



# Victoria Government Gazette

No. S 167 Wednesday 24 December 1997  
By Authority, Victorian Government Printer

**SPECIAL**

## OFFICE OF THE REGULATOR-GENERAL ACT 1994

### NOTICE OF AMENDED DETERMINATION

On 21 November 1997 the Office of the Regulator-General ("the Office") made a determination under section 25 of the *Office of the Regulator-General Act 1994*. Notice of this determination was published in the Victoria Government Gazette on 24 November 1997.

On 3 December 1997 the Office of the Regulator-General received a Notice of Appeal pursuant to section 37 of the *Office of the Regulator-General Act 1994* in respect of the determination made by it on 21 November 1997.

The determination of the Office of the Regulator-General was in respect of a "Capacity Support Project" established by the Victorian Power Exchange ("VPX"). This project is to ensure there is an appropriate level of reserves in the Victorian electricity system during the 1997-98 summer period.

In accordance with section 38 of the *Office of the Regulator-General Act 1994* the Hon Roger Hallam, MLC, Minister for Finance appointed an appeal panel to hear and decide the appeal.

Following public hearings conducted by the *Appeal Panel* on 10 and 12 December 1997 the Appeal Panel on 17 December 1997 decided that the determination made on 21 November 1997 be amended as follows -

- (i) a new paragraph 5.9 is inserted in the *Office's determination* as follows:

"The *Office* will implement a program to monitor the demand of exempt participants during the capacity support period and may withdraw their exemption if they have not curtailed their demand at times of higher prices or have not contracted for sufficient physical capacity to meet their peak demand requirements"; and

- (ii) as agreed by the *Office* and the *Applicants* the *Office's determination* is amended as follows -

"(a) The following new definition is inserted in paragraph 4.1 of the *Office's determination* as follows:

"*capacity support revenue*" means any revenue or income derived or earned by the Victorian Power Exchange from the sale by it of any electricity purchased by it;

- under any contract or arrangement arising out of any offers submitted in response to the Invitation to Tender; and
- under any capacity support arrangement.

(b) That paragraph 5.2 of the *Office's determination* is deleted and replaced with the following:

#### 5.2 Determination of Provisional Capacity Support Fee Rate

VPX must determine the provisional capacity support fee rate to apply during the capacity support period in accordance with the following formula:

$$P = \frac{(A - B)}{C}$$

Where -

P = *provisional capacity support fee rate*

A = VPX's estimate of the total *capacity support costs* for the *capacity support period*

B = VPX's estimate of the total *capacity support revenue* for the *capacity support period*

C = the aggregate of the *forecast pool customer settlement demand* of all *relevant participants* for the *capacity support period*.

(c) That paragraph 5.6 of the *Office's determination* is deleted and replaced with the following:

#### 5.6 Determination of Final Capacity Support Fee Rate and Final Capacity Support Fees

Not later than 30 business days after the end of the *capacity support period*, VPX must determine -

(a) the *final capacity support fee rate* for the *capacity support period* in accordance with the following formula -

$$F = \frac{(D - E)}{G}$$

Where -

F = the *final capacity support fee rate*

D = the total *capacity support costs* for the *capacity support period*

E = the total *capacity support revenue* for the *capacity support period*

G = the aggregate of the *pool customer settlement demand* of all *relevant participants* for the *capacity support period*".

In accordance with regulation 14(4) of the *Office of the Regulator-General (Appeals) Regulations 1996*, this decision takes effect on the date it is given. The Appeal Panel gave its decision on 17 December 1997.

A copy of the decision may be obtained by written request to the Office of the Regulator-General Level 1, 35 Spring Street, Melbourne.

**BRIAN WALDRON**  
**Chairman**

**PETER CHANDLER**  
**Member**

**ANNE LARKINS**  
**Member**

17 December, 1997

**Gazette Services**

The *Victoria Government Gazette* (VGG) is published by AGPS Publications for the State of Victoria and is produced in three editions.

**VGG General** is published each Thursday and provides information regarding Acts of Parliament and their effective date of operation; Government notices; requests for tenders; as well as contracts accepted. Private notices are also published.

**VGG Special** is published any day when required for urgent or special Government notices. VGG Special is made available automatically to subscribers of VGG General.

**VGG Periodical** is published on Monday when required and includes specialised information eg. Medical, Dental, Pharmacist's Registers, etc.

**Subscriptions**

VGG is available by three subscription services:

General and Special—\$165.00 each year

General, Special and Periodical—\$220.00 each year

Periodical—\$110.00 each year

Subscriptions are payable in advance and accepted for a period of one year. All subscriptions are on a firm basis and refunds for cancellations will not be given.

All payments should be made payable to AGPS Publications.

Subscription inquiries (03) 9387 8135

Fax (03) 9387 3404

An AGPS Publication

Published by AGPS Publications

Printed by AGPS Printing

a business unit of

Department of Administrative Services

Brunswick Victoria Australia

© State of Victoria 1997

ISSN 0819—548X

This publication is copyright. No parts may be reproduced by any process except in accordance with the provisions of the Copyright Act.

Address all inquiries to:

**Subscriptions**

AGPS Publications

PO Box 263, Brunswick 3056

Telephone inquiries (03) 9387 8135

Fax (03) 9387 3404

**Retail Sales**

Information Victoria Bookshop

356 Collins Street Melbourne 3000

Telephone inquiries 1300 366 356

Price Code A