

Connection Charge Reconciliation (CCR) for Standard Pricing



Connection Description	
Network:	Eastern
Price Region:	Coromandel
Price Category Group Description:	Residential and Small Commercial (<50kVA)
Price Categories:	V05C & V06C
Connection Type:	Commercial
Location Type (Urban/Rural):	Rural

Connection charge reconciliation						
Connection Charge	=	Incremental Cost estimate	-	Incremental Revenue estimate	+	Network Cost Contribution
CC	=	IC	-	IR	+	NC
\$9,900	=	\$31,988	-	\$22,208	+	\$120

Incremental cost calculation												
Incremental Cost	=	Extension Cost	+	Customer-Selected Enhancement	+	Network Capacity Cost	+	Incremental Transmission Cost	+	Localised Historical Cost Recovery	+	Operating Cost Loading
IC	=	EC	+	CSE	+	NCC	+	ITC	+	LHCR	+	OCL
\$31,988	=	\$20,799	+	\$0	+	\$11,189	+	\$0	+	\$0	+	\$0
\$20,799	EC	Extension cost of the minimum scheme, excluding any incremental transmission cost										
\$0	CSE	Customer-selected enhancement costs, if any										
\$11,189	NCC	Network Capacity Cost of relevant minimum scheme (calculated in accordance with clause 6B.5)										
\$0	ITC	Incremental transmission cost, if any										
\$0	LHCR	Localised historical cost recovery, if any										
\$0	OCL	Operating cost loading (for non-standard customers only)										

Incremental revenue calculation				Incremental Revenue Assumptions	
Incremental Revenue	=	Incremental Distribution Revenue	+	Incremental Transmission Revenue	
IR	=	IDR	+	ITR	
\$22,208	=	\$17,207	+	\$5,001	

Initial revenue (at Year 0) is estimated as \$1,535.72 and \$383.93 for Distribution and Transmission components respectively.
 (Note that only 50% of this revenue is accounted for initially, in Year 0).
 The NPV calculation then discounts the revenue estimates over a connection revenue life of 15 years at a discount rate of 4.39% with an assumed growth in revenue of 2.00% per year.
 Note that the Distribution revenue component has an OSF (incremental opex scaling factor) rate of 86.02% applied.

Click here for more info:

[Connection charge reconciliations](#)

[Electricity customer connection pricing \("Standard Pricing"\)](#)