST	Total Price
Altona	15,509	1,551	17,060
Ballarat	22,563	2,256	24,819
Bendigo	26,780	2,678	29,458
Brooklyn	16,460	1,646	18,106
Brunswick	12,919	1,292	14,211
Cranbourne	11,595	1,160	12,755
East Rowville	11,858	1,186	13,044
Fishermans Bend	14,809	1,481	16,290
Fosterville	24,226	2,423	26,649
Geelong	18,669	1,867	20,536
Glenrowan	15,204	1,520	16,724
Heatherton	14,120	1,412	15,532
Heywood	26,845	2,685	29,530
Horsham	34,221	3,422	37,643
Keilor	15,236	1,524	16,760
Kerang	35,249	3,525	38,774
Loy Yang	11,098	1,110	12,208
Malvern	15,719	1,572	17,291
Morwell	5,303	530	5,833
Mount Beauty	3,979	398	4,377
Point Henry	20,832	2,083	22,915
Portland Smelter	33,523	3,352	36,875
Red Cliffs	44,559	4,456	49,015
Richmond	13,484	1,348	14,832
Ringwood	12,393	1,239	13,632
Shepparton	19,486	1,949	21,435
South Morang	11,850	1,185	13,035
Springvale	11,701	1,170	12,871
Templestowe	13,361	1,336	14,697
Terang	33,402	3,340	36,742
Thomastown	12,652	1,265	13,917
Tyabb	15,024	1,502	16,526
Wemen	44,968	4,497	49,465
West Melbourne	14,506	1,451	15,957
Western Port	16,227	1,623	17,850
Wodonga	9,265	927	10,192
Yallourn PS G.5	5,925	593	6,518



2.2 Common Service Prices

(either one of the following)	Common Service		
	Common Service Price	GST	Total Price
Energy Price (\$/MWh)	5.803	0.580	6.383
Capacity Price (\$/MW)	26,207	2,621	28,828

2.3 Non-Locational Prices

(either one of the following)	TUOS Non-Locational		
	TUOS Non-Locational Price	GST	Total Price
Energy Price (\$/MWh)	3.484	0.348	3.832
Capacity Price (\$/MW)	15,735	1,574	17,309

2.4 Notes

1. AEMO's TUOS prices as shown in this document have been determined in accordance with the Final Pricing Methodology for Prescribed Transmission Services for 1 July 2014 to 30 June 2019 as approved by the AER. 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-connected customers.
3. Under normal circumstances, Locational charges for 2014-15 are calculated by multiplying the relevant locational price by the average half-hourly maximum demand at a connection point on 10 weekdays when system demand was highest between the hours of 11:00 and 19:00 in the local time zone during the most recently completed 12 month period (1 March 2013 to 28 February 2014).
4. The Common Service charges and the Non-Locational charges for 2014-15 may be either:
 - a. The energy price multiplied by the metered energy at the connection point in the period 1 March 2013 to 28 February 2014; or
 - b. The capacity price multiplied by the maximum contract demand for the connection point referable to that period. Note that the capacity price is only available where a customer's agreement with AEMO nominates a fixed maximum demand and a penalty for exceeding that demand.
5. Prices for new connection points which do not appear in the schedule will be calculated by AEMO in accordance with the National Electricity Rules.



3 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
SPI Electricity (previously TXU)	-1,975,600	-197,560	-2,173,160
Powercor Australia	-7,604,400	-760,440	-8,364,840
Jemena	2,068,400	206,840	2,275,240
CitiPower	2,368,000	236,800	2,604,800
United Energy	5,143,600	514,360	5,657,960

