

## **Alternative Control Service Price Schedule 2009-10 – “Quoted services”**

### *Above-standard connection services and other quoted services*

Power and Water’s proposed control mechanism for above standard connection services and other quoted services is a formula such that the price is equal to:

- the materials employed for the project multiplied by the cost of those materials; PLUS
- the labour involved for the project (in hours) multiplied by the hourly rate including on-costs for that project.

Power and Water will not charge a profit margin for quoted services, in line with Amendment 6-7 of the Draft Determination.

This control setting method will allow Power and Water to quote an amount that is appropriate for the type of job to be provided. These types of services could vary from moving a meter at a cost of several hundred dollars to removing distribution infrastructure for Government to relocate a highway which could cost several million dollars.

Power and Water’s proposed control mechanism for these services involves:

- applying a schedule of fixed prices, which for this purpose would be a quotation provided by Power and Water before the service is provided. This is permitted under 6.2.5(b)(1) of the Rules as one of the six types of control mechanisms that can be applied to alternative control services; and
- a modification to Part C of the Rules, which is permitted under 6.2.6(c) of the Rules.

On this basis, Power and Water considers that its proposed control mechanism for these services is consistent with paragraph 2.20 of the Commission’s Final Decision Paper.