

COMPARATIVE TABLE - CAPITAL CONTRIBUTIONS POLICY

This table identifies the differences between the Capital Contributions Policy in Appendix 3 to the Western Power Access Arrangement (“**Policy**”) with the Model Capital Contributions Policy in Appendix 4 to the Code (“**Model**”). Western Power has prepared “Reasons for Modifying the Capital Contributions Policy” which are contained in Appendix 9 of its Access Arrangement (“**Reasons**”). Where a difference between the Model and the Policy is explained in the Reasons, a reference to the relevant section of the Reasons has been made in the table below.

MODEL	POLICY	ISSUES
Section	Clause	
A4.1	1.1	“ capital contributions policy ” No difference.
	1.1	“ Code ” No difference.
		“ Code objective ” Not defined in Policy.
		“ new service ” Not defined in Policy.
		“ non-capital contribution ” Not defined in Policy.
		“ payment contract ” Not defined in Policy.
		“ provision in kind ” Not defined in Policy.
		“ provision in kind contract ” Not defined in Policy.
	1.1	“ reasonable time ” See commentary on clause 5.3
		“ relevant applicant ” Not defined in Policy.
		“ required augmentation ” Not defined in Policy.
	1.1	“ access arrangement ” No difference.
	1.1	“ applications and queuing policy ” No difference.
	1.1	“ network ” Policy’s definition of network is limited to those parts of the SWIS owned and/or operated by Western Power. Model’s definition of network extends to all network infrastructure facilities as defined in the Act.
		“ alternative option contribution ” Not defined in Policy.
		“ alternative option test ”, Not defined in Policy.

MODEL	POLICY	ISSUES
		“ capacity ”, Not defined in Policy.
		“ contracted capacity ”, Not defined in Policy.
		“ contracted point ”, Not defined in Policy.
		“ contribution ”, Not defined in Policy. See Reasons section 2.
		“ cost recovery period ”, Not defined in Policy.
		“ forecast costs ”, Not defined in Policy. See Reasons section 2.
		“ interconnection works agreement ”, Not defined in Policy.
		“ minimum practical works ”, Not defined in Policy.
		“ new revenue ”, Not defined in Policy.
		“ reduced demand payment ”, Not defined in Policy.
		“ transmission asset ”, Not defined in Policy.
		“ urban shared network ”, Not defined in Policy.
		“ works ”, Not defined in Policy. See Reasons section 2.
A4.2	1.2	No difference.
A4.3	1.3	No difference.
A4.4	2.1	Policy has been expanded in its application to apply to circumstances other than those outlined in the Model. See Reasons section 3.
	2.2	Certain sections of Policy do not apply to consumers based on their actual or expected consumption. See Reasons section 5. Certain sections of Policy do not apply to subdividers.
A4.5	5.2	Method of calculation of capital contribution has been altered. See Reasons section 5.
	5.4	Added concept: forecast costs. See Reasons sections 2 and 5.

MODEL	POLICY	ISSUES
A4.6	3	Requirement that costs not exceed reasonable amount has been reworded, does not refer to good electricity industry practice, lowest sustainable costs.
A4.7	5.4(d)	Where there is more than one applicant who may contribute, the Model requires the service provider to apportion contributions reasonably in accordance with the Code objectives. The Policy allows Western Power to negotiate with the applicants. See Reasons section 5.
A4.8	4.1	Policy imposes additional obligations on applicant to: (a) Sign an interconnection works agreement; and (b) Guarantee new revenue, before Western Power will undertake the works. See Reasons clause 4.
	4.2	Supplementary to clause 4.1(b) above. See Reasons clause 4.
	5.5	Not provided in Model. See Reasons clause 5.
	5.6	Not provided in Model. See Reasons section 5.
	5.7	Not provided in Model. See Reasons section 5.
A4.9	1.1	Concept of “contributions rate of return”. Under Policy the power to set rate of return has been shifted from service provider to Authority. See Reasons section 2.
A4.10	5.3	The Policy imposes an obligation on Western Power to make determination as a reasonable and prudent person. The Model does not impose this obligation.
A4.11	6.1	No inclusion of provision in kind. See Reasons clause 6. Reference in Model to Regional Electricity Supply Policy has been extended in the Policy to include any appropriate government policy.
A4.12	6.2	The Policy prescribes conditions precedent to election, expressed as a negative (“may not elect unless”). The Model expresses conditions precedent as a positive (“may elect if”). Policy prescribes materiality thresholds. Model outlines that material thresholds may be inserted and approved by the Authority. Policy does not include provision of security as a condition precedent to making election.

MODEL	POLICY	ISSUES
A4.13		Not provided for in Policy. See Reasons section 6.
A4.14	6.3	Model provides that the terms of the access contract must deal with the parties' rights and obligations, and conditions that must be included in the payment contract. The Policy sets maximum and minimum terms for periodic payments. Unlike Model, the Policy does not provide for title remaining with the service provider.
A4.15	7.1 to 7.4	Model permits service provider to specify materiality thresholds without prescribing what those thresholds should be. Issue is whether the thresholds specified by the Policy meet the Code criteria.
A4.16		Not provided for in Policy.
A4.17		Not provided for in Policy.
A4.18		Not provided for in Policy.
A4.19		Not provided for in Policy.
A4.20		Not provided for in Policy.
A4.21		Not provided for in Policy.
	8.1	Added concept of reduced demand payment. See Reasons section 7.
	8.2	Added concept of reduced demand payment. See Reasons section 7.
	9.1	Added concept of transmission-connected generators. See Reasons section 8.
	9.2	Added concept of transmission-connected generators. See Reasons section 8.
	9.3	Added concept of transmission-connected generators. See Reasons section 8.
	9.4	Added concept of transmission-connected generators. See Reasons section 8.

MODEL	POLICY	ISSUES
	9.5	Added concept of transmission-connected generators. See Reasons section 8.
	10.1	Added concept of commercial consumers. See Reasons section 5.
	10.2	Added concept of commercial consumers. See Reasons section 5.
	10.3	Added concept of commercial consumers. See Reasons section 5.
	10.4	Added concept of commercial consumers. See Reasons section 5.
	10.5	Added concept of commercial consumers. See Reasons section 5.
	10.6	Added concept of commercial consumers. See Reasons section 5.
	10.7	Added concept of commercial consumers. See Reasons section 5.
	10.8	Added concept of commercial consumers. See Reasons section 5.
	11	Different treatment of subdivisions See Reasons section 6.