

Network Capital Contributions Policy

Information for small and large individual network users

What are capital contributions?

Capital contributions are payments that may be required for new or upgraded connections to Power and Water's electricity network. The purpose of these contributions is to ensure that costs for a customer's new or upgraded connection are paid for by that customer and not shared by everyone connected to the network.

The Utilities Commission has approved a new Network Capital Contributions Policy to apply from 1 July 2014.

Small and large individual network users

A small individual network user is an existing or potential end-use customer that has a low voltage connection and/or a projected (or actual) demand less than 4MVA.

A large individual network user is an existing or potential end-use customer that satisfies either of these criteria:

- A high voltage connection and a projected (or actual) demand of 4MVA or greater; or
- Is connected to (or seeking connection to) a dedicated supply that is different or remote or separate from the remainder of the supply network.

The identification of large individual network users will be at the discretion of Power and Water.

Payment of a capital contribution

A capital contribution from a small or large individual network user will only be required if the cost of the required works cannot be fully recovered by Power and Water through future network tariff revenue, offset by shared network costs, over a 15 year period for large individual network users and a 30 year period for small individual network users.

Subject to approval by Power and Water, a network user may elect to make a capital contribution in the form of contributed assets, a financial payment or a combination of both.

A cost sharing scheme may apply to small and large individual network users. Network users that make contributions to connection assets that are subsequently used by other network users may be entitled to a proportionate rebate of costs, based on use of the network by the existing and new users.

Power and Water may, under certain circumstances, require a prudential guarantee from small and large individual network users.

More information

For more information, please refer to the Network Capital Contributions Policy and FAQs found on Power and Water's website at powerwater.com.au.