

# PROPOSED CHANGES TO INTERPOSED MODEL CONTRACTS

Consultation document

**April 2008**

## Purpose

1. This is an industry consultation to obtain industry feedback on proposed changes to the:
  - (a) Guidelines for Domestic Contracts for Delivered Electricity - Interposed (**MDC Guidelines**);
  - (b) Model Domestic Contract for Delivered Electricity - Interposed (**MDC**); and
  - (c) Model Use of System Agreement - Interposed (**MUoSA**).

## Background

2. The interposed versions of the MDC Guidelines and MDC were released in August 2005, and the interposed version of the MUoSA was released in December 2005.
3. At the time of their release, it was made clear to participants that:
  - (a) except for the Guidelines for Distributed Generation Terms (**DG Guidelines**) (which came into effect on 1 February 2006), they were drafts pending release of the Transmission Benchmark Agreement (**TBA**) (which was released in May 2007); and
  - (b) after the TBA was released, the MDC Guidelines, MDC and MUOSA would be reviewed for any alignment issues with the TBA and with each other, and amended as appropriate.
4. That alignment has now taken place for the interposed versions of the MDC Guidelines, MDC and MUoSA, as well as four changes to other areas: transparency of invoices; incorporation of the 'Guideline on arrangements to assist low income and vulnerable consumers'; clarifications regarding tax on distributed generation; clarification of responsibility for customer service lines; and amendment to references to the Electricity and Gas Complaints Commission and its Code of Practice.
5. The amended draft interposed MDC Guidelines, MDC and MUoSA (together referred to as model contracts) are attached for your comment and input. The DG Guidelines are considered part of this update, but have not been included in this consultation as they have not changed.

6. In August 2006, the conveyance model contracts and guidelines were also released; however, these documents are not being updated at this time as discussed in paragraphs 73-75 of this document.

## Submissions

7. The Commission invites submissions on the proposal by **30 May 2008**. Please note: the Commission is seeking comment on the proposed amendments only. Any comments not related to the proposed amendments will be considered out of scope.

9. The Commission's preference is to receive submissions in electronic format (Microsoft Word). Submissions in electronic version should be emailed with "Model Contracts" in the subject header to [submissions@electricitycommission.govt.nz](mailto:submissions@electricitycommission.govt.nz).

10. If submitters do not wish to send their submission electronically, they should post one hard copy of their submission to the address below.

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11. The Commission will acknowledge receipt of all submissions electronically. Please contact Maree McGregor if you do not receive electronic acknowledgement of your submission within two business days.
12. Where possible, submissions should be provided in the format shown in Appendix 1. Your submission is likely to be made available to the general public on the Commission's website. Submitters should indicate any documents that are attached in support of the submission in a covering letter and clearly indicate any information that is provided to the Commission on a confidential basis. All information provided to the Commission is subject to the Official Information Act 1982.

## Analysis

### ***MDC Guidelines, MDC and DG Guidelines***

13. The MDC Guidelines, MDC and DG Guidelines were developed in response to the Government Policy Statement on Electricity Governance (**GPS**)<sup>1</sup>. Paragraphs 12, 112 and 113 of the GPS require the Commission to develop:
  - (a) guidelines or model terms and conditions for contracts between domestic electricity consumers and retailers (and distributors where appropriate); and
  - (b) non-regulatory arrangements for distributed generation.
14. The MDC is a contract designed for adoption by retailers as the base contract between them and their customers. It sets out minimum terms and conditions in areas such as performance commitments, invoices and payment, access to premises and complaint resolution. It includes responsibilities on both the retailer and the customer in order for both parties to maintain a successful relationship.
15. Feedback from participants on early drafts of the MDC indicated that requiring the industry to implement the MDC word for word was unworkable because 'one size does not fit all', and that it was unnecessary from a policy perspective. Participants urged the Commission to instead adopt a set of principles that reflected the intent of the MDC, but gave industry participants flexibility as to how they implemented the principles.
16. The Commission agreed with these views and developed the MDC Guidelines and DG Guidelines in response.
17. In short, the MDC Guidelines and DG Guidelines are intended to be mandatory and the MDC is an example of how the MDC Guidelines and DG Guidelines could be implemented. This is elaborated on below.

### *Purpose of MDC Guidelines*

18. The Commission will expect interposed domestic consumer contracts to implement the MDC Guidelines. In particular, interposed domestic consumer contracts should:

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<sup>1</sup> October 2006 version

- (a) contain provisions consistent with the MDC Guidelines; and
  - (b) not contain any provisions inconsistent with the MDC Guidelines.
19. Interposed domestic consumer contracts may include:
- (a) provisions additional to those set out in the MDC Guidelines, provided these additional provisions are not inconsistent with the MDC Guidelines; or
  - (b) provisions which are more favourable to consumers than those set out in the MDC Guidelines.

*Purpose of MDC*

20. The MDC is an example of how the MDC Guidelines could be implemented. As long as an interposed domestic consumer contract implements the MDC Guidelines, the Commission does not require such a contract to be in the form of the MDC. For example (without limitation):
- (a) where clauses have been included in the MDC to provide a complete agreement rather than to reflect the MDC Guidelines, a retailer may wish to include its own provisions instead; and
  - (b) subject to compliance with the MDC Guidelines, a retailer may wish to:
    - (i) combine the MDC with their terms for small business customers (the Commission understands this reflects some retailers' practice of having 'mass-market' terms);
    - (ii) restructure the MDC to match its business processes or business model; or
    - (iii) take a different approach to the MDC to reflect innovative product offerings.
21. The foreword to the MDC is optional and may be amended or removed (i.e. inclusion of the foreword is not required in order to be considered to have adopted the MDC Guidelines or the MDC). Where the foreword is removed, however, the Commission encourages retailers to provide equivalent information in a separate document and make this available to consumers in the same way as the retailer's interposed domestic consumer contract terms are made available.

### *Purpose of DG Guidelines*

22. The Commission expects retailers to offer terms for the purchase of small surpluses of electricity (**DG terms**) which implement the DG Guidelines. In particular, retailers' DG terms are expected to:
  - (a) contain provisions consistent with the DG Guidelines; and
  - (b) not contain any provision inconsistent with the DG Guidelines.
23. As mentioned above, the DG Guidelines became effective on 1 February 2006. A change has been made to the MDC, but it has not been necessary to change the DG Guidelines as the precise MDC terms relating to DG are not mandatory. Instead, in essence, retailers' DG terms must meet the reasonable expectations of consumers and be no less favourable to consumers than the MDC terms relating to DG.

### ***Model Use of System Interposed Agreement (MUoSA)***

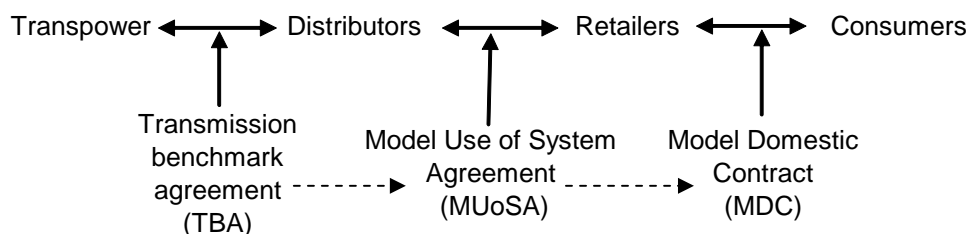
24. Under paragraph 100 of the GPS:
  - (a) the Commission was required to develop, in consultation with interested parties, model use of system agreements for use by distributors; and
  - (b) if the Commission thinks it necessary and beneficial, it may also recommend regulations.
25. The MUoSA is a set of model distribution arrangements that were initially developed under Metering and Reconciliation Information Agreement (MARIA) by the Model Distribution Arrangements Project (MDAP) in 2002. A Model Distribution Arrangement Review Panel (MDARP) was then appointed by the Commission to review the draft MUoSA, in consultation with the industry.
26. The MUoSA is between the retailer and the distributor and covers commitments, payment obligations, operational requirements, and the rights of each party. The draft MUoSA was published in December 2005.

## Proposed amendments to the MDC Guidelines, MDC and MUoSA

27. This consultation document seeks comments on proposed amendments made to the attached MDC Guidelines, MDC and MUoSA. The changes can be categorised into two areas:
- (a) alignment issues of the TBA, MUoSA and MDC; and
  - (b) policy issues.
28. Details of the proposed changes to these are discussed in turn below.

### Alignment of the TBA, MUoSA and MDC

29. At the time of the release of both the MDC and the MUoSA, it was made clear to participants that they were drafts pending alignment with the TBA (released, after some delay, in May 2007) and with each other.
30. This was because the TBA, MUoSA and MDC have linkages. For example, where a consumer is promised resolution to a fault within a standard time (MDC), the retailer needs to have that timing contracted with the distributor (MUoSA), and the distributor may need to have this co-ordinated with Transpower via the TBA.



31. The TBA was completed in May 2007 and came into force on 1 April 2008. The following are the changes proposed to the MDC and MUoSA as a result of the alignment exercise:

#### **Service timeframes:**

32. The MDC states that *“time for “livening” standard new connections ... [x] working days”*. No such clause exists in the MUoSA and so clause 9 of schedule 7 has been added.
33. The MDC states that *“If you tell us you are concerned about voltage, we will install equipment at your Point of Connection to measure voltage*

sags”. No such clause exists in the MUoSA and so clause 2.2(g) has been added.

34. The MDC states that “*planned interruptions to your electricity supply will not exceed [x] minutes*”. No such clause exists in the MUoSA and so within schedule 1 a new line item called “*planned service interruptions*” has been added.

***Customer obligations regarding access:***

35. The MUoSA requires the retailer to procure in its agreements with consumers access onto the consumer’s premises by the distributor “*to disconnect or reconnect in accordance with this agreement*”. This has therefore been added to the MDC as clause 110.12.

***Reliability of supply:***

36. The MDC requires that “*we will supply electricity to you at quality and reliability levels in accordance with current laws including the Electricity Governance Regulations and Rules and technical electrical codes of practice*”. The MUoSA only required the distributor to “*endeavour in accordance with good industry practice*” to comply with law. The MUoSA clause 2.1 has been amended to match the MDC.

***Margin of variance re supply voltage and frequency:***

37. The MDC promises a range of voltage and frequency levels which do not match the equivalent clause in the MUoSA. Given that the MDC reliability of supply discussed above in paragraph 36 covers the requirement to meet “*quality and reliability levels in accordance with current laws including... technical electrical codes of practice*” the old MDC clause 133 on voltage and frequency has been removed.

***Disconnection/Termination:***

38. The MUoSA includes the ability for the distributor to temporarily disconnect where “*there has been an occurrence, or there are circumstances, that may adversely affect the proper working of the Network or transmission system*” or “*it is necessary to avoid endangering persons or property*”. These have been added to the MDC as clauses 142.10 and 142.11 respectively.
39. Clauses have been added to the MDC and MDC Guideline to allow for disconnection where the retailer’s agreement “*with the Distributor for the provision of Lines Service in relation to the Network is terminated due to*

*our event of default or insolvency” (MDC clause 140.12), or “if we cease to have an agreement with the Distributor for provision of Lines Services in relation to the Network” (MDC clause 165.5 and MDC Guideline paragraph 64(b)).*

40. A clause has been added to the MUoSA requiring the distributor to provide notice to each of the retailer’s customers where a distributor intends to perform a temporary disconnection in the event of a default or insolvency event occurring in relation to the Retailer, or termination of the MUoSA. This has been added to the MUoSA as clause 19.7.

***Good Industry Practice:***

41. The definition of Good Industry Practice in the MUoSA has been aligned with the definition in the TBA. No definition has been added to the MDC in keeping with the plain English style of this document.

***Limitation of liability:***

42. As the retailer has the relationship with the consumer, any seeking of compensation should take place via the retailer (who can in turn claim from the distributor).
43. To correctly reflect this, the following amendments have been made:
  - (a) Schedule 5 of the MUoSA currently requires the retailer to include in its contracts with the consumer the liability arrangements as agreed between the retailer and the distributor. This has been removed from Schedule 5 because:
    - (i) the liability agreed between the distributor and retailer has no direct bearing on the consumer; and
    - (ii) the \$2,000,000 cap on total liability is meaningless in the context of individual consumers.
  - (b) A clause has been added to the MDC which sets out the retailer’s liability to the consumer (MDC clause 154).
  - (c) The MDC has been amended to limit the distributor’s liability to the consumer to the extent permitted by law (MDC 152, 153)
  - (d) The MUoSA has been amended to require the retailer to procure in its agreements with consumers a clause limiting the distributor’s liability to the extent permitted by law (MUoSA Schedule 5, 26.10).

## Policy changes

44. Other issues outside of the alignment from the TBA have also been taken into account in amending the MDC Guidelines and the model contracts.

### ***Guideline on arrangements to assist low income and vulnerable consumers:***

45. The requirements from the January 2008 “*Guideline on arrangements to assist low income and vulnerable consumers*” (Guideline) have been incorporated in the MDC Guidelines (paragraph 3) and throughout the MDC. These changes incorporate retailers’ responsibilities regarding vulnerable consumers, and consumers who are dependent on electricity for critical medical support, as set out in the guideline.

### ***Transparency of line and energy charges:***

46. The GPS requires that the Commission ensure “*transparency of charge components*”. The MDC currently requires this information be shown on invoices. Some retailers have not complied with this requirement because they claim:
  - (a) the cost of changes to their billing systems to provide this information on each invoice would be excessive;
  - (b) that where the distributor charges in bulk at the grid exit point the retailer can only arbitrarily establish a way to allocate these charges to individual consumers;
  - (c) that there are no benefits to consumers; and
  - (d) it would cause confusion for the majority of consumers.
47. In recognition of these concerns, a change has been made to the MDC Guidelines (paragraph 21) and MDC which will still achieve the GPS outcome, but will reduce the claimed barriers to compliance facing retailers. The MDC (clauses 34, 42 and 43) has been amended to state that:
  - (a) all invoices will carry the message to the effect that “*a breakdown of the line and energy charges is available at our website [x] or by calling [x]*”;

- (b) the line and energy split will be provided to the consumer at the time of a tariff or rate change (or at least annually if no tariff change has been made in the previous 12 months); and
- (c) that retailers' published tariffs will include a breakdown showing line and energy charges as distinct components. A proposed table format for retailers to use when publishing the line and energy split of standard tariffs is provided in Appendix 3 for submitters' comment.

***Responsibility for customer service lines:***

48. The Commission recently published an information paper which explains the complexity around ownership and maintenance of customer service lines. The information paper is available at <http://www.electricitycommission.govt.nz/consumer>. The paper:

- (a) explains that in many (but not all) cases, the part of a customer service line used exclusively to supply an end consumer and located on the end consumer's private property will be owned by the end customer. This means that the end consumer will be responsible for maintaining that part of the customer service line;
- (b) provides information which may be helpful in determining who owns and/or who may be responsible for maintaining a particular line in cases where the line crosses or is fixed to properties owned by third parties, or is used to supply electricity to other properties before reaching the end consumer; and
- (c) suggests ways to prevent future disagreements by encouraging all parties to ensure that ownership is clearly agreed and documented for future reference, including prior to any property purchase.

49. The MDC Guideline, and MDC have been amended to make it clearer that the distributor and (as between the retailer and the consumer in the MDC) the retailer are responsible for the lines which the distributor owns (i.e. its network) and that the consumer is responsible for customer service lines. The amendments are as follows:

- (a) MDC - amended the introductory paragraph "Where Does Your Responsibility Lie?";
- (b) MDC - amended clause 131; and
- (c) MDC - amended the definitions of "Customer Service Line", "Network" and "Point of Connection".

50. Note that the MDC and MUoSA reflect the minimum position. Distributors and retailers may choose to commit to maintaining lines they do not own up to a certain point (e.g. all the way up to the consumer's barge board).

***Clarification of tax issues for distributed generation:***

51. The amendments in schedule 1 of the MDC clarify and simplify the position in relation to GST, including adding new provisions for buyer created tax invoices.
52. A flag to consumers on the tax implications relating to the sale and purchase of distributed generation has also been added to schedule 1 of the MDC.

***Removal of references to the Electricity and Gas Complaints Commission (EGCC)***

53. The amendments to the MDC and MDC Guidelines regarding the EGCC cannot be discussed without providing the context of a parallel consultation process. As such, the following is split under three headings:
- (a) *Consultation "Approval of a joint consumer complaints resolution scheme - March 2008"*. This provides the context for the changes to the MDC and MDC Guidelines, but encourages submissions via that consultation (closes 8 May 2008).
  - (b) *Amendments to the MDC Guidelines*: The specific changes to the MDC Guideline for submission via this consultation.
  - (c) *Amendments to the MDC*: The specific changes to the MDC for submission via this consultation.

***Consultation "Approval of a joint consumer complaints resolution scheme - March 2008"***

54. The MDC and MDC Guidelines currently use the Electricity and Gas Complaints Commission Code of Practice (EGCC Code) to set the majority of minimum terms and conditions for retailers. All requirements within the ECGG Code are made mandatory by the MDC Guidelines (clause 1), and the MDC references the EGCC scheme in several places. However, not all retailers belong to the EGCC and some retailers run their own complaints resolution systems.

55. The Commission is currently working with the Gas Industry Company (GIC) to approve one provider of a consumer complaints resolution scheme, as required by the Electricity Act 1992, the Gas Act 1992, and the respective Government Policy Statements. Once approved, all retailers and distributors will have to belong to the approved scheme. A consultation document has been released that sets out the draft criteria the approved scheme will need to meet. See: <http://www.electricitycommission.govt.nz/opdev/retail/consultationdocs/EIecGasComplaints>. Submissions close on 8 May 2008.
56. As part of that consultation, it is proposed that the role of setting minimum terms of conditions be the responsibility of the regulatory bodies through their respective model contracts. This would remove the need for the approved consumer complaints resolution system to include minimum terms and conditions in its Code of Practice.
57. This proposal is set out in the Consultation document "*Approval of a joint consumer complaints resolution scheme - March 2008*", in particular paragraphs 6.11 – 6.12 which state:
- 6.11 It is proposed that the approved [electricity and gas complaints resolution] scheme will need to include a code of practice that sets out minimum standards of conduct, which will be binding on members and must incorporate several specific features. It is intended that the code is developed by the scheme to meet the requirements and that members are bound to adopt it.
- 6.12 The Electricity Commission and Gas Industry Co intend to develop further work on the extent to which they may need to prescribe minimum terms and other conditions governing contracts between retailers, distributors and consumers. Accordingly, there is an expectation that the code of practice for the approved scheme will be restricted to conduct issues rather than incorporate minimum contract terms and conditions between retailers/distributors and consumers.
- Responsibility for ensuring retailers and distributors include the minimum contract terms and conditions in their contracts with consumers will be with the Electricity Commission and the Gas Industry Co.
- Responsibility for ensuring the retailer or distributor meets the terms and condition in their contracts is with the scheme.

58. If you wish to make a submission on the appropriateness of removing the role of setting minimum terms and conditions from an electricity and gas complaints resolution scheme, and moving it to the Electricity Commission and Gas Industry Co, as the regulatory bodies, this should be submitted under the consultation "*Approval of a joint consumer complaints resolution scheme - March 2008*".
59. The submissions sought in regards to the flow through changes to the MDC and MDC Guidelines are as set out below.

#### *Amendments to the MDC Guideline*

60. Clause 2 states that "*Interposed Domestic Contracts must comply in all respects with the EGCC Code*". Clause 2 has been removed.
61. In its place, the requirements from the EGCC Code which are appropriate for the MDC<sup>2</sup> have been individually listed in the MDC Guidelines and have been made mandatory. All amendments to the MDC Guidelines are due to the inclusion of the EGCC Code requirements, except where amendments are shaded to identify them as non-EGCC Code related.
62. Submissions on whether individual clauses should remain mandatory, or on the way this information is presented will be considered as part of this consultation.

#### *Amendments to the MDC*

63. The MDC has footnote references to the equivalent clauses in the EGCC Code. These have been replaced with equivalent paragraphs in the MDC Guidelines.
64. The MDC refers to the EGCC as if it is the only provider of complaints resolutions services. These references have been amended to provide a place for the retailer to give details of the complaints resolution scheme they belong to. Once a scheme is approved the MDC will be amended to add the name of the approved scheme.
65. Where a requirement from the EGCC Code of Practice has been made mandatory in the MDC Guidelines, but was not directly reflected in the

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<sup>2</sup> The clauses from the ECGG Code which were outside of the scope of the Guideline and have not been made mandatory are C1,C 2, C3, C4, C5, C6, C7, C8, C9, C12.3 (bullet 2), C17.1 (bullet 2 ) C17.1 (sub paragraphs 1 and 2 of bullet 5), C18.3, C23.5, C23.6, C23.7, C27 and C28.

MDC, this has been rectified. The relevant clauses in the MDC are 26, 58, 74, and 171.

66. Submissions on the way this information is presented in the MDC, or alternative wordings, will be considered as part of this consultation.

## Other Changes

67. Minor drafting changes have been made to the MDC and MUoSA and are self explanatory. Submissions on these changes are welcome.
68. Schedule 9 of the MUoSA – Load Management Policy is being amended by a parallel process. Proposed amendments were released for consultation in September 2007 and the submissions have been analysed in conjunction with relevant load management work-streams. It is proposed that the final schedule 9 will be released for another round of consultation in the near future, and the final version will be published with the final MUoSA. Submissions on schedule 9 (which is not included in this consultation pack) will be considered out of scope.

## Monitoring

69. Monitoring of uptake of the draft MDC Guidelines, MDC and MUoSA to date has been minimal given that they were not completed due to the alignment issues. There were, however, two areas where monitoring has already been undertaken. These were in regards to the requirements of the MDC Guidelines concerning transparency of invoices, and the requirements of the DG Guidelines.
70. It is proposed that once this consultation process has been completed, and any issues arising have been resolved, the MDC Guidelines, MDC and MUoSA will be published as final.
71. Twelve months after the final MDC Guidelines are published, the Commission intends to undertake a review of retailers' interposed domestic consumer contracts to determine whether they implement the MDC Guidelines. Implementation of the MDC Guidelines is the priority given its direct impact on consumers. If the Commission considers that interposed domestic consumer contracts do not comprehensively implement the MDC Guidelines, the Commission will be obliged to consider recommending regulations. Before recommending regulations, the Commission would follow the assessment and consultation processes required by the Electricity Act 1992.

72. The monitoring of uptake of the MUoSA will be tempered with recognition of existing commercial arrangements already in place between distributors and retailers, provided there are no adverse effects on consumers or economic efficiency issues through the use of alternative contracts.

## Status of the Conveyance Agreements

73. This consultation does not include the update of the following documents:
- (a) Guidelines for Domestic Contracts for Delivery Only(Conveyance)
  - (b) Model Domestic Contract for Delivery Only (Conveyance)
  - (c) Guidelines for Domestic Contract for Electricity Only (Conveyance)
  - (d) Model Domestic Contract for Electricity Only (Conveyance)
  - (e) Model Use of System Agreement (Conveyance)
- See: <http://www.electricitycommission.govt.nz/opdev/retail/model>.
74. These contracts will remain published for information purposes until the MUoSA Conveyance has been reviewed and finalised. At that time, the alignment exercise and policy issues discussed in this paper will be incorporated into the contracts.
75. The Commission does not consider completion of these contracts a high priority, and this work is not scheduled for completion during either the 2007/08 or 2008/09 financial years.

## Attachments

76. The following items are attached to this paper:
- (a) Appendix 1: Format for submissions
  - (b) Appendix 2: Guidelines for Domestic Contracts for Delivered Electricity (Interposed) marked up against the August 2005 version;
  - (c) Appendix 3: Draft Model Domestic Contract for Delivered Electricity (Interposed) (MDC) marked up against the August 2005 version;
  - (d) Appendix 4: Format for tariff pricing and transparency of invoices;

- (e) Appendix 5: Model Use of System Agreement -Interposed (MUOSA) marked up against the December 2005 version.

## Appendix 1 Format for Submissions

77. It would be appreciated if submissions could be made using the following table formats:

Question	Comments on the proposed amendments to the MDC, MDC Guidelines or MUOSA regarding:	Comment
1	Alignment of service timeframes.	
2	Alignment of customer obligations regarding access.	
3	Alignment of reliability of supply clauses.	
4	Alignment of the margin of variance re supply voltage and frequency clauses.	
5	Alignment of disconnection/termination clauses.	
6	Alignment of Good Industry Practice definitions.	
7	Alignment of limitation of liability clauses.	
8	The addition of clauses relating to the "Guideline on arrangements to assist low income and vulnerable consumers".	
9	Changes to the transparency of line and energy charges clauses.	
10	Format for publication of tariffs and line and energy charges on retailer websites as set out in Appendix 3	

11	Changes to the definitions relating to customer service lines.	
12	The addition of clauses highlighting the tax implications for distributed generation.	
13	Removal of references to the Electricity and Gas Complaints Commission and Code of Practice	

**Amendments not listed above:**

Please use this table if you have any comments on the proposed amendments which are minor in nature.

**Please note that comments not related to the proposed amendments will be considered out of scope:**

Please specify: MDC, MDC Guidelines, or MUoSA	Clause number	Issue	Your suggested wording (if appropriate)

Appendix 2 Guidelines for Domestic Contracts  
for Delivered Electricity  
(Interposed) *(Tracked changes  
against December 2007 version –  
was appendix A1)*

Appendix 3 Draft Model Domestic Contract for  
Delivered Electricity (Interposed)  
(MDC) – *Tracked changes against  
December 2007 version*

# Appendix 4 Format for tariff pricing and transparency of invoices

## Standard available tariffs (GST inclusive - includes prompt payment discount)

Area \_\_\_\_\_  
 Distributor \_\_\_\_\_  
 Retailer \_\_\_\_\_

Tariff name	Fixed costs* (cents per day)	Energy (cents per kWh)*			Amount of prompt payment discount (already included in figures)		
		Day/Anytime	Night	Controlled			

## Distribution charge (GST inclusive - includes prompt payment discount)

This table is for information only, and is for consumers who wish to know how much of their payment, as set out in the standard tariff table, is going to the distribution company (with the remainder going to the retailer). These figures may not appear on your invoice as they are bundled into the simpler tariff.

Distributor only fixed charges (cents per day)	Distributor only variable charges (cents per kWh)			EXAMPLE Distributor only charges** for average consumer (8,000 kWh***) (\$)
	Day/Anytime	Night	Controlled	

\* Both the retailer and the distributor have fixed and energy costs. This costs are bundled into these tariffs.

\*\* Average cost should be calculated using same proportions/formula used for the Low Fixed Charge submissions

\*\*\* Average level of consumption can be amended for regional differences in the average as set out in the Electricity (Low Fixed Charge Tariff Option for Domestic Consumers) Regulations 2004

Appendix 5 Draft Model Use of System  
Agreement - Interposed -  
(MUoSA) *Tracked changes  
against December 2007 version*