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Customer Connection Policy

Connecting electricity supply to your premises in
United Energy's region

Public

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1 Table of Contents

| | | |
|----|---|----|
| 1 | United Energy | 2 |
| 2 | Rules, Objectives & Obligations | 3 |
| 3 | Customers and Services Offered | 5 |
| 4 | UE Offers and Payment Conditions | 9 |
| 5 | Basic Connection Service: Retail Customers | 15 |
| 6 | Negotiated Connection Service: Retail Customers | 20 |
| 7 | Negotiated Connections Service: Real Estate Developers | 22 |
| 8 | Negotiated Connections Service: Undergrounding & Relocation of Network Assets | 24 |
| 9 | Negotiated Connection Service: Embedded Generation Customer Connections | 26 |
| 10 | Embedded Networks | 27 |
| 11 | Other matters | 28 |
| 12 | Contact Details | 29 |
| 13 | Glossary | 30 |

1 United Energy

United Energy (UE) operates under a distribution licence that is issued by the Essential Services Commission of Victoria (ESCV). Our network covers about 1472 square kilometres and we distribute electricity to approximately 665,000 customers across east and south-east Melbourne and the Mornington Peninsula.

1.1 Distributors & Retailers

United Energy (UE) is an electricity distributor. UE owns the distribution network that carries electricity. We are not a retailer and therefore does not sell electricity.

Customers must choose an electricity retailer before we can energise the electricity supply to your premises because a Retailer is responsible for your electricity account.

A list of electricity retailers can be found on the Essential Services Commission website on <http://www.esc.vic.gov.au>

Figure.1 United Energy Distribution region



2 Rules, Objectives & Obligations

2.1 Introduction

This document is the Connection Policy for our electricity distribution network. This Connection Policy sets out the circumstances in which we may require a retail customer or real estate developer to pay a connection charge for the provision of a connection service. It specifies:

- the categories of persons that may be required to pay a connection charge and the circumstances in which such a requirement may be imposed;
- the aspects of a connection service for which a charge may be made;
- the basis on which connection charges are determined;
- the manner in which connection charges are to be paid (or equivalent consideration is to be given); and
- a threshold below which a retail customer (not being a non-registered embedded generator or a real estate developer) will not be liable for a connection charge for an augmentation.

In addition, this Connection Policy complies with the AER's connection charge guidelines and the connection charging principles found in Chapter 5A of the National Electricity Rules.

Chapter 5A applies to connecting load for:

- retail customers, or
- a retailer or other person on behalf of a retail customer, or
- a real estate developer.
- non-registered embedded generators and micro embedded generators (that is, embedded generator connections that comply with Australian Standard AS4777 or Embedded Generation up to 5MW).

2.2 Policy Objectives

Our objective is provided to assist customers to understand their rights and obligations in requesting a new or upgraded electricity connection to our network.

This policy document set outs:

- The different connection services that UE offers
- The models and framework that underpin these services
- Relevant fees & charges and
- Payment conditions

However, for a comprehensive assessment of their connection needs customers should contact UE at our office (see Contacts).

Further information relating to the rules and guidelines relevant to this policy is also available from the ESCV, the Australian Energy Regulator (AER) and Energy Safe Victoria (ESV).

2.3 UE's obligations

We have an obligation that is set out in our Distribution Licence to offer to connect customers. Our Distribution Licence obliges us to offer to:

- Provide connection services to a customer's electrical installation and to supply electricity;
- Provide connection services to embedded generators; and
- Underground or otherwise relocate or modify our distribution assets

In keeping with its objectives to inform customers of their rights and obligations with regard to access to the distribution system, our Connection Offers include (where applicable) the:

- Price for connection service;
- Augmentation works (additions, alterations or relocation) and;

-
- The contestability and tendering options.

Should the connection applicant require further details of material and labour costs and how we calculated the avoided costs, we shall provide this information on request

Customers can be confident that our offers are based on competitive prices and our expert knowledge on network design and construction. However, where customers prefer to benchmark such prices, our tendering policy provides customers the processes for determining market prices for the connection and augmentation services.

Consistent with the Electricity Distribution Licence and Electricity Industry Guidelines, our general obligations are to:

- Assist and provide as much information as possible promptly and efficiently when connection enquiries are made;
- On request, provide a budget estimate;
- Respond to Connection Service requests with an 'Offer', including price when required and within regulatory timeframes;
- Detail any service fees/costs to be levied by us as non-contestable charges; and
- Advise when payment is required.

Notwithstanding our offer for the connection services, some customers have the following contestability options:

- The right to request us to undertake a tender process; or
- The customer's right to undertake its own tender process.

2.4 Customer obligations

To assist us in properly considering the connection enquiry or request, the connection applicant must provide UE with the information it reasonably requires in order to prepare its connection service offer. Examples of such information are the:

- Site plan;
- Copy of planning permit;
- Copy of subdivision;
- Road construction plan;
- Complete loading details;
- Embedded Generation details.

In addition customers must:

- Ensure works undertaken by the customer are in accordance with Electricity Industry rules and regulations;
- Arrange payment of the customer contribution and other fees (e.g. project fees) as required;
- Submit requests as early as possible so that we can meet the customer's connection deadline;

2.5 Other matters

This Connection Policy should be read in conjunction with:

- our model standing offer for the provision of basic connection services to retail customers
- our model standing offer for the provision of basic Micro-embedded generation connection services to retail customers
- The schedule of AER approved Fee-based & Quoted charges for Basic & Negotiated connection services
- Relevant technical standards: please contact us directly

3 Customers and Services Offered

3.1 Overview

Connection services encompass the services required to physically connect premises to our distribution network. They generally include the design, construction and energisation of connection assets.

In some circumstances, the new connection or connection alteration may require an augmentation of the distribution network to ensure that there is sufficient capacity to service the connection. The new connection or connection alteration may also require a network extension beyond the standard service line.

We offer different types of connection services to:

- connect a person's home, business or other premises to the electricity distribution network;
- augment the network to get more electricity from the distribution network than is available at the moment;
- extend the network to reach a person's premises;
- connect an embedded generation system;
- underground or relocate the connection or network asset.

The following diagrams depict typical connections for residential customers for overhead and underground supply.

Figure 1: Overhead connection for a residential customer

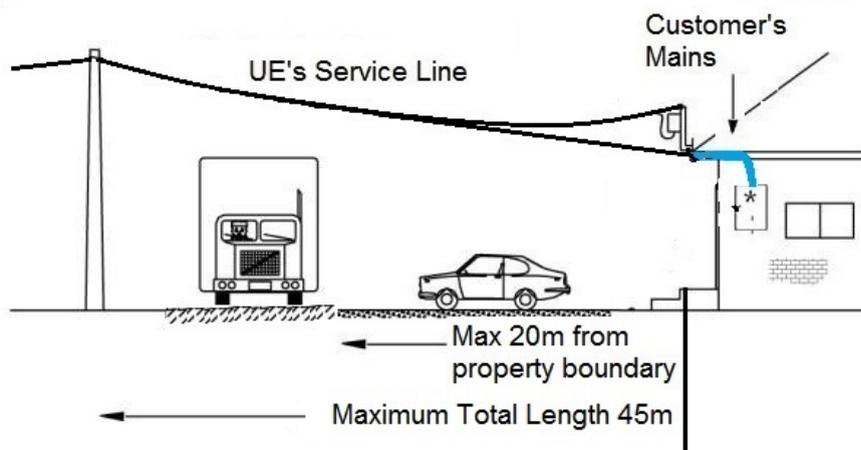
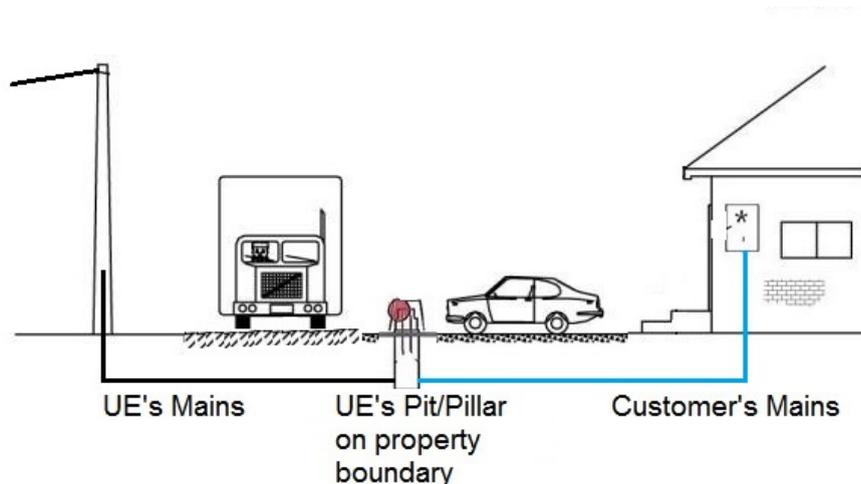


Figure 2. Underground connection for a residential customer



These connection services are categorised in the table below:

Table 3.1 Customer Connections

| | Connection Characteristics | Connection Classification | Section within the Policy |
|--|--|---------------------------------------|---------------------------|
| Residential or Small Business Customer - <i>New connection (Applicable to both temporary & permanent supply)</i> | Routine connection: Most common connection for a retail customer where the distribution network asset already exists | Basic | 3.3.1, 4.1 & 5.1 |
| | Basic Solar or Wind turbine connection that is Inverter based generating & storage systems up to 30kW (max 10kW/phase) per premises | Basic/Basic Micro Embedded Generation | 3.3.1, 4.1 & 5.2 |
| | Connection with > 100 ampere meter | Negotiated | 3.3.3, 4.2 & 6.1.1 |
| | Connection with augmentation or extension | Negotiated | |
| | Connection not accepting Model Standing Offer Terms & Conditions | Negotiated | |
| Residential or Small Business Customer - <i>Existing connection</i> | Basic Solar or Wind turbine connection that is Inverter based generating & storage systems up to 30kW (max 10kW/phase) per premises | Basic Micro Embedded Generation | 3.3.1, 4.1 & 5.2 |
| | Connection with alteration (i.e. Moving connection point on premises) | Basic | 3.3.1, 4.1 & 5.1 |
| | Connection with alteration not accepting Model Standing Offer terms and conditions | Negotiated | 3.3.3, 4.2 & 6.1.1 |
| Large Customer Connection | <p>These are large business customers typically, manufacturing centres, shopping centres, hospitals, factories etc.</p> <ul style="list-style-type: none"> ○ They typically have more complex meter connection ○ May have an embedded network ○ May have an embedded generator unit with specifications that exceed those of micro-EG | Negotiated | 3.3.3, 4.2 & 6.1.2 |
| Dual & Multiple Occupancy | Smaller apartment complexes | Negotiated | 3.3.3, 4.2 & 6.1.3 |
| Real Estate Development | <p><i>Greenfield Sites:</i> Real estate development means the commercial development of land including its development in one or more of the following ways:</p> <ul style="list-style-type: none"> ○ subdivision; ○ the construction of commercial or industrial premises (or both); or ○ the construction of multiple new residential premises. | Negotiated | 3.3.3, 6 & 7 |
| | <i>Non- Greenfield Sites:</i> Existing sights that may require augmentation of the network | Negotiated | 3.3.3 & 6 |
| Undergrounding and Relocation of Assets | Connection Assets: These works involve customer requested undergrounding or relocation of an existing connection asset at the premise. | Negotiated | 3.3.3 & 8 |
| | Network Assets: These works relate to the customer requested undergrounding or relocation of an existing network asset. | Negotiated | 3.3.3, 6.1.5 & 8 |
| Embedded generation | Any generation up to 5MW and does not satisfy the Basic Micro Embedded Generation criteria stated in Section 6.3 of this policy, shall be treated as an Embedded Generator. This connection service is negotiated and hence each application is assessed individually. | Negotiated | 3.3.3 & 9 |

| | Connection Characteristics | Connection Classification | Section within the Policy |
|-------------------------|--|---------------------------|---------------------------|
| Rural Supply Connection | These connections mainly involve the extension of electricity assets along road reserves and onto customers' properties in remote areas. | Negotiated | 3.3.3 & 6.1.4 |

Our offers for these connection services are dependent on:

- the applicant's connection classification;
- the nature of the connection; and
- whether network capacity is readily available.

3.2 The Connection process

Before a retail customer proceeds to apply for any of the connections services stated in Section 4.1, the first step is to ascertain whether supply is available. To do this the customer should engage a Registered Electrical Contractor and if required consult us.

The absence of supply availability means the customer is likely to need us to extend the network to provide electricity supply. In addition, depending on supply availability to the customer's premises and load requirements, we may need to increase network capacity.

If supply to the premises is available in the street, then the customer's Registered Electrical Contractor (REC) can normally arrange the actual connection service to the premises with us. In most cases supply is available, therefore the customer need only apply for basic connection services (as set out in Sections 3.3.1 & 5¹).

3.3 Customer's contribution to supply

In cases where:

- electricity supply is not available; or
- where electricity supply is be available in the street but we need to increase the capacity of the network to meet the customer needs; or;
- where there is a network asset that is required to be undergrounded or relocated;

the customer may be required to contribute towards the upgrade or extension of the network.

Where supply or capacity is not available, a written request with the customer's requirements would need to be submitted for us to assess the maximum demand, network requirements and the likely costs to connect or upgrade the customer's connection.

It is important for customers to provide all relevant details in respect to their connection requirements well in advance of the anticipated date of the supply requirement. Advice will be provided on a case by case basis as to likely timing of supply availability.

Further details of a Customer Contribution and the methodology of calculation can be found in Section 4.7 of this document.

3.4 Classification of a connections services offered: Basic, Standard & Negotiated

The connection services mentioned in table 3.1.1 are classified according to the service contracts offered by us to undertake the works.

3.3.1 Basic Connection Services

Basic Connection Services for a customer connection to our distribution network are typically sought by a retail customer who is either a residential or business customer. These services are either:

¹ <https://www.unitedenergy.com.au/wp-content/uploads/2015/09/2016-Summary-of-UE-Schedule-of-Charges-1.pdf>

-
- Routine new customer connections up to 100 amp;
 - Connection Alterations (typically moving the meter from one point to another on the premise; or meter upgrade)
 - Micro-Embedded Generation connections such as house-hold solar, storage or wind turbine

As per the AER's guidelines, the threshold for a Basic Connection service is:

- Standard 100 ampere connection; and
- No augmentation required from existing network assets.

Note:

A Micro Embedded Generator is a sub-classification of Embedded Generator. The key defining features of a Micro Embedded Generator is that the total generator capacity to the network point of connection:

- cannot exceed 30kW (max 10kW per phase), and
- must use AS4777 compliant inverters.

Most residential solar and storage applications fall into the Micro Embedded Generator category.

3.3.2 Standard Connection Services

At present we do not have offer a standard connection service but may do so in the future.

3.3.3 Negotiated Connection Services

Negotiated Connection services are generally more complex connections that:

- have a greater than 100 ampere connection;
- have a more complex metering connection (e.g. CT);
- may include augmentation either at the connection point at the premises;
- may include an extension of the existing distribution network;
- may include an augmentation of the existing distribution network.

These services are offered to a varied group of customers and the charges associated are quoted based on the individual requirements of those connections.

We further classify negotiated connection services in to the following types:

- Small customer/small business
- Dual/Multiple Occupancy
- Large Connections
- Real Estate Developments
- Rural Supply
- Undergrounding of Assets
- Embedded Generation

Additionally, any application which does not meet the Micro Embedded Generation criteria and is up to 5MW, will be assessed under the negotiated connection services.

4 UE Offers and Payment Conditions

4.1 UE Offers - Basic Connection Service

Assuming that the retail customer has accepted our basic Model Standing Offer and the connection service request is raised by your retailer, no written offer will be provided and the connection service will be expedited with supply turned on within 10 business days, once we have received the properly completed connection documentation.

If the request is raised directly to us and either:

- You have indicated acceptance of the Model Standing Offer on the application form, then the connection will be expedited and installed with supply turned off within 20 business days,

Or

- You have not accepted the Model Standing Offer and require a written offer, then there are additional steps before the connection can be installed with supply turned off. This will result in a longer timeframe.

Note:

- When applying directly to us, you will be required to raise a separate request with your retailer of choice to have the supply turned on.
- You are required to pay us the connection charges for this service on acceptance of the offer or by the due date where we issue an invoice to you for those connection charges.

If the model standing offer has not been accepted by the retail customer or the service request does not meet the criteria of a basic connection service, the service will be classified as a negotiated service and will be subject to our Negotiating Framework.

4.2 UE Offers - Negotiated Connection Service

All requests for negotiated connection services must be made direct to us in writing. Once we have all the information, we will complete the assessment and do our best to make an offer for connection to you within 65 business days (or within a period agreed between you and us). The basis of our charges will be outlined in our offer. Acceptance of the offer requires you to sign and return it to us before the offer lapses as detailed in the offer.

The offer will include:

- Description of the work required;
- Our contribution (where applicable);
- Customer contribution (where applicable);
- Contract demand for business supply connection;
- Payment terms;
- Details of proposed timings for the completion of the works;
- Contestability options (where applicable);
- Terms and Conditions; and
- Offer validity period.

Dependent on the type of connection, a Project/Design fee, is required to be payable upfront. The project fee covers the expenses directly and reasonably incurred in assessing applications for negotiated connections services and preparing the connection offer. In these cases we will inform the applicant of the project fee on application.

4.3 Requesting a connection service

Having identified the connection requirements as outlined in section 2.3, unless it's a Basic Connection Service, Customers requesting a Budget Estimate or a formal 'Offer' should contact us directly with the following details of their proposal:

- Site plan
- Copy of planning permit
- Copy of subdivision
- Road construction plan
- Complete loading details
- Embedded Generation details

United Energy will provide a budget estimate for new connections services at no charge. This estimate will provide an indicative range of cost based on estimated design and loading assumptions. Where a customer requires a binding/firm offer a project fee is required as an upfront contribution to enable detailed design assessment and preparation of a fixed price offer. The fee will act as a deposit towards any final contribution required for connections services and will be non-refundable should the offer not be accepted and proceed to a final connection. Connection requests should be made well in advance of the anticipated date of the connection requirement so that we can meet your connection deadline.

4.4 Project Fees

For all firm offers a project fee will be required to accompany the application request. If appropriate, customers should consider requesting a budget estimate in these cases to assist in determining the likely costs.

A Project Fee is collected for all applications for embedded generation connections greater than 30kW.

Project fees vary depending on the type and size of project and are available from the customer projects team.

4.5 Budget Estimate

A Budget Estimate is an indicative cost of connection only. It should not be considered as an 'Offer' because prices and conditions can change. There is no charge for a budget estimate.

Customers are not obliged to request a budget estimate first. They can simply submit a written request to us for an offer.

4.6 Negotiated Connections: Payment Conditions

4.6.1 Payments for Service terms

The total connection charges payable are the sum of the fees and charges for all services. The below table is a summary of the type of fees and charges for each connection service type:

Table 4.1 Service fees

| Fees and charges | Basic Connection | New Connections requiring augmentation | Re-arrangement of Network Assets/ Under-grounding of Connection Assets | Real Estate Development | Embedded Generation |
|------------------------|------------------|--|--|-------------------------|---------------------|
| Fee Based Charge | ✓ | ✗ | ✗ | ✗ | ✗ |
| Charges for meter type | ✓ | As required | ✗ | ✗ | ✗ |

| Fees and charges | Basic Connection | New Connections requiring augmentation | Re-arrangement of Network Assets/ Under-grounding of Connection Assets | Real Estate Development | Embedded Generation |
|--|------------------|--|--|-------------------------|---------------------|
| Preliminary Enquiry service | ✗ | ✗ | ✗ | ✗ | ✗ |
| Project fee | ✗ | ✓ | ✓ | ✓ | ✓ |
| Quoted service charge | ✗ | ✓ | ✓ | As required | ✗ |
| Design and construction of connection assets | ✗ | As required | As required | As required | As required |
| Capital contribution for network extension | ✗ | As required | ✗ | As required | ✗ |
| Capital contribution for network augmentation | ✗ | As required | As required | As required | ✗ |
| Minor variations/other incidentals | As required | As required | As required | As required | As required |
| Refund Payment (Pioneer Scheme) – see Section 4.8) | As required | As required | As required | As required | As required |

For a Basic connection service the payment terms are as per the terms & conditions in the basic Model Standing Offer.

For a Negotiated connection service where we require a Project fee and/or a Design fee, the connection applicant will be required to make payment before the services are provided. Connection charges and Refund scheme charges are generally payable at the time the connection offer is accepted and prior to any construction work being undertaken. Payments may also be staged if the construction:

- is not expected to commence for 3 months or more; or
- can be logically segmented into distinct stages of construction.

Also refer to section 6.2.1 for charges relating to Large Customer Connections.

4.6.2 Security Fee deposit

In certain circumstances, we may require the payment of a security deposit and may charge the customer a security fee from the deposit where we consider that there is a significant risk that we may not earn the estimated incremental revenue from the connection services we provide. These include:

- Real Estate Developments; and
- Large Customers like a hospital, manufacturing plant, office building.

If a security deposit is applicable, we may require an amount to be paid up front, or we may require a financial security, such as a bank guarantee to be provided which is the lesser of:

- the incremental revenue at risk of non-recovery; and
- the incremental cost incurred by us in providing the connection service.

Under these circumstances, where the security deposit is provided as an upfront payment, we will rebate the security deposit via annual instalments, with the annual rebate being:

- any interest earned on the security, calculated at the interest rate (cost of debt) approved by the AER

for the current revenue determination; plus

- the lower of:
- the actual incremental revenue received from the customer for the year; and
- the security deposit that was paid for that year.

We will not require a security deposit:

- for an amount that exceeds the value of the incremental revenue which is at risk of not being recovered;
or
- for an amount that exceeds the present value of the incremental costs incurred by us ;

4.7 Customer Contributions

Customers may also be required to contribute to the capital cost of new connection works and augmentation. Our policy for customer contributions is structured so as to charge customers in advance. Customer contributions (if applicable) are the costs of connection, augmentation and extension (if required) which are in excess of the expected revenue assessed over a period of 30 years for residential and 15 years for business. Note, only large connection and Connection Service requests would involve augmentation costs.

A Customer's Contribution is calculated using the following formula incremental cost (IC) less incremental revenue (IR) formula i.e. Capital Contribution (CC) = ICCS + ICSN – IR(n=X)

Where:

ICCS = Incremental Cost Customer Specific

ICSN = Incremental Cost Shared Network

IR(n=X) = Incremental Revenue

A capital contribution is only payable where the incremental costs exceed the incremental revenue (i.e. CC > \$0).

The Incremental Cost Customer Specific (ICCS) is the incremental costs incurred by UE that are specific to the connection, such as network extension assets and augmentation of connection assets at the premises.

The ICCS is calculated as the sum of the incremental costs that are specific to the connection, such as:

- provision or augmentation of any connection assets at the customer's premises;
- network extension costs;
- administration costs (including design and certification costs); and
- tender costs (where applicable). For the ICCS, UE will:
 - determine the cost in a fair and reasonable manner and ensure that the cost estimate is reflective of the efficient cost of performing the service; and
 - calculate the cost on the basis of the least cost, technically acceptable standard necessary for the connection.

The Incremental Cost Shared Network (ICSN) is the network cost incurred by UE as a result of the new or altered connection, but which are not specific to the connection, such as network augmentation (other than an extension beyond the standard service line). The ICSN is determined on the basis of unit rates, as follows:

ICSN = Unit Rate × Demand Estimate

Where:

Unit Rate = Average cost of augmentation (other than an extension beyond standard service line) per unit of added capacity, expressed as \$/kVA

Demand Estimate = Estimated maximum demand at the connection point, measured in kVA

The unit rates used to determine the ICSN are consistent with UE' approach in the AER's Electricity Distribution Determination for the 2016-20 regulatory control period. The applicable unit rates for residential and business customers are contained in Attachment A of this Connection Policy. The process for determining the estimated maximum demand is set out in section 2.8 of this Connection Policy.

The Incremental Revenue (IR(n=X)) is the present value of the incremental revenue stream expected to be received from the new or altered connection over a pre-defined period. It is determined over a period of 30 years for residential premises. For commercial and industrial premises, the period will vary depending on the nature of the business and will be defined in the connection offer up to a maximum of 15 years.

To estimate the incremental revenue, UE will:

- apply the pre-tax weighted average cost of capital as set out in the AER Final Distribution Determination; and
- use the price profile in the Final Distribution Determination and apply a flat profile in real terms thereafter.

All capital contributions will be calculated specifically for the connection applicant. For the specific applicant this calculation will be:

Customer Contribution = (Project cost (LCTA) + cost of upstream use of network) – (Net present value of expected distribution use of system (DUOS) revenue + cost of specific works initiated by the customer that is over and above the project cost (LCTA).

Least Cost Technically Appropriate (LCTA) is the term used to describe the type of connection, network extension or augmentation which results in the least capital cost to meet the customer's real and immediate need, and which satisfies our technical specifications and safety requirements.

The project cost of customer initiated works is the LCTA cost of the supply assets between the point of supply or supplies in the case of subdivisions to the tie-in point to an existing distribution network.

The reinforcement costs of upstream use of network assets is the estimated cost of the incremental demand on the upstream network up to and including the sub-transmission network from the point of connection. The cost is calculated on a \$/kVA basis.

The present value calculation of expected DUOS revenue is based on an assumed life of 30 years for residential connection and 15 years for business connection. The revenue earned will be based on the average consumption of a customer in the tariff category. Where a particular project is clearly expected to have an economic life of less than 15 or 30 years, then that shorter life would be used.

Where a customer requests work that is over and above the LCTA design, the incremental cost of such works has to be fully paid by the customer. The customer is responsible for all connection assets downstream of the point of supply. The customer is the owner of all connection assets downstream of the point of supply.

The Customer Contribution is charged for connecting to the network only when it is expected the customer will contribute less in expected DUOS revenue than the incremental cost of providing supply.

4.8 Refund of Connections charges for extension assets (pioneer scheme)

Where an original retail customer funds a network extension and/or other dedicated connection assets, we will establish a Refund scheme (pioneer scheme) allowing for a refund to the pioneer customer a proportional share of the original contribution towards the shared assets based on number of future customer connections.

The shared assets would include only assets shared by both pioneer and future customers and paid for fully by the pioneer customer. Generally assets located on private property would not meet this criterion unless these assets are used to extend further into or onto a neighbour's property.

Pioneer schemes are applicable to single residential customers generally (but not exclusively) located in rural geographical areas.

A Refund Scheme has a life of 7 years from the time of commissioning the augmented or extended distribution network. In other words, there shall be no refunds in relation to a Refund Scheme after 7 years.

The contribution towards the Refund scheme will be determined based on the expected usage of the network extension and / or dedicated connection assets by the subsequent customer and the remaining life of the network extension and / or dedicated connection assets. Calculation of the Refund scheme amounts will be in accordance with the requirements of the AER Connection Charge Guidelines in force at the time.

We will apply the following principles to Refund schemes:

- A Refund scheme will apply for seven 7 years after the original network extension and/or other dedicated connection asset was commissioned/connected to our distribution network.

-
- A refund under a Refund scheme for a network extension will only be paid where the calculated refund threshold is met. For 2016, the refund threshold is \$1,132.00 (real 2016).²
 - Where a refund is payable for the original contribution, the refund will be paid to the current owner of the original connecting premises.
 - Where the network extension and / or dedicated connection asset was built by a third party, the original cost of the extension and / or dedicated connection asset will be estimated by us as the amount it would have charged to build the network extension and / or dedicated connection asset.
 - Contributions will be calculated to the least cost design option only. Contributions made above this amount will be borne by the pioneer customer and not eligible for refund.

² The threshold will be increased annually for the movement in the September all capital cities CPI.

5 Basic Connection Service: Retail Customers

5.1 General

As stated in Section 4.2, the Basic Connection Services for a customer connection to our distribution network are typically sought by a retail customer who is either a residential or business customer. These services are either:

- Routine new customer connections
- Connection Alterations (typically moving the meter from one point to another on the premise or a meter upgrade)
- Micro-Embedded Generation connections such house-hold solar or wind turbine

and can be for permanent & temporary connections that require:

- There to be supply to the premises and only a single point of connection
- There is no on-sale of electricity to other customers within the premises (i.e. embedded network)
- For an overhead power line, there is a maximum of 20 metres of extension of power lines located within the premises boundary and there is less than 45 metres of extension of power lines from the distribution pole used to service the premises
- For an underground connection there is an existing pit adjacent to the premises boundary and no upgrades are required to the pit

For rural based properties supply availability should be checked as infrastructure is not always available, which could require a negotiated connection regardless of size and complexity.

Our Basic connection service Model Standing Offer sets out the terms and conditions a connection applicant accepts before we can proceed with the Basic connection service. Our Basic Model Standing Offer will be approved by the AER³ and can be found on our website.

If the connection applicant for a basic connection services is not satisfied with the conditions set out in the Basic connection Model Standing Offer, then the applicant has the right to negotiate the terms and conditions of the connection offer. This connection application will then be subject to our Negotiating Framework and will be classified as a Negotiated Connection service. As a result our Basic Micro-EG Model Standing Offer will not apply. For the process and charges relating to a negotiated connection, please see Chapter 6.

5.2 Micro-Embedded Generation

A micro embedded generator connection service is classified as a basic connection service. Micro embedded generator customers are typically those who wish to install solar panels, storage and small wind turbines on their premises. In order to be considered for the Basic Micro Embedded Generation connection, the following conditions must be satisfied:

- The retail customer has an existing connection or in the case of a new connection, has sought a basic connection service;
- The total generation capacity at point of connection must not exceed 30kW (max 10kW per phase);
- The generator technology to the network connection point must be inverter based;
- The inverter must be AS4777 compliant and registered on the Clean Energy Council Approved Inverter list;⁴ and
- There is minimal or no network augmentation required;

³ AER will approval on the 1st January 2017

⁴ <https://www.solaraccreditation.com.au/products/inverters/approved-inverters.html>

If you are a retail customer and do not satisfy the above conditions, you can:

- Reduce your proposed generator size to be 30kW or less (max 10kW per phase); and/or
- Install an inverter which is AS4777 compliant (please see the Clean Energy Council website for a list of Approved Inverters)

Our Basic Connection service with Micro-Embedded Generation Model Standing Offer sets out the terms and conditions a connection applicant accepts before we can proceed with the Basic Micro-Embedded Generation connection service. Our Basic Model Standing Offer will be approved by the AER and can be found on our website.

If the customer requires both a new connection or a connection alteration and a micro-embedded generator connection, the terms and conditions contained in both Model Standing Offers apply.

If the connection application for micro-embedded generation connection services does not satisfy the conditions set out in the Model Standing Offer, then the applicant has the right to negotiate the terms and conditions of the connection offer. This connection application will then be subject to our Negotiating Framework and will be classified as a Negotiated Connection service. As a result our Basic Micro-EG Model Standing Offer will not apply. For the process and charges relating to a negotiated connection, please see Chapter 6.

5.3 Fees & Charges

5.3.1 Connection Fees

Where you retailer requests an expedited basic connection, your retailer will be charged the relevant connection fee. Where the customer or an agent requests a service an upfront connection fee is charged.

The connection fee is designed to cover the costs of:

- providing the connection between the distribution system and the customer's premises
- meter installation (if we are the Responsible Person)
- energisation (only where the connection request is made by the retailer)
- administration associated with
 - processing the customer request,
 - registering the new customer & connection details into our information system.

If a retail customer requires a connection alteration, then the fee associated will cover a service vehicle visit which is time based. Please see the schedule of charges for the times based charge.

The micro embedded generation connection applicant will incur a metering fee. This fee will be dependent on what services are required, whether:

- The existing metering can be reconfigured remotely. Hence incurring a remote re-configuration fee; or
- A new bi-directional meter is required to be installed. Hence a service truck visit that includes a physical meter installation.

The stipulated Basic connection and Micro-embedded generation connection fees are approved annually by the AER in our Annual Tariff structure Statements and can be found on our website.⁵

Note: Supply of any metering is in addition to these charges as described under heading 'Metering Services – AMI Metering (<160MWh)'. See our Summary of Schedule of Charges - Alternative Control Services – Fee Based – New Connections – Where we are the responsible person

⁵ <https://www.unitedenergy.com.au/wp-content/uploads/2015/09/2016-Summary-of-UE-Schedule-of-Charges-1.pdf>

Table 5.1: Services provided under a Basic Connection

| Category | Service Description |
|--|--|
| New Connections (<100 amps) | |
| <ul style="list-style-type: none"> • Single phase single element • Single Phase Two Element (off-peak) • Three phase Direct Connected <p>There is an overhead connection available.</p> | <p>Establish an individual connection point between the premises and our distribution network. The location of the connection point will be as determined under the contract. The connection point will be on the premises at the end of an overhead power line that does not require more than 20 metres of extension located within the premises boundary of the premises and does not require more than 45 metres of extension from the distribution pole which will be used to service the premises. Includes installation of AMI metering where we are responsible for supplying the AMI meter.</p> |
| <ul style="list-style-type: none"> • Single phase single element • Single Phase Two Element (off-peak) • Three phase Direct Connected <p>Existing Pit/Pillar that has capacity and is otherwise suitable for the new/altered connection. Upgrades to pits/pillars do not form part of the Basic Connection Service.</p> | <p>Establish an individual connection point between the premises and our distribution network. The location of the connection point will be as determined under the contract. The connection point will be on an existing service pit or pillar adjacent to the premises' boundary. Includes installation of AMI metering where we are responsible for supplying the AMI meter.</p> |
| <p>Temporary supply in urban and low bushfire areas (excl. inspection). This is for an overhead service.</p> <ul style="list-style-type: none"> • Standard Single Phase • Multi-Phase to 100amp | <p>Establish an individual connection point between the premises and our distribution network. The location of the connection point will be as determined under the contract. The connection point will be on the premises at the end of an overhead power line attached to a temporary structure provided by you (i.e. you install a temporary pole and meter box) and does not require more than 20 metres of extension located within the premises boundary of the premises and does not require more than 45 metres of extension from the distribution pole which will be used to service the premises. Includes installation of AMI metering where we are responsible for supplying the AMI meter.</p> |
| <p>Temporary supply in urban and low bushfire areas where existing connection point available (excluding inspection)</p> <ul style="list-style-type: none"> • Standard Single Phase • Multi-Phase to 100amp <p>Existing Pit/Pillar that has existing room for and is otherwise suitable for the new/altered connection. Upgrades to pits/pillars do not form part of the Basic Connection Service.</p> | <p>Establish an individual connection point between the premises and our distribution network. The location of the connection point will be as determined under the contract. The connection point will be on an existing service pit or pillar adjacent to the premises' boundary. Includes installation of AMI metering where we are responsible for supplying the AMI meter.</p> |

| Category | Service Description |
|---|---|
| Additions & Alterations | |
| <p>Replace existing service</p> <ul style="list-style-type: none"> ○ Single phase single element ○ Single Phase Two Element (off-peak) ○ Three phase Direct Connected <p>Overhead service</p> <p>or</p> <p>Existing pit/pillar that has existing room for and is otherwise suitable for the new/altered connection. Upgrades to pits/pillars do not form part of the Basic Connection Service.</p> | <p>Establish an individual connection point between the premises and our distribution network, as a replacement of an existing overhead or underground service “like with like” or a reduction in the number of phases (1 phase with 1 phase or multi with multi-phase) with our prior agreement required. The connection point will be on the premises at the end of an existing overhead power line from a distribution pole or on an existing service pit or pillar adjacent to the premises’ boundary.</p> |
| <p>Relocate existing service</p> <ul style="list-style-type: none"> ○ Single phase single element ○ Single Phase Two Element (off-peak) ○ Three phase Direct Connected <p>This for an overhead service.</p> | <p>Establish an individual connection point between the premises and our distribution network, as a result of your request for relocation of an existing overhead service to accommodate building extensions, verandas, carports etc. The connection point will be on the premises at the end of an existing overhead power line that does not require more than 20 metres of extension located within the premises boundary of the premises and does not require more than 45 metres of extension from the distribution pole which will be used to service the premises.</p> |
| <p>Upgrade to a multi-phase 100amp service: This is for an overhead service.</p> | <p>Establish an individual connection point between the premises and our distribution network. The location of the connection point will be as determined under the contract. The connection point will be on the premises at the end of an existing overhead power line from a distribution pole. The service is dependent upon the requested number of phases being available. Includes installation of AMI metering when we are responsible for supplying the meter.</p> |
| <p>Upgrade to a multi- 100amp service: Existing pit/pillar that has existing room for and is otherwise suitable for the new/altered connection. Upgrades to pits/pillars do not form part of the Basic Connection Service.</p> | <p>Establish an individual connection point between the premises and our distribution network. The location of the connection point will be as determined under the contract. The connection point will be on an existing service pit or pillar adjacent to the premises’ boundary. The service is dependent upon the requested number of phases being available in the existing service pit or pillar. Includes installation of AMI metering when we are responsible for supplying the meter.</p> |
| <p>Conversion of an overhead service to an underground service. (where a pit already exists)</p> | <p>Establish an individual connection point between the premises and our distribution network, as a result of your request for replacement of an existing overhead service with an underground service. The connection point will be on an existing service pit or pillar adjacent to the premises’ boundary. The existing pit/pillar must have room for and be otherwise suitable for the new/altered connection. Upgrades to pits/pillars do not form part of the Basic Connection Service</p> |

5.3.2 Supplementary charges

In conjunction with connection fees, the connection applicant may be subject to charges relating to:

- Wasted truck visits where we are unable to complete the connection due to your installation not being ready or compliant or due to inaccurate information being provided to us;
- After hours appointment;
- Additional contract charges; or
- Late payments fee.

5.3.3 Refund Scheme (Pioneer)

Aside from the connection fee mentioned above, the connection applicant may be subject to a charge that relates to a distribution network extension completed under the Pioneer scheme. Details of the Pioneer scheme can be found in Section 4.8.

5.3.4 Customer Contributions

For Basic Connection Services, the connection applicant does not pay a capital contribution due to the nature of the connection. However if an extension or augmentation of the network distribution asset is required, then this connection service will be classified as a negotiated connection. Further details can be found in Sections 6 – 10.

5.4 Payment of Connection Charges

Payment for connection services requested will depend on the following:

- If the retailer has accepted the connection service offer on your behalf and your connection satisfies the conditions stated in section 5.1 & 5.2, then it is an expedited connection request and:
 - we will bill the retailer and your retailer may recover these charges from you in accordance with your contractual arrangement with that retailer; or
- If the connection service offer accepted has been sent to us directly by the connection applicant other than the retailer:
 - These charges are to be paid in full at the time the connection offer is accepted, and prior to any work being undertaken.

5.5 Dispute resolution

Where a dispute arises between us and the customer then if requested by either party, both parties will negotiate in good faith to settle that dispute from the time a party first requests such negotiations take place.

This is stipulated within the relevant offer contracts terms and conditions

6 Negotiated Connection Service: Retail Customers

These services are typically for large or complex connections with greater than 100 Ampere connection and may also require augmentation of the existing network asset. However they can also involve small to medium size connections where our network needs to be altered, extended or upgraded in order to enable a connection or to accommodate the extra load or generation.

6.1 Service Classification:

We further classify negotiated connection services in to the following types:

6.1.1 Routine Retail Customer connection (Residential & Small business)

These connections are fundamentally a Basic connection service but for the fact that the:

- Connection applicant either does not agree with the terms & conditions of the Basic Connection Model Standing Offer; or
- The connection request does not meet the eligibility conditions of a basic connection service and therefore is a negotiated connection.

6.1.2 Large Retail Customer connections

These are large business customers typically, manufacturing centres, shopping centres, hospitals, factories etc.

6.1.3 Dual/Multiple Occupancy

These connections have two or more dwellings on a single site. Examples of these are a set of units or townhouses on lot of land or an apartment block.

6.1.4 Rural Supply

These connections mainly involve the extension of electricity assets along road reserves and on to customer's properties

We would encourage rural customers to collectively make a connection request due to the large cost of the construction work involved. This will further enable the costs to be fairly spread across multiple customers.

6.1.5 Undergrounding of Connection Assets (Elective)

This service refers to where a customer requests the undergrounding of an existing overhead service relating to a single premise i.e. Pole to Pit. This service is usually adopted for aesthetic reasons or where the need to cut trees to provide an overhead service is not acceptable to the customer.

6.2 Fees & Charges

All firm offers will be charged a project/design fee to cover expenses directly and reasonably incurred by us in assessing the application and making the connection offer. Unless charged as an upfront project/design fee, this fee will be included with our offer.

We will provide the requested connection service under a negotiated contract, which will consist of terms and conditions including the quoted price for the installation of the connection.

Meter provision services fees including current transformers where we are responsible for metering services will also be charged.

6.3 Customer Contribution

A capital contribution may be applicable to the negotiated service connection if:

- an extension to the distribution network is necessary in order to provide a connection service; or
- augmentation of the distribution network; or

-
- if augmentation of premises connection assets at the retail customer's connection point is necessary in order to provide a connection service.

please see section 4.7 for further details.

6.3.1 Small, Large & Rural Customers

All capital contributions will be calculated in accordance with the formula, which is also set out in Section 4.7 of this Connection Policy.

6.3.2 Dual/Multi Occupancy

Our customer contribution charge for dual and multiple occupancy developments is based on an average cost of providing a 3 phase underground 'pole to pit' service connection up to a maximum of 50 metres and a maximum capacity of 170 Amps. Additional cable for multiple dwellings (after 50 metres) will be an additional per metre charge.

The customer contribution depends on the number of dwellings serviced by the single 'pole to pit' service. The number of dwellings that can be connected is limited by the capacity of the 3 phase 170 Amps service. Where a service connection of greater than 3 phase 170 Amps is required, the customer contribution will be calculated on a project by project basis.

6.3.3 Undergrounding of connection assets (elective)

Customer contributions principles do not apply for this service as no augmentation or extension of the Distributions network is required

6.4 Payment of Connection Charges

The total connection charges payable by the connection applicant is the sum of the applicable fees and charges set out in Table 4.1 at our discretion, the payment terms may be subject to negotiation between the parties.

In the absence of mutually acceptable terms, the connection cost must be paid as a lump sum at the time the connection offer is accepted, and prior to any construction work being undertaken

Refund Schemes and security fee may apply in accordance with section 4.8.

7 Negotiated Connections Service: Real Estate Developers

We classify real estate development as the commercial development by subdivision of green-field land involving:

- the construction of multiple new residential lots; or
- the construction of commercial or industrial lots (or both).

These may also include the establishment of roadways, public lighting, public spaces etc.

Real estate development of an existing (non-greenfield) site will be assessed in accordance with Section 6.

7.1 Customer Contributions

Real Estate Developers generally pay the relevant charges along with a customer contribution charge

The customer contribution charge for real estate development projects are determined in accordance with the customer contribution principles described in Section 4.7. If the developer is expected to contribute toward residential development, all design and construction works including connection to our network are contestable.

For the purposes of calculating the customer contribution, the least cost technically acceptable (LCTA) design for urban residential subdivision shall be as described below.

7.1.1 Residential development

The LCTA design for the low voltage distribution network for a residential subdivision is underground reticulation.

The LCTA design for the high voltage distribution network for a residential subdivision is an overhead reticulation and the distribution substations will generally be pole mounted.

As estimates/quotes are generally based on a total underground design, 10% of the total underground reticulation cost (excluding Public Lighting) is considered to be the cost difference between LCTA and the actual fully underground reticulation design, for the purposes of calculating the developer's customer's capital contribution.

Only when local Municipal Councils allow an overhead network to be installed in new developments will we provide an offer based on overhead network design.

7.1.2 Commercial/Industrial Development

The LCTA design for the high voltage and low voltage distribution network for a commercial/industrial subdivision is an overhead reticulation and the distribution substations will generally be pole mounted.

7.2 Public Lighting

The local councils are required to decide on the street lighting levels, type of street lighting luminaries, and future ownership of the lighting scheme proposed by the Developers. Should a council require us to undertake the design and recommendation, we will provide the services for a fee.

Provided the local council approves the lighting scheme and accepts to pay for the lighting services, Developers applying for electricity distribution infrastructure are required to pay the full cost associated with the provision of public lighting. Provision of new public lighting services is fully contestable. Before we connect a public lighting system to its distribution network, the local council must and accept to pay for the lighting services.

7.3 Fees & Charges

The connection charges for real estate developments include:

- Negotiation Application Fee;
- Design and construction of connection assets;

-
- Capital contribution for network extension and/or modification;
 - Capital contribution for network augmentation; and/or
 - Minor variations/other incidentals.

These charges relate solely to the connection of the real estate development to the distribution network, and are additional to any costs the real estate developer may incur in the design and construction of reticulation assets within the development.

The connection charges are payable in accordance with the terms and conditions set out in our Negotiated Connection Offer.

7.4 Customer Contribution

The capital contributions for augmentation of the shared network will be calculated in accordance with Section 4.7 of this Connection Policy, with the exception that the augmentation threshold does not apply (as mandated by the AER's connection charge guidelines and the National Electricity Rules).

A real estate developer is to be treated as a single customer for the purpose of calculating a capital contribution. The estimated incremental revenue from the development includes all the sites/connection services within a real estate development. The incremental costs may include the costs of the connection services and the efficient cost of providing for forecast demand.

7.5 Refund Scheme

We will establish a Refund scheme for any network extensions that are:

- funded by the real estate developer; and
- physically located outside the boundary of the real estate development.

Real estate developers will be entitled to access the Refund scheme, unless an alternative arrangement is agreed with us.

7.6 Security Fee

We require the developer to provide a security deposit and may charge the customer a security fee from the deposit to address the risks associated with the development, including the projected future revenue from the provision of standard control services.

Further details of the application of security fees are provided in Section 4.6 of this Connection Policy.

7.7 Payment of Connection Charges

The total connection charges payable by the connection applicant is the sum of the applicable fees and charges set out in Table 4.1 at our discretion, the payment terms may be subject to negotiation between the parties.

In the absence of mutually acceptable terms, the connection cost must be paid as a lump sum at the time the connection offer is accepted, and prior to any construction work being undertaken.

8 Negotiated Connections Service: Undergrounding & Relocation of Network Assets

The connection applicant requesting undergrounding, relocation or modification of our distribution network must provide a formal written request with the necessary details for us to make an offer.

This service involves the relocation/re-arrangement of Existing Network Assets (excl. Public Lighting) in order to:

- Avoid or minimise any threat or possible threat to the health or safety of any person or any premises or the environment or part of the environment; or
- Improve the amenity or the appearance of the environment

These requests are generally received from government agencies, local councils and individual customers in the following scenarios:

- Government and municipal road widening
- Aesthetic reasons
- Environmental reasons

8.1 Fees & Charges

For all relocation/re-arrangement of network assets services the applicant must pay the full cost of the project less our avoided costs. Our avoided costs are typically the maintenance and vegetation costs and the costs it would avoid deferring asset replacement as a result of undergrounding relocation or modification of its assets.

We will provide in the offer the full cost of the proposed works, our avoided costs and the price payable by the party requesting the relocation/re-arrangement.

Should the applicant require further details of material and labour costs and how we calculated the avoided costs, we will provide the information.

Our avoided costs are calculated as follows:

$$AC = AM + DAR$$

where:

AC is the amount of our avoided costs

AM is the present value of the maintenance and vegetation management that we will avoid incurring in connection with the existing distribution fixed assets as a result of their modification

DAR is the amount of our deferred asset replacement costs

The deferred asset replacement costs are calculated as follows:

$$DAR = RCE - RCN$$

where:

RCE is the present value of the future capital costs that we will avoid incurring in connection with the replacement of the existing distribution fixed assets as a result of their modification

RCN is the present value of the future capital costs that we will avoid incurring in connection with the replacement of new modified distribution fixed assets

The future capital costs in the calculation of DAR include the cost of materials, labour and a margin of up to 10 per cent for overheads.

In determining the present value, we will use a discount rate equal to our pre-tax weighted average cost of capital set in our distribution determination for the prevailing regulatory control period. The asset life used in the calculation will also be consistent with that set out in our distribution determination for the prevailing regulatory control period

In addition to the price payable, the offer will also provide options available to the proponent to ensure the cost of the proposed works is competitive.

Customers can be confident that our offers are based on competitive prices and our expert knowledge on network design and construction. However, the applicant has the choice of requesting us to call tenders for the proposed work for a fee⁶.

Provided the network related risks can be adequately managed, we may allow the proponent to design and manage all or part of the undergrounding, relocation or modification works.

8.2 Customer Contribution

Customer contributions principles do not apply for this service as this is:

- Not an augmentation of the Distribution assets;
- Not an extension of the Distributions network.

Refund Schemes and security fee do not apply.

8.3 Payment of Connection Charges

Under the negotiated framework, these charges are to be paid in full at the time the connection offer is accepted, and prior to any work being undertaken.

The total connection charges payable is the sum of the applicable fees and charges set out in Table 4.1

⁶ Please refer to UE's Tender Policy

9 Negotiated Connection Service: Embedded Generation Customer Connections

An Embedded Generator is a device that converts a form of energy (such as wind, solar) into electricity and is connected to our network. This generated electricity can then be used to power your home/business and any excess may be exported on to our network. The connection service classification distinguishes between:

- Micro Embedded connection service (less than 30kW)
- Embedded Generation connection service (typically above 30 kW)

Any generation that does not satisfy the Basic Micro Embedded Generation criteria stated in Section 5.2 of this policy, shall be treated as an Embedded Generator. This connection service is negotiated and hence each application is assessed individually.

Where an embedded generator connection service is sought for generation of 30kw to 5MW, the negotiated connection process under NER Chapter 5A applies. Where embedded generation connection services for generation capacity above 5MW are sought, the negotiated connection process under NER Chapter 5 applies.

Additionally we do not provide the meter for a negotiated Embedded Generation above 160MWh consumption. We only provide the service for the connection.

9.1 Fees & Charges

A person who makes a connection application to connect an embedded generator (excluding retail customers who apply and meet the eligibility criteria to connect a basic micro embedded generator) must pay:

- the full costs of the connection assets and
- any cost of removing distribution network constraints that are specific to the connection of the embedded generator.

The connection applicant is required to pay an application (project) fee at the time the connection applicant submits the connection application. The application fee is to cover the expenses reasonably incurred by us in responding to any information the applicant reasonably requires in order to negotiate on an informed basis and assessing the applicant's application and making a connection offer.

The application fee will be commensurate with the size and complexity of the negotiated connection service. As it will vary between connection projects, we will advise the connection applicant of the application fee amount at the time of the connection enquiry. If the connection applicant does not proceed with the connection service then the portion of the application fee representing the costs incurred by us in processing the connection application will not be refunded.

9.2 Customer Contribution

The capital contribution for the connection of an embedded generator that is also a load connection will be calculated based on the total cost of the connection works required to support both the generation (expected electricity output) and load components of the connection service.

The relevant load for the purposes of calculating the incremental cost of the shared network will be the gross peak demand of the load, regardless of the embedded generator's expected electricity output.

As no revenue will be received by us from the generation component, the incremental revenue component in the cost-revenue-test will only include the expected DUoS revenue earned by us from the load connection.

9.3 Payment of Connection Charges

Payment for connection charges for embedded generation is upfront and will only involve the connection charge and not the meter. The total connection charges payable is the sum of the applicable fees and charges set out in Table 4.1.

10 Embedded Networks

Embedded networks are private distribution system installed within a customer's premise which connect to our network via a parent connection point. The embedded network is fully responsible for the internal management of the private distribution system including all applicable regulation and technical requirements.

Where the embedded network seeks to connect complex assets such as embedded generation and or is a High Voltage connection, the embedded network shall demonstrate equivalence to the applicable regulation, codes, policies and standards. Alternatively the embedded network may seek to align and comply with our requirements in consultation with us. Under such circumstances, we may seek reasonable compensation in line with the policies described by the applicable connection services.

Examples of embedded networks are retirement villages, large shopping centres, hospitals etc.

11 Other matters

11.1 Contestability

Our Negotiated Connection Offers include the price for connection and augmentation works based on prices obtained from our construction service providers and their expert knowledge. Where customers wish to undertake the design and/or construction work, our Tendering Policy informs customers of the different processes for determining market prices for network connection, augmentation or relocation of network assets.

On requesting connection services or augmentation works, we offer the following tender options:

1. Customer may choose us to undertake both the design and construction of the project as per the connection offer and waive its rights to call for tenders
2. Customer may choose us to undertake the design and request UE to call tenders on their behalf for the construction of the project.
3. Customer may choose us to undertake the design only and choose to call tenders themselves for the construction of the project.
4. Customer may choose to call tenders and undertake both the design and construction of the project utilising contractors approved by us.

It should be noted that under options 2, 3 and 4 the customer is choosing to undertake the works themselves whether under our tender or its own tender process. Under options 2, 3 and 4, the customer is required to sign a UE Contract/Agreement to ensure that the works are undertaken:

- ✓ By approved contractors;
- ✓ To the required standards;
- ✓ Using approved materials;
- ✓ To provide audit access to our representatives;
- ✓ To indemnify UE; and
- ✓ To provide defects liability and warranty cover.

Whether we have chosen to undertake the works or the Customer chooses to seek tenders and undertake the works themselves, we are still required to complete a number of tasks, which are non-contestable works. These include but are not limited to areas critical to our management of the network such as zone substations, business back end support functions etc. These include design approval, final connection of supply and updating our systems and drawings.

Non-contestable elements of the works are charged on a project by project basis and the charges are calculated on our estimate of the required hours to undertake the work.

Where the customer prefers us to undertake the works, the non-contestable costs will be detailed in our Offer along with our price for undertaking the works.

Where the Customer elects to tender and undertake the works themselves the details of non-contestable charges will be specified in the UE Contract/Agreement.

A customer who elects to call tenders and undertake the construction work will need to arrange its own design services other than non-contestable design services. If requested, we can provide a list of design consultants to assist the customer.

11.2 Dispute of Connection Charges

Where a connection applicant has any dispute regarding our connection charges, or the terms and conditions of a connection agreement with us, such disputes will be managed in accordance with our standard complaints and dispute resolution procedure, which is available on our website.⁷

We will endeavour to resolve any disputes reasonably and fairly. A connection applicant is also entitled to refer the dispute to the AER. Information on the AER's customer connection dispute resolution process is available

⁷ <https://www.unitedenergy.com.au/contact-us/dispute-resolution-process/>

on the AER's website.

12 Contact Details

Our distribution area is split into two regions with different service providers operating in each. Zinfra operates in our northern region, and Downer operates in our southern region. Contact points for preliminary enquiries, submission of applications and follow-up enquiries are our New Connections Office

Telephone 1300 131 689

Facsimile 1300 131 684

Service Providers:

Zinfra Customer Projects Manager

Locked Bag 19, Mount Waverley, VIC 3149

Downer Customer Projects Manager

194-198 Cheltenham Road, Keysborough Victoria 3173

Websites

United Energy: www.uemg.com.au

Essential Services Commission (Victoria): <http://www.esc.vic.gov.au>

Energy Safe Victoria: <http://www.esv.vic.gov.au>

Energy and Water Ombudsman (Victoria): <http://www.ewov.com.au>

13 Glossary

augmentation means work to enlarge the *distribution system* or to increase its capacity to distribute electricity

basic connection service means a *connection service* related to a *connection* (or a proposed *connection*) between a distribution system and a *retail customer's* premises (excluding a *non-registered embedded generator's* premises) in the following circumstances:

- (a) either:
 - (1) the *retail customer* is typical of a significant class of *retail customers* who have sought, or are likely to seek, the service; or
 - (2) the *retail customer* is, or proposes to become, a *micro-embedded generator*; and
- (b) the provision of the service involves minimal or no *augmentation* of the shared distribution network; and
- (c) a *model standing offer* has been approved by the AER for providing that service as a *basic connection service*.

basic micro embedded generator connection service means a *basic connection service* for a *retail customer* who has a *micro embedded generator*.

business customer means a *retail customer* whose connection used for business purposes but not including a residential premise from which a business operates.

coincident peak demand means a *connection service's* electricity demand at times when the network or relevant segment is experiencing its maximum demand

connection means a physical link between a distribution system and a *retail customer's* premises to allow the flow of electricity

connection alteration means an alteration to an existing *connection* including an addition, upgrade, *extension*, expansion, *augmentation* or any other kind of alteration.

connection applicant means an applicant for a connection service of one of the following categories:

- (a) *retail customer*;
- (b) retailer or other person acting on behalf of a *retail customer*;
- (c) *real estate developer*.

connection assets means those components of a transmission or *distribution system* which are used to provide *connection services*

connection charge guidelines mean the AER's *Connection charge guidelines for electricity retail customers – Under chapter 5A of the National Electricity Rules, Version 1.0, June 2012*

connection charge principles means the principles set out in clause 5A.E.1 of the NER.

connection charge means a charge imposed by United for a *connection service* in accordance with this connection policy

connection service means either or both of the following:

- (a) a service relating to a new *connection* for premises;
- (b) a service relating to a *connection alteration* for premises.

distribution system means a distribution network, together with the *connection assets* associated with the distribution network, which is connected to another transmission or distribution system. Connection assets alone do not constitute a distribution system

embedded generator means a person that owns, controls or operates an *embedded generating unit*

embedded generator connection service means a *connection service* for the connection of *embedded generator*

embedded generator connection service charge means a *connection service charge* for the connection of *embedded generator*

embedded generating unit means a generating unit connected within a distribution network and not having direct access to the transmission network.

embedded network means a private distribution system within a premise that connects via a parent connection point to the distribution system and not having direct access to the transmission network.

extension means an *augmentation* that requires the connection of a power line or facility outside the present boundaries of the distribution network owned, controlled and operated by United

micro embedded generator connection means a connection between an embedded generating unit and a distribution network of the kind contemplated by Australian Standard AS 4777 (Grid connection of energy systems via inverters).

micro embedded generator means a *retail customer* who operates, or proposes to operate, an embedded generating unit for which a *micro embedded generator connection* is appropriate.

model standing offer means a document approved by the AER as a *model standing offer* to provide *basic connection services*.

least cost technically acceptable connection means a connection that is designed and constructed to our technical and safety standards that is of the lowest cost.

negotiated connection contract means a connection contract negotiated between United and a *connection applicant* under rule 5A.C of the NER

new connection means a *connection* established or to be established, in accordance with Chapter 5A of the NER and applicable energy laws, where there is no existing connection.

non-registered embedded generator means an embedded generator that is neither a *micro embedded generator* nor a registered participant in the National Electricity Market under the NER.

original customer means the *connection applicant* who triggered the requirement and paid for the construction of an *extension* asset

parent connection point means the connection point between an embedded network and the distribution system

peak demand means a *connection service's* maximum electricity demand

pioneer scheme has the meaning set out in section 4.8 of this connection policy

premises connection assets means the components of a distribution system used to provide *connection services*.

retail customer means a person to whom electricity is sold by a retailer, and supplied in respect of connection points, for the premises of the person, and includes. It includes a *non-registered embedded generator* and a *micro embedded generator*.

residential customer means a retail customer whose connection is for residential purposes

subsequent customer means a *connection applicant*, other than the *original customer*, who connects to an *extension* subject to the pioneer scheme