

FINAL DECISION – PNAC CONSULTATION DOCUMENTS

Alinta Energy

BACKGROUND

Alinta Duke Energy WA Power Pty Ltd ("ADEWAP") published in September 2021 an invitation for public consultation to the documents ADEWAP is required prepare and consult on under the Pilbara Networks Access Code 2021 (PNAC).

The PNAC requires Network Service Providers to undertake the 'standard consultation process' (as set out in Appendix 1 of the PNAC) before first publishing the information set out in section 38(1) of the PNAC) by 7 January 2022.

ADEWAP prepared and published the following draft documents for consultation (Access Documents):

Requirement	Draft documents for consultation
System Description	System Description
Services and Pricing Policy	Services and Pricing Policy Template Access Contract
Network Development Policy	Contributions Policy Planning Standards
User Access Guide	User Access Guide Queueing Policy

SUBMISSIONS RECEIVED

ADEWAP received one submission on the Access Documents, from Horizon power, which is available on: *www.adewap.com.au*

ADEWAP's response to Horizon Power's submission is detailed in Appendix 1 of this document.

ADEWAP'S DECISION

The standard consultation process (as set out in Appendix 1 of the PNAC) requires a decision maker to consider submissions received and either:

- Make a draft decision and undertake a second round of public submissions (clause A1.7 of the PNAC); or
- Make a final decision (clause A1.9 of the PNAC).

ADEWAP, having regard to the submission received, has made a final decision to update the Access Documents in accordance with Appendix 1.

The final Access Documents are available on: *www.adewap.com.au*

APPENDIX 1: ADEWAP'S RESPONSE TO SUBMISSIONS RECEIVED

Item	Clause / section reference	HP Comment / Issue	HP Recommendation	Alinta Response
System Description				
1	ADEWAP Port Hedland Assets	"*The Port Hedland Power Station's two sites of generation at Port Hedland and Boodarie sit around 5km apart, however they are configured, operate and are dispatched as a single power station*" The configuration and operation of generators connected to a covered network doesn't appear relevant in the context of this document which is focused on the network itself.	Clarify the context of the inclusion or remove reference to the configuration and operation of generators from this document.	This is a very minor point, however system description amended.
2	ADEWAP Network Capacity	From a technical and operational perspective, Horizon Power queries the validity of ADEWAP stating "*no availability of firm network capacity capable of being contracted by new prospective users of the ADEWAP Network without user funded augmentation in accordance with the ADEWAP Contributions Policy available on the ADEWAP".* From a technical perspective, counterflows to the current operational arrangements will actually increase the available capacity. As an example, should a retailer on the Horizon Power network procure a new customer on ADEWAP's network and seek to provide them power via the Horizon Power/ADEWAP interconnect, such flows would reduce the net flow through the interconnect (currently only consisting of ADEWAP supplying power into Horizon Power's network) hence freeing capacity.	Reframe the presentation of network capacity in the context of a constrained access regime and expected power flow directions.	The reframing of network capacity in the context of power flow and constrained access is not applicable. The manner in which the available network capacity has been presented reflects the requirements of Section 9 (5) of the PNAC where ADEWAP is required to describe "any other technical constraints in the light regulation network that will or are reasonably likely to materially affect access to or use of the network" and (6) " reasonable information about the light regulation network's capacity in key locations". In the event that a material change to the network such as that described by Horizon Power comes into effect, the System Description will be changed accordingly.

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		From an operational perspective, network access contracts can be established purely for the purpose of supplying existing loads. Under such an arrangement, a network User may seek to connect a generator (with ISO approval), which would be exposed to the constrained access regime detailed in Subchapter 9.1 of the PNR. Under section 15(2) of the PNAC, ADEWAP would not have the right to refuse such a connection. Such a User could then seek to churn existing customers on the ADEWAP network hence utilising existing capacity currently utilised for existing arrangements. Under this arrangement it would not be appropriate to state that existing capacity cannot be utilised for "new prospective Users".		
Services and Pricing Policy				
1	Reference service	Only one reference service on offer. Alinta's ringfencing rules appear to indicate that there is no reference service associated with the connection points for its generators.	Horizon Power has previously commented on the apparent absence of a deemed associate arrangement between ADEWAP Generation and ADEWAP Network. If this matter is addressed, then ADEWAP will need an additional reference service for its generators for which the reference tariff is zero.	ADEWAP has a service agreement with the remainder of the ADEWAP group regarding the provision of services, which is covered through ring-fencing arrangements. This is not a service available as a reference service currently due to the bespoke nature of grandfathered contracts that cover the totality of output. If this situation changes in the future, then a reference service may be provided.

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2	Reference service	It is unclear what connection points satisfy the requirements of Alinta's single reference service. It appears as if the reference service requires a User to have both an entry and exit point with the same capacities. One for injecting power and another for withdrawing. There are several scenarios however where an applicant may only seek a single connection point such as the connection of a generator for the ability to enter the ESS market (entry only) or a large load who chooses to manage their own network contract (exit only)	Consider including reference services for single connection points	A connection Point can be either an entry, an exit or both. Given the (high voltage) nature of the ADEWAP network, every prospective connection will be subject to an ADEWAP and ISO assessment, and thus the provision of the service will be dependent on detailed modelling (as described in the ADEWAP UAG). The need to provide a reference service for entry, exit and a 2-way service is excessive where the complex nature of the connection will mean deviation from said reference service. Further, other types of network access can be provided, however anything different to the reference service will be a non-reference service.
3	Target revenue	The building blocks for target revenue, as set out in section 47 of the PNAC, distinguish between the capital-related costs associated with the initial capital base and the capital-related costs associated with forecast new facilities investment. The target revenue formula in ADEWAP's services and pricing policy does not separately identify the return on, and depreciation of, the initial capital base and the return on, and depreciation of, forecast new facilities investment.	Amend the target revenue formula to separately identify the return on, and depreciation of, the initial capital base and the return on, and depreciation of, forecast new facilities investment.	S47 of the PNAC does not require that the return on and depreciation of ICB and New Investment be separated.

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4	Target revenue	The rate of return that has been used has not been specified in the document, nor the methodology for estimating it, and there is no indication as to how or when the document will be updated to incorporate the ERA's determination on the rate of return.	Amend the document accordingly.	At the time of ADEWAP's public consultation, the ERA was still to determine and publish the first ADEWAP applicable WACC, which was a matter of public record. ADEWAP therefore stated in its draft Services and Pricing Policy that a 4.5% pre-tax real WACC is used as a placeholder value while it awaits the ERA's WACC determination. The ERA has now finalised and published the ADEWAP applicable WACC and ADEWAP has revise its Services and Pricing Policy to incorporate the ERA's updated WACC value.
5	Initial capital base	Capital additions - no information is provided on the forecast capital additions, including how they meet the new facilities investment test	Provide information on the forecast capital additions, including how they meet the new facilities investment test	The capital additions included in Table 5 are not new facilities as defined in the PNAC, but are replacement capital items and will not be subject to the requirements of an NFIT test. The total % of capital expenditure proposed is 0.5% or less of the ICB in any year of the pricing period. In the event that ADEWAP is considering undertaking the development, construction or acquisition of a capital asset to provide covered services, then the NFIT process will be followed accordingly.
6	Depreciation	Depreciation - it is assumed the weighted average remaining life has been used to calculate the depreciation on the capital base, rather than the weighted average life.	Amend the document accordingly.	This is an incorrect assumption by Horizon.

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7	Depreciation	The weighted average remaining lives of the assets in the initial capital base have not been provided.	Tabulate the weighted average remaining lives of the assets in the initial capital base by asset class.	See Item 6.
8	Non-capital costs and cost allocation principles	No explanation has been provided for the real increase in direct operating costs from FY22 to FY23.	Provide information on the real increase in direct operating costs from FY22 to FY23	The approximate 3% increase in cost from 2020/21 to 2021/22 is not considered material with regard to the overall cost of operation and as such the policy document will not be amended for an explanation.
9	Non-capital costs and cost allocation principles	It is not clear from the information provided what proportion of the operating costs (direct) have been directly attributed to the network business and what proportion are shared costs between the generation and network businesses and have been allocated to the network business.	Provide more detail on the operating costs (direct)	All cost allocation has been undertaken in accordance with the ring-fencing rules submitted to the ERA.
10	Non-capital costs and cost allocation principles	No justification has been provided for allocating 50% of IT & communication costs and marketing costs to the network business. The percentage does not appear to be fair and reasonable, particularly for marketing.	Provide justification for allocating 50% of IT & communication costs and marketing costs to the network business.	All cost allocation has been undertaken in accordance with the ring-fencing rules submitted to the ERA.
11	In-period target revenue adjustment methodology	No information has been provided on the methodology for allocating costs from the Alinta Energy parent entity to ADEWAP.	Provide information on the methodology for allocating costs from the Alinta Energy parent entity to ADEWAP.	All cost allocation has been undertaken in accordance with the ring-fencing rules submitted to the ERA.

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12	In-period target revenue adjustment methodology	Section 49(2)(a) of the PNAC states that the target revenue may only be adjusted for a force majeure event where: (i) the NSP is unable to, or is unlikely to be able to recover some or all of the costs under its insurance policies; and (ii) at the time of the force majeure event, the NSP had insurance to the standard of a reasonable and prudent person. Alinta's services and pricing policy includes the first condition but not the second.	Amend the document accordingly.	Amended
13	Tariff setting methodology	Section 63(3) of the PNAC states that the revenue for each reference tariff must lie between the stand-alone cost and the avoidable costs. There is no evidence in the tariff setting methodology that this has been met.	Provide evidence that the revenue for the reference tariff lies between the stand-alone cost and avoidable costs.	Section 63(3) does state that the revenue for each reference tariff must lie between the stand-alone cost and the avoidable costs, however the PNAC does not state that either the stand alone or avoidable costs must be evidenced in the S&P policy.

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14	Tariff setting methodology	The single reference tariff is derived from the target revenue and the nominal capacity of the network. It is possible to sell services in excess of the capability of the network when the services result in counter directional flows (i.e. the net sum of the flows continues to be within the capacity of the network). Refer to Horizon Power's comments above in relation to ADEWAP's claims that there is "no availability of firm network capacity capable of being contracted by new prospective users" for an example of this. It is very possible (likely) that basing tariffs on network capacity will lead to over recovery of the target revenue.	Consider amending the tariff-setting methodology.	See comments for Item 2 of Service Description above. In the event that the circumstances described come into effect, ADEWAP will release a revised S&P Policy.
15	ADEWAP prudent discount policy	Section 67(4) of the PNAC states that a tariff setting methodology must include a detailed policy setting out how the NSP will implement-- (a) if the NSP so chooses section 67(2); and (b) section 67(3). Alinta's tariff setting methodology addresses section 67(2) but not section 67(3).	Amend the document accordingly.	ADEWAP does not own a distribution network therefore 67(3) cannot be applied.
16	Price list	The price list provides no indication that it will need to be updated when the ERA determines the rate of return for the first pricing period.	Amend the document accordingly.	The ADEWAP Price List forms part of the S&P Policy. Refer to comments at Item 4.

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Template Access Contract / Sample ETAC				
1	Clause 1.1	The Reference Service Availability Standard has been defined as 0.98, which equates to up to 10,512 minutes per year when the service is not available. Horizon Power's applicable services standards are as set out in the Electricity Industry (Network and Reliability of Supply) Code 2005, which specifies average minutes off supply as 290 minutes per year. As a licenced transmission network operator Horizon Power expect that Alinta should also be subject to the Electricity Industry (Network and Reliability of Supply) Code 2005. This service availability does not appear to reflect Alinta's obligations under that Code. Further, the service level appears low when the System Description indicates that the planning standard is n-1.	Consider increasing the Reference Service Availability Standard to be in line with the requirements of the Electricity Industry (Network and Reliability of Supply) Code 2005	The Reference Service Availability Standard set out in the ETAC is not inconsistent with the provision in the Electricity Industry (Network and Reliability of Supply) Code 2005 (Code) to which Horizon Power refers. The Reference Service Availability Standard sets a cap on the aggregate number of minutes in a year in which the Reference Service can be unavailable without ADEWAP incurring liability to the User. The provision of the Code to which Horizon Power refers deals with the average total length of interruptions of supply in a year. There is no correlation, or connection, between the two matters.
2	Clause 1.1	The definition of Authority is different to that in the Code and PNR, and could potentially be confusing, particularly because the rules definition is then used for "Authority fee".	Amend the document accordingly.	Amended.
3	Clause 4.7	Cost of annual testing of metering is a pass through amount. This is not specified in the Services and Pricing Policy	This needs to be specified in the Services and Pricing Policy	Amended.
4	Clause 5.1	Clause 5.1 allows ADEWAP to curtail the provision of the Reference Service without liability to the User in certain circumstances, including under clause 5.1(h), which allows ADEWAP to carry out any planned Augmentation to the Network. While clause 5.3 provides that ADEWAP will use reasonable endeavours to notify the User under clause 5.1 as soon as practicable, prior notice should be given in respect of Augmentation.	Amend the document accordingly.	Issue addressed by amendments made to clause 5.3.

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5	Clause 5.3	In circumstances of a Curtailment, the requirement to provide notice to the User should be absolute and immediately. Concepts of "reasonable endeavours" and "as soon as practicable" are not appropriate.	Amend the document accordingly.	The reference to ADEWAP using "reasonable endeavours" to give notice has been deleted but not the reference to such notice being given "as soon as practicable". To agree to give a notice "immediately" upon an event occurring is simply neither prudent nor likely to occur. By definition, there is always a gap, to some extent, between an event occurring and a notice being given, regardless of the nature of the event in question. The appropriate requirement is therefore to give a notice "as soon as practicable" in the circumstances.
6	Clause 8.1	Clause 8.1(d) allows ADEWAP to amend any aspect of a Maintenance Plan provided that ADEWAP uses reasonable endeavours to make any such amendments with at least 7 days prior Notice to the User. The concept of "reasonable endeavours" here is not appropriate. The giving of prior notice should be an absolute requirement.	Amend the document accordingly.	It will not always be possible to give 7 days' prior notice. Circumstances arise periodically where changes have to be made in a shorter time period. Therefore, no amendment has been made.
7	Clause 11.3	The pass-through provisions are far-reaching and not consistent with section 49 of the PNAC or the Services and Pricing Policy, which sets out the materiality thresholds to apply to in-period adjustments to target revenue.	Amend the document accordingly.	The clause has been qualified to make it clear that it applies to the extent permitted by law.
8	Clause 11.5	The change event provisions are not consistent with section 49 of the PNAC or the Services and Pricing Policy, which sets out the materiality thresholds to apply to in-period adjustments to target revenue.	Amend the document accordingly.	The clause has been qualified to make it clear that it applies to the extent permitted by law.
9	Clause 12.3(a)(ii)	A User should not be required to pay any amount of a Tax Invoice that contains a Disputed portion. Under clause 12.3(b), the User is on risk for any Disputed portion, if the disputed amount is subsequently found to have been payable.	Amend the document accordingly.	Amended by deleting the requirement for User to pay 50% of the amount in dispute.

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10	Clause 12.3(b)	"*Without prejudice to ADEWAP's other rights, any amount withheld by User under clause 12.3(a) but subsequently found to have been payable, attracts interest calculated daily at the Prescribed Rate from the Due Date of the Tax Invoice until payment*." Such a provision should also exist for the 50% payment the User is obligated to make on the disputed amount.	If it is determined that the User should not have to pay the amount, Alinta should refund the amount with additional interest payments from the date the payment was made.	This clause does not require any amendment given that clause 12.3(a)(ii) has been deleted.
11	Clauses 28.2(d) and 28.4	Under clause 28.4, ADEWAP's cure period, prior to a right to terminate accruing is 20 Business Days. Clause 28.2(d) in respect of the termination for User non financial default should be consistent with the 20 Business Day period in clause 28.4	Amend the document accordingly.	Amended.
12	Clause 31.1(a)	The words "*and is reasonably likely to be commercially sensitive*" should be removed from definition of Confidential Information in respect of the User.	Amend the document accordingly.	Amended.
13	Clause 31.5	Should the reference to Chapter 8 of the Code (which deals with ringfencing) also include Chapter 9 of the Code that deals with confidential information?	Amend the document accordingly.	Amended.
14	Clause 34.3	These disputes should also have the option of being managed under the PNAC dispute regime. This agreement should not prevent an applicant for accessing this forum.	Include appropriate clauses similar to the PN Rules disputes to enable a User to utilise the PNAC dispute mechanism when disputes relate to coverage matters (such as tariff changes).	Disputes under clause 34 are to be resolved in accordance with the dispute resolution provisions set out in clause 30. Clause 30 makes it clear that if a dispute is a "Rules Dispute" (as defined in the Pilbara Network Rules) then, as required by law, the applicable dispute resolution mechanisms are those set out in the Pilbara Network Rules. If a dispute is not a "Rules Dispute" then the "Non-Rules Dispute" provisions in clause 30 apply to the resolution of that dispute.

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15	Clause 35.3	"*If User maintains, accesses, operates or controls ADEWAP's generation, transmission or distribution systems or associated ICT infrastructure, User must*:" This clause doesn't appear relevant for a template agreement. This should be restricted to Alinta's service providers only.	Remove this clause from the template agreement.	The whole of clause 35 is included in the ETAC because its inclusion is a requirement of applicable FIRB conditions. ADEWAP has no ability to change the wording of clause 35.
Contributions Policy				
1	ADEWAP Policy (page 6)	The contributions policy notes: "*If that pre-feasibility assessment indicates that the augmentation is reasonably likely to satisfy the regulatory test, ADEWAP may elect to proceed with an assessment of the augmentation against the regulatory test in accordance with the provisions of section 54 and 55 of the PNAC*" It appears unreasonable for ADEWAP to not commit to proceeding with the assessment at this point.	Redraft this section to state that ADEWAP "will" proceed with an assessment rather than "may elect to" proceed. If ADEWAP are concerned about payment for the assessment, then the document could outline this as a condition before proceeding.	Until the modelling process & relevant procedures are provided by the ISO (and ADEWAP's understanding is complete), we believe that the flexibility contained in this policy is prudent.
Planning Standards				
1	N-1 Criterion	*"Following the loss of the transmission element, the power system must continue to operate in accordance with the power system performance standards specified in section 2.2 of the HTR,* ***except for the HPS-TIG 66kV Transmission Line Tee off that shall operate in accordance with the power system performance standard within 30mins of the loss of this interconnection****."*	Clarify in the document that only customers connected to HPS-TIG will experience a non-compliance with Section 2.2 of the HTR for up to 30 minutes. It is noted that the ADEWAP Network Operation text in the ADEWAP System Description reflects that	The System Description has been amended to clarify the n-1 criterion exception.

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		It is unclear what ADEWAP is stating in this section. Are ADEWAP stating that the system as a whole (including Horizon Power and Rio Tinto's networks) won't comply with the system performance standards specified in Section 2.2 of the HTR following loss of the HPS-TIG line for up to 30 minutes? Or is ADEWAP stating that customers connected to HPS-TIG will be the only parties to experience the Section 2.2 non-compliance for up to 30 minutes? The former of the two above scenarios is an unacceptable outcome to system security. The latter is a matter localised to Alinta's network and hence an issue to be resolved with Alinta's customers.	these lines must be operated on a N-1 basis.	
User Access Guide				
1	Negotiation (page 2)	Section 42(2)(j) of the PNAC requires the User Access Guide to "describe the process … for requesting negotiations in relation to an access offer, including timelines". Horizon Power believes the User Access Guide does not comply with this section as it does not describe any negotiation process (including timelines).	Update the User Access Guide to reflect requirements of section 42(2)(j) of the PNAC.	Indicative timelines for the entire connection process (which include negotiation) are provided in Figure 1 and are articulated throughout the UAG. Where it is likely that an applicant will wish to negotiate, this has been indicated in the detail of the relevant stage (refer to page 7). ADEWAP is of the opinion that the level of detail provided in the UAG combined with the complexity of undertaking a transmission connection mean that the resultant process must by its nature be flexible. This includes the time required to negotiate access particulars.

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2	Connection Process Overview (page 3)	This section states that the User Access Guide sets out the process for two types of access scenarios: 1. new connections; and 2. modification of an existing connection. There is a third type of access scenario where an access seeker may seek to establish an access contract (initially with no connection points) to enable customer transfer under the Electricity Industry (Customer Transfer) Code 2016.	Update the User Access Guide to allow for a third category of access.	Amended.
3	Figure 1: ADEWAP Connection Process Overview (page 4) Preliminary Enquiries (page 5) Connection Enquiry State (page 6) Application to Connect (page 6) Access Offer (page 8)	The overview in Figure 1 indicates that an applicant must go through the Stage 1: preliminary enquiries (consisting of the Concept Stage and the Connection Enquiry Stage) prior to making an application to connect. This is further supported by various sections of the User Access Guide including: • under the heading "Preliminary Enquiries" (page 5) that "… the two-stage connection process commences with the preliminary enquiry stage, outlined below." • under the heading "Connection Enquiry State" (page 6) that "The applicant progresses to the Connection Enquiry Stage following completion of the Concept Stage by confirming in writing its: o decision to proceed to the Connection Enquiry Stage; and o acceptance of the Connection Enquiry Stage fee that is advised during the Concept Stage."	Update the User Access Guide to reflect requirements of section 70(2) of the PNAC.	Amended – see page 5.

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		• under the heading “Connection Enquiry State” (page 6) that “The applicant will be advised at the completion of the Connection Enquiry Stage. ADEWAP will send the applicant an Application to Connect.” • under the heading “Access Offer” (page 8) that “We will issue you with an Access Offer within 1 month of completion of the preliminary enquiry stage of the ADEWAP two-stage connection process.” These sections conflict with section 70(2)(a) of the PNAC, which states that the NSP must not require an applicant to make preliminary enquiries before making an access application. Further, it appears that applicant must complete the Concept Stage prior to the Connection Enquiry Stage as the applicant must confirm in writing its decision to proceed to the Connection Enquiry Stage and accepts a fee advised during the Concept Stage.		

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4	Figure 1: ADEWAP Connection Process Overview (page 4) Concept Stage (page 5)	The User Access Guide (under the heading "Concept Stage") states that "…fee to progress to the Connection Enquiry Stage will range between $25,000 and $50,000 (ex GST) .." However, Figure 1 indicates no fee during the "Concept Stage" but rather the $25k to $50k will be charged during the "Connection Enquiry Stage". Further, regardless of the stage during which the costs are incurred, Horizon Power does not consider that there are sufficient details to meet the requirements of section 42(2)(e) of the PNAC, which states that the User Access Guide must "include the basis for determining how reasonable costs to be paid by the applicant in respect of preliminary enquires will be calculated."	Update the User Access Guide to: • specify whether $25k to $50k will be charged in the Concept Stage or Connection Enquiry Stage. • meet the requirements of section 42(2)(e) of the PNAC.	The timing of the fee is outlined on page 6 . With regards to the basis of determination, ADEWAP repeatedly states throughout the UAG that the costs will be dependant on the complexity of the connection and determined accordingly. For example, an applicant requiring a connection that enables both exit and injection at the same point as a result of the installation of an intermittent generation source behind the meter will require a significant amount of study and may result in an amendment to the specification, ie ADEWAP may require the applicant to install a battery in order to manage frequency issues that would otherwise arise. Given that connection of any load or generation to a high-voltage network is complex ADEWAP have attempted to give a reasonable range of cost estimates for applicants, as well as being clear (on page 5) that the fees will be provided once ADEWAP understands the nature of the connection.
5	Optional Pre-Feasibility Study (page 5)	It is not clear when the desktop assessment is done. There is a reference to "findings of the desktop assessment" under the heading "Preliminary Enquiries". However, this is the only reference to desktop assessment. Does the costs of the desktop study form part of the $25k to $50k (see above comment in item 4)?	Update the User Access Guide to provide additional details on the desktop assessment (including when this is done, costs and process).	Amended – see page 5.

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6	Connection Enquiry State (page 6) Application to Connect (page 6)	The User Access Guide states: • "ADEWAP will send the applicant an Application to Connect" (under the heading "Connection Enquiry Stage"). Is this the Application to Connect Form as set out in Schedule 1? • "The Application to Connect Stage commences when ADEWAP sends the applicant an ADEWAP Connection Application form (see Schedule 1: ADEWAP Connection Application)." (under the heading "Application to Connect"). It is unclear why an applicant must wait for ADEWAP to send the form as the Applicant should be able to complete and send to ADEWAP the form in the format set out in Schedule 1.	Update the User Access Guide to: • clarify the difference between "Application to Connect" and "ADEWAP Connection Application form". • remove requirement for ADEWAP to send applicant an application form. ADEWAP should provide an application form for the applicant to fill and complete (e.g. a link to a word or amendable pdf application form). • to reflect requirements of section 70(2) of the PNAC.	Clarified.

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7	Application to Connect (page 6)	This section states "ADEWAP will advise the applicant in writing of their place in the queue on receipt of a completed ADEWAP Connection Application form." This implies that the applicant will enter the queue on submission of a completed application form. However, the Queuing Policy states "upon lodging a formal a formal connection application and the payment of a deposit for undertaking the modelling works described below, an applicant will be advised by letter of: 1. their position in the queue; and 2. all other applications whose satisfaction, delay or progression might affect the timing or terms of access." This is inconsistent with User Access Guide as it implies that the applicant will enter the queue when they lodge a connection application and payment of deposit (as opposed to just submitting a completed application form).		We do not see this as inconsistent. An application to connect is required in order to secure a place in any queue, and both the UAG and Queueing Policy make this requirement clear.

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8	Connection Options Study (page 7)	This section appears to deal with both ADEWAP and ISO modelling. There are multiple references to independent third party that provides power system modelling of interconnected NWIS networks. This section should only deal with power system modelling to be undertaken by ADEWAP as this is separate to and distinct from the ISO power system modelling (which is dealt with under the heading "ISO Assessment and Modelling"). Additionally, the User Access Guide should provide the following in relation to ADEWAP modelling: • when this would be required; • software model & model inputs – specify requirements (e.g. PowerFactory & version number, extent of model input or parameter requirements, extent of generator/load data requirements); and • costs.	Update this section to only deal with ADEWAP modelling, its cost, information on the software model and model inputs.	ADEWAP disagrees with this premise - we believe it is both prudent and efficient to include an entire view of the process (including interactions with the ISO's process). We do not believe that the PNAC prohibits this, in fact PNAC cl 42(2)(g) requires explanation and delineation of the NSP and ISO processes.
9	ADEWAP and ISO Costs	The User Access Guide does not state that an applicant will be notified of any costs (including ISO) before they are incurred.	Insert a requirement for the applicant to be notified of any costs for their prior approval.	Clarified.

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10	Access Offer (page 8)	This section states *"We will issue you with an Access Offer within 1 month of completion of the preliminary enquiry stage of the ADEWAP two-stage connection process."* This is inconsistent with section 42(5) of the PNAC which requires the User Access Guide to provide a maximum timeframe in which the NSP is to give an access offer to the applicant after receipt of a completed access application. This timeframe should generally be no more than 30 or 60 business days (where further investigations are required).	Update the User Access Guide to: • allow an applicant to submit the ADEWAP Connection Application form (as set out in Schedule 1) at any time; and • set a maximum timeframe by which ADEWAP will issue an access offer to the applicant which should generally be no more than 30 or 60 business days (where further investigations are required) of receipt of completed ADEWAP Connection Application form.	1-2 months is less than 30-60 business days as specified in 42(5).
11	Connection Acceptance (page 8 and 9)	This section states *"A cost estimated to fall within the range of $30,000-$50,000 (ex GST) is payable by the applicant to finalise connection acceptance. This fee is charged to recover costs associated with account and invoicing setup, IT meter data capture and* ***operational power station configuration****, noting that any major cost items associated with connection works will be captured by the ADEWAP Contributions Policy or included within an early works agreement."*		

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		It is unclear why: · a network is charging an applicant for power station configuration works. Is this referring to ADEWAP configuring their own power station? Or a connecting generator performing HTR compliance tests? For new generators Horizon Power would expect this be captured under the construct and commission phase. · applicant/user would be liable for such a substantial cost to finalise connection acceptance given that applicant/user will be liable for tariffs (under the access contract) and connection works (under separate agreement). This appears to be against the requirements of section 42(2)(c) of the PNAC, in that the interests of the user and the NSP are not balanced.	Update User Access Guide to: · remove reference to power station configuration from this section; and · breakdown any further costs to finalise connection acceptance ensuring it meets the requirements of section 42(2)(c) of the PNAC.	This reference is NOT referring to ADEWAP power stations. This is a reference to ensuring that where the connection is an entry connection, or where it is both and entry/exit connection and it requires calibration (especially if being remotely operated) that will cost time and effort by the ADEWAP system operator. ADEWAP is of the opinion that the UAG is in compliance with the requirements of 42(2)(c).
12	Expedited process	Section 42(5) of the PNAC states *"A user access guide must facilitate an expedited process for processing access applications wherever possible, in particular where other users are not impacted by the access application."* The User Access Guide does not appear to contain such an expedited process.	Insert an expedited process for processing applications.	42(7) does not require the provision of an expedited process, however the UAG has been amended to clarify that ADEWAP will use best endeavours to expedite the process where other users are not affected.

Item	Clause / section reference	HP Comment / Issue	HP Recommendation	Alinta Response
Queueing Policy				
1	Figure 1: ADEWAP Connection Process Overview (page 3)	1. It is understood that ADEWAP will reserve an applicant's place in a queue once an applicant: • lodges a formal connection application. However, the term "formal connection application" is not defined. • pays the deposit (for undertaking the modelling works). It is unclear how the amount of the deposit for the modelling works will be calculated, when it will be payable and if this is only for ADEWAP modelling works (as opposed to ISO modelling, which should not be a queuing factor). 2. Horizon Power does not believe that Alinta's application process complies with Section 70(2) of the PNAC which prohibits a covered NSP implementing a mandatory enquiry phase. Alinta should give consideration to how effective such a queuing regime is should ADEWAP not be able to enforce an enquiry phase.	1. Revise the Queuing Policy to: • Define the terms "formal connection application" and "deposit"; and • specify that the deposit is only for ADEWEAP modelling charges; and • specify how the amount of the deposit for ADEWAP modelling works will be calculated and when it will be payable. This should be reflected in Figure 1: ADEWAP Connection Process Overview.	Page 1 of the queueing policy states that the Policy should be read in conjunction with the UAG, where the questions you have asked are all clarified.
2	ADEWAP Policy (page 4)	This section states *"….an applicant will be advised by letter of …… all other applications whose satisfaction, delay or progression might affect the timing or terms of access."*	The Queuing Policy sets out a list of information (of the other applications) which will be provided to the applicant.	The policy does not specify that any detail of other applicants will be provided, only that they exist.

Item	Clause / section reference	HP Comment / Issue	HP Recommendation	Alinta Response
		It is unclear what information (of the other applications) will be provided to the applicant (whose satisfaction, delay or progression might affect the timing or terms of access). Horizon Power notes that the definition of 'confidential information' under the PNAC is extremely wide and is concerned about ADEWAP disclosing confidential information about other applicants.	ADEWAP obtains applicant's prior approval before disclosing their confidential information.	