

Services and pricing policy

for access to Horizon Power's covered Pilbara network

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1. ABBREVIATIONS AND DEFINED TERMS

The following abbreviations are used in this document and have the meaning provided in the table below.

Table 1.1: Document Abbreviations

Abbreviation	Meaning
NSP	Network Service Provider

The following defined terms are used in this document and have the meaning provided in the table below.

Table 1.2: Document Defined Terms

Defined term	Meaning
Code	<i>Pilbara Networks Access Code 2021 (WA).</i>
covered Pilbara network	has the same meaning given to it in section 3 of the <i>Act</i> and for the purposes of this policy includes both a <i>network</i> and a right of the <i>NSP</i> to use a <i>network</i> (to the extent of that right of use). {As at 25 June 2021, the <i>Act</i> defines <i>covered Pilbara network</i> as a covered <i>network</i> that is located wholly or partly in the <i>Pilbara region</i> .}
light regulation network	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>light regulation network</i> as a covered <i>Pilbara network</i> which is regulated by Part 8A of the <i>Act</i> .}
network service provider (NSP)	has the same meaning given to ‘ <i>Pilbara network service provider</i> ’ in the <i>Act</i> . {As at 25 June 2021, the <i>Act</i> defines ‘ <i>Pilbara network service provider</i> ’ as a person who— (a) owns, controls or operates a <i>Pilbara network</i> or any part of a <i>Pilbara network</i> ; or (b) proposes to own, control or operate a <i>Pilbara network</i> or any part of a <i>Pilbara network</i> .}
Pilbara region	has the same meaning given to it in the <i>Act</i> . {As at 25 June 2021, the <i>Act</i> defines <i>Pilbara region</i> as the <i>Pilbara region</i> defined in the <i>Regional Development Commissions Act 1993</i> Schedule 1.}
price list	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>price list</i> as the schedule of <i>tariffs</i> for a <i>light regulation network</i> .}
pricing period	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>pricing period</i> as the defined future period, which must not be more than 5 years, for which a <i>services and pricing policy</i> is applicable.}

Defined term	Meaning
prudent discount policy	a policy as defined in section 67 of the <i>Code</i> .
reference service	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>reference service</i> as a <i>covered service</i> designated by a <i>services and pricing policy</i> to be a <i>reference service</i> , and which is provided on the corresponding <i>reference terms and conditions</i> .}
reference terms and conditions	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>reference terms and conditions</i> as the terms and conditions specified in the <i>services and pricing policy</i> on which a <i>reference service</i> will be provided at a reference tariff.}
services	has the same meaning given to it in the <i>Act</i> and service has a corresponding meaning. {As at 25 June 2021, the <i>Act</i> defines <i>services</i> as— <ul style="list-style-type: none"> (a) the transport of electricity, and other <i>services</i>, provided by means of network infrastructure facilities; and (b) <i>services</i> ancillary to those <i>services</i>.}
services and pricing policy	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>services and pricing policy</i> as the policy of an <i>NSP</i> which contains the details referred to in section 40.}
target revenue	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>target revenue</i> , for a <i>light regulation network</i> for a <i>pricing period</i> , as determined in accordance with sections 47 to 60.}
tariff	has the same meaning given to it in the <i>Code</i> . {As at 25 June 2021, the <i>Code</i> defines <i>tariff</i> for a <i>covered service</i> , as the criteria that determine the <i>charge</i> that is payable by a <i>user</i> to the <i>NSP</i> .}
tariff setting methodology	has the same meaning given to it in section 62 of the <i>Code</i> . {As at 25 June 2021, section 62 of the <i>Code</i> defines <i>tariff setting methodology</i> as— <ul style="list-style-type: none"> (a) the structure of <i>tariffs</i> for all or part of the relevant <i>pricing period</i>, which determines how <i>target revenue</i> is allocated across and within <i>covered services</i>; and (b) includes all methodologies, processes, assumptions, inputs and criteria used in developing that structure and applying it to determine <i>tariffs</i>.}

2. REGULATORY REQUIREMENTS

Section 36(1) of the *Code* states that an *NSP* for a *light regulation network* must prepare, publish and maintain a *services and pricing policy* in respect of the *light regulation network*.

Section 40 of the *Code* states that the *services and pricing policy* must set out:

- the *pricing period*
- each *reference service* to be offered on the *light regulation network*, and *reference terms and conditions* for each such *service*
- the *target revenue* for the *pricing period* together with reasonable details of how it was calculated
- the methodology for adjustment of the *target revenue* during a *pricing period*
- the *tariff setting methodology*
- the *price list*
- the circumstances under which the *price list* will be reviewed for each year of the *pricing period*
- a *prudent discount policy*.

3. SERVICES AND PRICING POLICY

The services and pricing policy for access to Horizon Power’s *covered Pilbara network* is set out in the appendices as identified in the following table.

Table 3.1: Constituent documents that form the services and pricing policy for 2021-22

Code requirement	Constituent document
Pricing period	Appendix B: Tariff setting methodology for the first pricing period (2021-22 to 2023-24), section 5
Reference services, including reference terms and conditions	Appendix A: Reference services for the covered Pilbara network
Target revenue and how calculated	Appendix B: Tariff setting methodology for the first pricing period (2021-22 to 2023-24), sections 5 to 12 and 14
Methodology for adjusting the target revenue	Appendix B: Tariff setting methodology for the first pricing period (2021-22 to 2023-24), section 13
Tariff-setting methodology	Appendix B: Tariff setting methodology for the first pricing period (2021-22 to 2023-24), sections 15 to 17
Price list	Appendix C: Price List – 2021-22, A price list for the covered Pilbara network
Review of price list	Appendix B: Tariff setting methodology for the first pricing period (2021-22 to 2023-24), section 17
Prudent discount policy	Appendix D: Prudent Discount Policy for the covered Pilbara network

APPENDICES

Appendix A: Reference services for the covered Pilbara network

Appendix B: Tariff setting methodology for the first pricing period (2021-22 to 2023-24)

Appendix C: Price List – 2021-22, A price list for the covered Pilbara network

Appendix D: Prudent Discount Policy for the covered Pilbara network