

Utilities (Electricity Network Capital Contributions Code) Approval 2007

Disallowable instrument DI2007–204

made under the

Utilities Act 2000, s 58 (Approved codes)

EXPLANATORY STATEMENT

Legislative Provisions

Under section 101 of the *Utilities Act 2000* (the Act) a utility may impose capital contribution charges on customers to extend the utility's network to undeveloped land or to vary the capacity of connections to its network. The charge must be in accordance with the relevant industry code of practice.

The Independent Competition and Regulatory Commission (the Commission), under section 57 of the Act, must consider industry codes submitted by a utility or a person representing one or more utilities. Under section 58 of the Act the Commission may approve an industry code. In making its decision the Commission must be satisfied that the code is consistent with other industry and technical codes and that it is appropriate. The Commission must also undertake certain consultations.

An industry code approved under subsection 58(1) of the Act is a disallowable instrument (see section 62). Under section 63 the ICRC must make copies of the documents available for public inspection.

Background

ActewAGL submitted the draft Electricity Network Capital Contributions Code (the Code) to the Commission in accordance with section 57 of the Act. The Code outlines the principles and procedures by which an electricity distributor may impose capital contribution charges on customers to develop or augment its electricity network.

The Commission has consulted interested parties on the Code, in accordance with section 60 of the Act. The Commission received no comments on the proposed Code. The Commission is satisfied that the Code is not inconsistent in material respects with another industry code or a technical code and that the Code is appropriate.

Outline

The Code applies to Electricity Distributors and outlines the principles and procedures by which an electricity distributor may impose capital contribution charges on customers to develop or augment its electricity network. It clarifies that the payment of the capital contribution charge does not confer any ownership in the asset.

The Code defines what basic infrastructure an Electricity Distributor must install free of charge. It then describes the situations where an Electricity Distributor may charge, and a Customer must pay, a Capital Contribution Charge for the development or augmentation of its Electricity Network undertaken at the request of that Customer. It also outlines how that charge should be calculated.

Copies of the Code are available for inspection during ordinary office hours from the ICRC, Level 2, 12 Moore Street, Canberra City ACT 2601. They are also available on the ICRC's website at www.icrc.act.gov.au.