

## **Condition 13C. Recovery of Reinforcement Costs for Relevant Customers**

### **Introduction**

13C.1 This condition prevents the licensee from recovering Reinforcement Costs for Relevant Customers through Connection Charges (levied on owners or occupiers of premises described in paragraph 13C.3) unless Part B of this condition applies.

13C.2 It also requires the licensee:

- (a) (where the licensee is not a Distribution Services Provider) to give effect to the requirements of this condition through its Connection Charging Methodology pursuant to paragraph 13.1(b) of this licence; and
- (b) (where the licensee is a Distribution Services Provider) to co-operate with all other Distribution Service Providers for the purpose of giving effect to requirements of this condition through the Common Connection Charging Methodology within the Distribution Connection and Use of System Agreement.

### **Part A: Restriction on the recovery of Reinforcement Costs from Relevant Customers**

13C.3 A person is a Relevant Customer in relation to a Domestic or business premises if he is the owner or occupier of those premises and those premises:

- (a) are connected to the licensee's Distribution System by a low-voltage single-, two- or three- phase service fused at 100 amperes or less per phase and with whole-current metering;
- (b) are already connected to the licensee's Distribution System and supplied with electricity through a Registered Metering Point when the requirements of the owner or occupier of the premises cause Reinforcement Costs to arise; and
- (c) do not require any modification to their Physical Connection, except for a Looped Service, where any modification to an existing Looped Service provides the owner or occupier of the premises with a low-voltage single phase service fused at 100 amperes or less per phase and with whole-current metering.

13C.4 In determining whether a person is a Relevant Customer for the purposes of this condition, each premises that is connected to the licensee's Distribution System shall be considered separately even if the Reinforcement Costs arise on a part of the licensee's Distribution System because of the actions of a single promoter who installs equipment at multiple premises, where each of those premises meet the requirements of paragraph 13C.3.

## **Part B: Licensee's ability to directly charge the Relevant Customers**

- 13C.5 The licensee may only recover Reinforcement Costs through the levying of a Connection Charge on a Relevant Customer in the circumstances specified in paragraph 13C.6 to the extent that such a charge is reasonable in all the circumstances and is consistent with the provisions of the Distribution Connection and Use of System Agreement, and consistent with paragraph 13C.7.
- 13C.6 The circumstances referred to in paragraph 13C.5 are where the Reinforcement Costs are caused by a Relevant Customer connecting, or allowing to be connected, at its premises:
- (a) generation equipment with a rated output greater than 16 amperes per phase (including the connection of generation equipment of 16 amperes or less per phase where the aggregate capacity of installed generation equipment at the premises is greater than 16 amperes per phase); or
  - (b) equipment which the licensee has a reasonable expectation will fail to meet the equipment standards which have been clearly set out in the Distribution Connection Use of System Agreement.
- 13C.7 The licensee must not recover Reinforcement Costs directly from Relevant Customers under paragraph 13C.3 where those costs have already been provided for through the Charge Restriction Conditions or recovered under another mechanism provided for the recovery of such costs.

## **Part C: Disapplication of this condition**

- 13C.8 The licensee must use its best endeavours to modify its Connection Charging Methodology, pursuant to paragraph 13C.2 so that it only permits the recovery of Reinforcement Costs through the levying of a Connection Charge on a Relevant Customer where such recovery is in accordance with Part B of this Condition.
- 13C.9 When the Authority is satisfied that this has been done it will issue a direction so that this condition ceases to have effect.

## **Part D: Interpretation**

- 13C.10 For the purposes of this condition:

### **Connection Charge**

for the purposes of this condition, means a direct charge levied on an owner or occupier of premises by the licensee in accordance with the Common Connection Charging Methodology.

### **Common Connection Charging Methodology**

has the meaning given to that term in the Distribution Connection and Use of System Agreement.

**Connection Charging Methodology**

means the Charging Methodology used for the purpose of determining the licensee's Connection Charges.

**Looped Service**

means the collection of service cables that provides connections for two or more premises to the Distribution System at low voltage (single phase) and fused at 100 amperes or less and with whole-current metering, and includes the service cable from the mains cable to the first premises and also the second and subsequent (looped) service cable from the first premises to the second (and subsequent) premises(s).

**Physical Connection**

means the fuse and service cable that connects any premises to the Distribution System.

**Relevant Customer**

has the meaning given to that term in paragraphs 13C.3 and 13C.4.

**Registered Metering Point**

means a Metering Point that has been allocated a Metering Point Administration Number under the Master Registration Agreement and has been registered on the licensee's metering registration system by an Electricity Supplier.

**Reinforcement Costs**

for the purposes of this condition means, in relation to Distribution System assets used by the owners or occupiers of two or more premises, the costs incurred in upgrading these assets to accommodate additional demand or generation at the premises.