



Pioneer Reimbursement Scheme

Pioneer Reimbursement Scheme Principles

Asset and Network Planning

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1.0 Pioneer Cost Share Reimbursement Scheme

1.1 Overview

Endeavour Energy has a Pioneer Reimbursement Scheme in place where customers who have funded their own connection or network augmentations may be eligible for a reimbursement by subsequent customers connecting to the network within seven years from the original connection. Applications for connection after July 1 2014 may be eligible for this scheme. Older applications may be eligible for inclusion into the scheme in cases where construction has not commenced. Construction is deemed to have commenced following a Notification of Intent letter being received by Network Connections.

In addition to paying for any connection works or network augmentations the new customer will also be liable to pay a portion of the costs of the original customer's works that is eligible for reimbursement. The general principles for calculating reimbursement payments for rural and urban customers are stated in this document. Situations may arise which require specific attention and these situations will be addressed in a case-by-case basis.

Details of the Pioneer Cost Share Reimbursement Scheme can also be found on the Endeavour Energy Connection Policy.

2.0 Pioneer Reimbursement Scheme Principles

2.1 Are you an Urban or Rural Customer

When considering applications, we will determine which areas are urban and rural based on the criteria as specified within the definition of rural and urban detailed below, and the local government planning instruments.

It is intended that if land is zoned urban, non-urban or rural then we will apply the relevant policy accordingly. If, however, the land zoning is of a different nature without reference to urban or non-urban or rural (e.g. Residential 1A, 1B etc. or residential bushland conservation), we will determine whether an urban or non-urban classification is appropriate. As a guide, lots of greater than 4,000m² should be considered to be non-urban, unless they are specifically within a commercial or industrial development.

Rural (Non-urban) is that part of a network:

- where the average demand on the high voltage (HV) feeders is less than 0.3 MVA / km; or
- is in an area zoned as rural under a local environmental plan [made under the Environmental Planning and Assessment Act 1979 (NSW)]; or
- is in an area that is predominantly used for agricultural purposes.

Urban network means that part of a network that is not a rural network.

2.2 Urban Connections

2.2.1 Up to and including 100A single phase and 63A three phase

Generally urban connections that are on or fall under the threshold of 100A single phase or 63A three phase will be classified as basic connection services regardless of whether an extension or augmentation is required to connect to the network.

These customers will not be required to pay the costs associated with any extensions or augmentations required and as a result will not be charged contributions towards a Reimbursement Scheme.

2.2.2 Over 100A single phase and 63A three phase

Urban connections that are over this threshold of 100A single phase or 63A three phase may be required to fund network augmentations and extensions to enable a connection to the network and be able to receive reimbursement payments from eligible connecting customers. Future Reimbursement Scheme repayments will be determined by the following principles:

1. Where urban customers below the threshold are connecting to assets subject to reimbursements, no Reimbursement Scheme payments will be made to the original customer.
2. The network valuation subject to the Reimbursement Scheme will be calculated using the Endeavour Energy current asset valuation system based on efficient industry cost multiplied by an appropriate percentage as an allowance for work being carried out externally and to account for any associated complexities.
3. Customers may decide their proposed method of supply and may choose the cheapest option as long as it meets Endeavour Energy's technical standards. The proposed method of supply will need to be approved by Endeavour Energy.
4. The Reimbursement Scheme asset value will be calculated and agreed at design certification. Retrospective changes will not be made post certification.
5. If a customer requests a connection to be constructed to a higher standard or capacity than the Endeavour Energy standard design, then the Reimbursement Scheme payment will be based on the cost of standard design, irrespective of the design and cost of the customer funded connection. For example, if the customer decides to build a chamber substation, the reimbursement costs will be based on the equivalent Padmount substation.
6. When determining if a developer is a large load customer, as defined by Endeavour Energy, the total development site will be used, not just a stage or component of the overall development.
7. Customers with load equal to or greater than **2MVA** will be classified as a large load customer and can only be reimbursed by future customers who are either a large load customer themselves and if not a large load customer, has a load of at least 50% of the original customer's load.
8. The technical assessment when the reimbursable project is initially reviewed will require the break-up of costs into the following categories:
 - a. Augmentation – HV;
 - b. Augmentation – Substation;
 - c. Augmentation – LV;
 - d. New substation establishment
 - e. Network extension – HV;
 - f. Network extension – LV; and
 - g. The maximum capacity available due to the new works.
9. Where the original customer has paid for an extension or augmentation, eligible customers connecting to the extension or augmentation will be required to make a reimbursement payment to the original customer and the reimbursement payment will be calculated based on the portion of the extension used and whether or not the customer benefitted from the augmented network, that is, used the additional capacity. The calculation will be based on the agreed value of the network funded by the original customer and subject to principle 13 and 14.
10. In most situations in urban areas, Endeavour Energy will provide the transformer. Where Endeavour Energy has provided the transformer, its size will be determined by Endeavour Energy and based on future utilisation.

11. Where Endeavour Energy makes a contribution towards the establishment of the network asset, no reimbursement will be payable to the original customer by future customers connecting to that asset.
12. For the points below the following categories include:
 - Substation Works include:
 - HV assets from the customer boundary.
 - One set of HV joints to enable the connection into the substation.
 - All costs associated with establishing substation.
 - HV/LV switchgear.
 - HV Feeder Works include:
 - HV assets from the connection point on the existing network to the customer boundary and associated works.
 - LV Feeder Works include:
 - All LV assets up to and including LV termination at the substation.
13. For customers connecting to the HV network, where Endeavour Energy has provided a spare 11kV switch in the substation for future connections to the substation, no reimbursement is payable for the substation component by the new customer for connecting to the HV.
14. For customers connecting to the LV network, where Endeavour Energy has provided the transformer free of charge, the connecting customer will not be required to pay reimbursements for the substation or LV component of the customer funded augmentation.
15. Spare capacity of the LV feeder will be based on the Endeavour Energy rating standards to determine the additional number of customer to be connected.
16. Where Endeavour Energy has utilised the connection to an asset with the objective to enhance security or reliability of the network, reimbursements will not be provided to any customer. If a subsequent customer connection is made to the Endeavour Energy funded network, Endeavour Energy will not pay the residual calculated reimbursement to any customers eligible for reimbursements.
17. Where Endeavour Energy subsequently extends the network for the purposes to supply other customers as part of a shared asset, Endeavour Energy will pay the reimbursement to the original customer based on the residual calculated reimbursement.
18. Reimbursement payments will be made to the current premises owner.
19. For subdivisions undertaken in a Reimbursement Scheme location, the developer will be required to make a reimbursement payment to the original customer based on the reimbursement formula.
20. If a proposed subdivision requires an augment or an extension of the network, the works will be subject to the Reimbursement Scheme by future applicants outside the subdivision. Repayments will be made to the developer of the subdivision. Lot owners within the original subdivision will not be eligible for reimbursements.
21. The pioneer Reimbursement Scheme is not available for asset relocations, public lighting or for special small services.
22. Generally the pro-rata calculation in Section 3.4 will be used to calculate the Reimbursement Scheme repayments as future connections will be above the threshold.
23. Reimbursements only apply to active assets. Once an asset has been removed due to asset relocation or removal, an assessment will be made by Endeavour Energy to determine the application or termination of the Reimbursement Scheme.

2.3 Rural Connections

Rural customers wishing to connect to the network requiring augmentations and extensions will be required to fund the network connection works and as a result may be eligible for reimbursements based on the principles below:

1. The network valuation subject to the Reimbursement Scheme will be calculated using the Endeavour Energy current asset valuation system based on efficient industry cost multiplied by an appropriate percentage as an allowance for work being carried out externally and to account for any associated complexities.
2. Customers may decide their proposed method of supply, and may choose the cheapest option as long as it meets Endeavour Energy's technical standards. The proposed method of supply will need to be approved by Endeavour Energy.
3. The Reimbursement Scheme asset value and apportionment of reimbursement payable by other customers will be calculated and agreed at design certification. Retrospective changes will not be made post certification.
4. If a customer requests a connection to be constructed to a higher standard or capacity than the Endeavour Energy standard design, then the Reimbursement Scheme payment will be based on the cost of standard design, irrespective of the design and cost of the customer funded connection. For example, if the customer decides to build a chamber substation, the reimbursement costs will be based on the equivalent Padmount substation.
5. When determining if a developer is a large load customer, as defined by Endeavour Energy, the total development site will be used, not just a stage or component of the overall development.
6. Customers with load equal to or greater than **2MVA** will be classified as a large load customer and can only be reimbursed by future customers who are either a large load customer themselves and if not a large load customer, has a load of at least 50% of the original customer's load.
7. The technical assessment when the reimbursable project is initially reviewed will require the break-up of costs into the following categories:
 - a. Augmentation – HV;
 - b. Augmentation – Substation;
 - c. Augmentation – LV;
 - d. New substation establishment;
 - e. Network extension – HV;
 - f. Network extension – LV;
 - g. If customers are less than or equal to the threshold of 50kVA - the number of customers that can be connected to the network that is subject to reimbursement; and
 - h. If customers are above this threshold - the maximum capacity available due to the new works.
8. Where the original customer has paid for an extension or augmentation, customers connecting to the extension or augmentation will be required to make a reimbursement payment to the original customer and the reimbursement payment will be calculated based on the portion of the extension used and whether or not the customer benefitted from the augmented network, that is, used the additional capacity. The calculation will be based on the agreed cost of connecting to the network by the original customer.
9. Where future customers connecting to the original customer's works are below the threshold then a technical assessment will be performed to determine the level of reimbursement the original customer will receive per future connecting customer. This calculation has been described in section 3.3.

10. Where future customers connecting to the original customer's works are above the threshold then a technical assessment will be performed to determine the level of reimbursement the original customer will receive based on the pro-rata calculation described in section 3.4.
11. Where Endeavour Energy makes a contribution towards the establishment of the network asset, no reimbursement will be payable to the original customer by future customers connecting to that asset.
12. Spare capacity of the LV feeder will be based on the Endeavour Energy rating standards to determine the additional number of customer to be connected.
13. Where Endeavour Energy has utilised the connection to an asset with the objective to enhance security or reliability of the network, reimbursements will not be provided to any customer. If a subsequent customer connection is made to the Endeavour Energy funded network, Endeavour Energy will not pay the residual calculated reimbursement to any customers eligible for reimbursements.
14. Where Endeavour Energy subsequently extends the network for the purposes to supply other customers as part of a shared asset, Endeavour Energy will pay the reimbursement to the original customer based on the residual calculated reimbursement.
15. Reimbursement payments will be made to the premises owner.
16. For subdivisions undertaken in a Reimbursement Scheme location, the developer will be required to make a reimbursement payment to the original customer based on the reimbursement formula.
17. If a proposed subdivision requires an augment or an extension of the network, the works will be subject to the Reimbursement Scheme by future applicants outside the subdivision. Repayments will be made to the developer of the subdivision. Lot owners within the original subdivision will not be eligible for reimbursements.
18. The pioneer Reimbursement Scheme is not available for asset relocations, public lighting or for special small services.
19. Reimbursements only apply to active assets. Once an asset has been removed due to asset relocation or removal, an assessment will be made by Endeavour Energy to determine the application or termination of the Reimbursement Scheme.

3.0 Reimbursement Calculations

The method of calculating reimbursements is explained in the Endeavour Energy Connection policy and is summarised below.

3.1 Definitions

CPI adjustments will apply to the reimbursement calculations and the following terms will be used:

CPI(1) means the average of the consumer price indices (All Groups, All Capital Cities), published by the Australian Bureau of Statistics, for the previous 4 quarters immediately prior to the date that the original customer's works are completed.

CPI(2) means the average of the consumer price indices (All Groups, All Capital Cities), published by the Australian Bureau of Statistics, for the previous 4 quarters immediately prior to date of the new customer's application for customer connection services.

CPI(3) means the average of the consumer price indices (All Groups, All Capital Cities), published by the Australian Bureau of Statistics, for the 4 quarters ending 30th June 2012.

Despite any other cost share reimbursement calculations:

- (i) The pre-calculated reimbursement, the pro-rata reimbursement and the original customer's outstanding amount are deemed not to include any references to CPI in the case where the beginning of the relevant period for the calculation of CPI(2) is less than 12 months after the end of the relevant period for the calculation of CPI(1);
- (ii) The Minimum reimbursement is deemed not to include any references to CPI in the case where the beginning of the relevant period for the calculation of CPI(2) is less than 12 months after the end of the relevant period for the calculation of CPI(3); and
- (iii) in the event that all the relevant information to calculate CPI(2) has not been published by the Australian Bureau of Statistics at the time of a new customer's application for customer connection services then the most recent available rates will be used, (i.e. the rates applicable to the previous quarter).

3.2 Minimum Reimbursements

Despite the cost share reimbursement calculations, a new customer is not liable to pay any cost share reimbursement to all existing customers if the amount is less than \$1000 (\$,real 2012) calculated by:

$$\frac{\$1000 \times CPI(2)}{CPI(3)}$$

3.3 Pre-calculated Calculation

If the Reimbursement Scheme applies to customers under or equal to 50kVA then the pre-calculated reimbursement method will be used to determine the reimbursement component.

If the work was a distribution feeder:

$$\frac{\text{Cost of original customer's works} \times \text{Depreciation Factor}}{\text{Number of prospective new customers} + \text{original customer}} \times \frac{\text{Length of original customer's works used by the new customer (km)}}{\text{Total length of original customer's works (km)}} \times \frac{CPI(2)}{CPI(1)}$$

If the work was other than a distribution feeder:

$$\frac{\text{Cost of original customer's works} \times \text{Depreciation Factor}}{\text{Number of prospective new customers} + \text{original customer}} \times \frac{CPI(2)}{CPI(1)}$$

Cost of original customer's works is:

The value of the works calculated from the Endeavour Energy's asset valuation supplied as part of the certification package where an ASP carried out the original customer's works.

Number of prospective new customers is:

The effective number of new customers excluding the original customer that may use the works or any part of them during the reimbursement period.

This is determined in consultation with the original customer prior to construction of the proposed original customer's works, and taking into account all relevant factors including but not limited to the capability of

the proposed works, the current number of properties that could potentially utilise those works, the current zoning of the area and any re-zoning proposals, any proposed subdivisions or development applications, and historical patterns of customer connection in similar areas.

Depreciation Factor is:

A straight line depreciation, over a twenty year asset life, to determine the current day depreciated value of the asset.

The depreciation factor is determined as follows:

$$\frac{\text{Deemed life (20 years)} - \text{asset age}}{\text{Deemed asset life (20 years)}}$$

For example:

Cost of line is \$12,000 and actual asset age is 2 years

Depreciation factor is $(20-2) / 20 = 0.9$

Depreciated asset value is:

$$\$12,000 \times 0.9 = \$10,800$$

3.4 Pro-rata reimbursement

If the Reimbursement Scheme applies to customers above 50kVA, the formula below will be used instead:

The pro-rata reimbursement is an amount calculated in accordance with the following formula:

$$\text{Cost of original customer's works} \times \frac{\text{New utilisation of original customer's works} \times \text{Depreciation Factor}}{\text{Total capacity of original customer's works}} \times \frac{\text{CPI}(2)}{\text{CPI}(1)}$$

New utilisation of original customer's amount is:

- where the original customer's works are distribution lines, a figure in kVA km, representing the new customer's expected load, in kVA (as specified in its application for customer connection services), multiplied by the length of original customer's works used by the new customer, in km; and
- where the original customer's works are works other than distribution line, a figure in kVA, representing the new customer's expected load (as specified in its application for customer connection services).

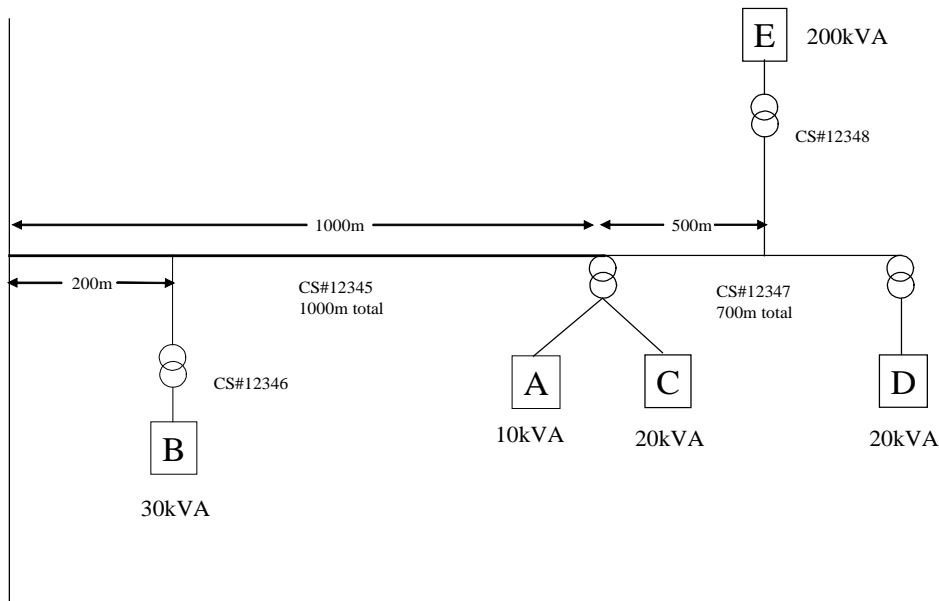
Total capacity of original customer's works is:

- where the original customer's works are distribution lines, a figure in kVA km, representing the total of the potential loads of all customers (including the original customer and the new customers) who use or will use the original customer's works, in kVA (as specified in their respective applications for customer connection services), multiplied by the length of distribution line constituting the original customer's works, in km; and
- where the original customer's works are works other than distribution line, a figure in kVA, representing the total of the potential loads of all customers (including the original customer and the new customers) who use or will use the original customer's works (as specified in their respective applications for customer connection services).

3.5 Rural Worked Example

The following worked example may be used as guidance in interpreting the requirements of the Pioneer Reimbursement Scheme. The following calculations do not include CPI adjustments.

Suppose customers A to E apply for customer connection services after 1 July 2014, in alphabetical order within a seven (7) year period, as shown in the following sketch:



Note: All loads as specified in customer's application for customer connection services

Customer A funds a 1km, \$10,000 11kV line extension and a \$5,700 substation to establish supply to his property in 2014. Assume that all assets have a lifespan of 20 years.

Pre-Calculated Calculations:

It is determined at the time of construction that the number of prospective beneficiaries of the 11kV line is 5 and of the substation is 2 (including the original customer). The pre-calculated reimbursements for all new connections less than the threshold are therefore set as:

$$\begin{aligned} \text{High Voltage (HV) Line beneficiaries} &\Rightarrow \frac{\text{Cost of original customer's works}}{\text{Number of prospective new customers + original customer}} \\ &= \$10,000 / 5 = \mathbf{\$2,000 \text{ per customer; and}} \end{aligned}$$

$$\begin{aligned} \text{Substation beneficiaries} &\Rightarrow \frac{\text{Cost of original customer's works}}{\text{Number of prospective new customers + original customer}} \\ &= \$5,700 / 2 = \mathbf{\$2,850 \text{ per customer.}} \end{aligned}$$

Customer A's outstanding amount (CS# 12345) is now:

$$(\$10,000 + \$5,700) - \$2,000 - \$2,850 = \$10,850.$$

Customer B connects in 2014 to the high voltage (HV) line utilising 200m of the 1000m total length. In addition to any costs of new dedicated works Customer B is also liable for a reimbursement of:

$$\frac{\text{Cost of original customer's works} \times \text{Depreciation Factor}}{\text{Number of prospective new customers} + \text{original customer}} \times \frac{\text{Length of original customer's works used by the new customer (km)}}{\text{Total length of original customer's works (km)}} =$$

$$\$2,000 \quad \times \quad (20 - 0)/20 \quad \times \quad 200/1000 \quad = \quad \$400$$

payable to Customer A (or the subsequent owner of Customer A's premises).

Customer A's outstanding amount (CS# 12345) is now:

$$\$10,850 - \$400 = \$10,450.$$

A cost sharing Reimbursement Scheme would need to be set up for Customer B (CS# 12346) covering the new substation.

Customer C connects **in 2014** as a low voltage (LV) customer utilising both the high voltage (HV) line and the substation funded by Customer A. The reimbursement is:

$$\begin{array}{l} \text{HV Line beneficiaries (Full line length used)} \\ \$2,000 \end{array} + \begin{array}{l} \text{Substation beneficiaries} \\ \$2,850 \end{array} = \$4,850,$$

payable to Customer A (or the subsequent owner of Customer A's premises).

Customer A's outstanding amount (CS# 12345) is now:

$$\$10,450 - \$4,850 = \$5,600.$$

If Customer C connects in 2016, the depreciation factor would change the calculations in the following manner:

$$\text{Depreciation factor} = [20-2] / 20 = 0.9.$$

Customer C connects in 2016 as a low voltage (LV) customer utilising both the high voltage (HV) line and the substation funded by Customer A. The reimbursement is:

$$\begin{array}{l} \text{HV Line beneficiaries (Full line length used)} \\ (\$2,000 \times 0.9) \end{array} + \begin{array}{l} \text{Substation beneficiaries} \\ (\$2,850 \times 0.9) \end{array} = \$4,365,$$

Customer A is now owed =

$$\$10,450 - \$4,365 = \$6,085$$

No additional cost sharing Reimbursement Schemes are required because Customer C has not contributed to any new network assets.

Customer D funds a further 11kV line extension of 700m **in 2014**, at a cost of \$8,850 and a \$7,200 transformer to establish supply to his premises. Customer D agrees at the time of construction that the number of prospective beneficiaries of the 11kV line is **10** and of the substation is **2**. The pre-calculated reimbursements for new connections less than 50kVA are therefore set as:

$$\text{High Voltage (HV) Line beneficiaries} \Rightarrow \frac{\text{Cost of original customer's works}}{\text{Number of prospective new customers} + \text{original customer}}$$

$$\$8,850 / 10 = \text{\$885 per Customer; and}$$

Substation beneficiaries \Rightarrow
$$\frac{\text{Cost of original customer's works}}{\text{Number of prospective new customers + original customer}}$$

$$\$7,200 / 2 = \text{\$3,600 per Customer.}$$

Customer D's outstanding amount (CS# 12347) is now:

$$(\$8,850 + \$7,200) - \$885 - \$3,600 = \$11,565$$

Customer D is also a beneficiary of the line extension the subject of Cost Share Reimbursement Scheme CS # 12345 and is therefore liable for a reimbursement of:

$$\begin{aligned} & \frac{\text{Cost of original customer's works} \times \text{Depreciation Factor}}{\text{Number of prospective new customers + original customer}} \\ & \times \frac{\text{Length of original customer's works used by the new customer (km)}}{\text{Total length of original customer's works (km)}} = \\ & \$2,000 \times ([20-0] / 20) \times (1000 / 1000) = \$2,000 \end{aligned}$$

payable to Customer A (or the subsequent owner of Customer A's premises).

Customer A's outstanding amount (CS# 12345) is now:

$$\$5,600 - \$2,000 = \$3,600.$$

If Customer D connects in 2017, after Customer C connected in 2016, then the reimbursement to A is:

$$\$2,000 \times ([20-3] / 20) \times (1000 / 1000) = \$2,000 \times 0.85 = \$1,700$$

Customer A is now owed:

$$\$6,085 - \$1,700 = \$4,385$$

Pro-Rata Calculations:

Customer E connects in 2014, Customer E is liable to a pro-rata reimbursement based on respective loads because his load is greater than 50kVA. Customer E is also a beneficiary of works the subject of two cost sharing schemes, CS# 12347 and CS# 12345, and is therefore liable to make reimbursements for these as follows.

Calculation of reimbursement to Customer A (or the subsequent owner of Customer A's premises):

$$\text{Total cost of shared works} = \$10,000$$

The total capacity of the feeder is 400 kVA

Therefore the responsibility of Customer E to Customer A is:

$$200 / 400 \times \$10,000 \times ([20-0] / 20) = \$5000$$

Since this amount is greater than Customer A's outstanding amount Customer E is only required to reimburse **\\$3,600** to Customer A (or the subsequent owner of Customer A's premises).

Customer A is no longer entitled to any further reimbursements.

If customer E connected in 2017

Then responsibility of Customer E is:

$$200 / 400 \times \$10,000 \times ([20-3] / 20) = \$4,250.$$

Since the outstanding amount is \$4,385, E pays the full amount to A.

Calculation of reimbursement to Customer D (or the subsequent owner of Customer D's premises):

Total Cost of shared works = \$8,850 (the HV component of the network)

The total capacity of the feeder is 400 kVA

Therefore the responsibility of Customer E to Customer D is

$$0.5 * 200 / 0.7 * 400 \times \$8,850 \times ([20-0] / 20) = \$3,160$$

Since this amount is less than Customer D's outstanding amount Customer E is liable to reimburse the full amount of \$3,160 to Customer D.

Customer D's outstanding amount (CS# 12347) is now:

$$\$11,565 - \$3,160 = \$8,405.$$

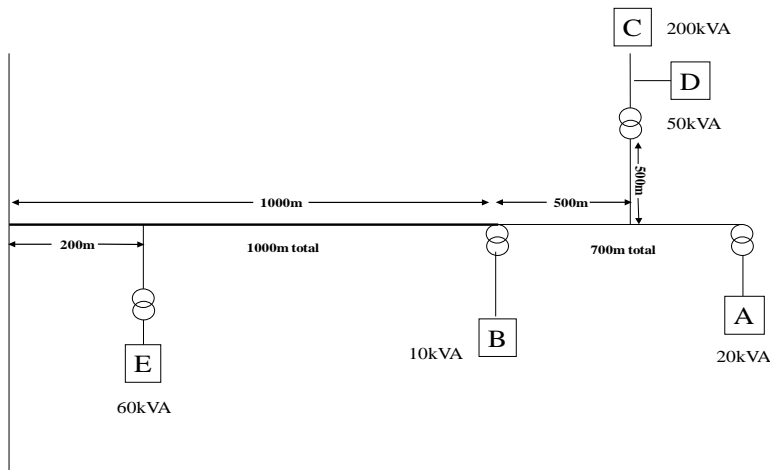
The total cost-share reimbursements paid by Customer E were:

$$\$3,600 + \$3,160 = \$6,760.$$

3.6 Urban Worked Example

The example above has been re-worked to illustrate how the Pioneer Reimbursement Scheme applies for a similar situation in an urban area.

Suppose customers A to E apply for customer connection services after 1 July 2014, in alphabetical order within a seven (7) year period, as shown in the following sketch:



Note: All loads as specified in customer's application for customer connection services

As customers A and B are under the threshold, they would not need to fund their 11kV Line extensions and Substation works.

Customer C connects in 2014 and funds a line extension from the shared 11kV Feeder to his premises. The HV component of the Feeder extension will be subject to the Pioneer Reimbursement Scheme based on the pro-rata calculations. Customer C will also be required to fund the substation establishment costs.

Being an urban area, Endeavour Energy will provide the distribution transformer and spare HV/LV switches for future connections. As a result the substation establishment costs will not be eligible for a Reimbursement Scheme.

When future customer D, above the threshold, wishes to connect in 2014, customer D will need to reimburse customer C for the HV Feeder extension using the pro-rata calculation detailed in Section 3.4. As customer D will use Endeavour Energy funded spare LV switches, no reimbursement for the substation component is required. However as customer D is above the threshold, this customer will need to fund the LV extension from the substation to their premises.

Customer E wishes to connect after customer D. As customer E will be connecting to the Endeavour Energy funded feeder, no reimbursement payments are required. However as customer E is above the threshold, this customer will be required to fund their extension from the shared 11kV Feeder along with the substation establishment costs.

4.0 Payments to the Scheme

Endeavour Energy will assess all new connection works projects where a customer has contributed to the costs of either augmenting or extending the network to determine if they are eligible to be included in the Reimbursement Scheme.

A determination regarding the eligibility for inclusion into the scheme and any calculations with respect to possible future payments by subsequent customers will be determined and agreed with the original customer prior to certification of the connection works designs.

Endeavour Energy will review each application for connection services received for new connections to identify any reimbursements that must be paid by those customers to the original customer. Where the new applicant will not be required to carry out further extension or augmentation work on the network and therefore be connecting under a Model Standing Offer for Basic Connection Services, they will be required to forward payment of the calculated reimbursement payment to Endeavour Energy prior to being issued a Permission to Connect letter, allowing their Level 2 Accredited Service Provider to make connection.

In cases where the new applicant is required to undertake augmentation or extension works to the network in order to connect, the applicant will be issued with an offer to connect under the terms and conditions of the Model Standing Offer for Standard Connection Services which would include the requirements to undertake those works and also to forward payment of the calculated reimbursement payment to Endeavour Energy prior to acceptance of their Notice of Intent to commence construction work.

Endeavour Energy will then forward any payments received in accordance with the Reimbursement Scheme calculations to the party nominated on the original customers Shared Asset Reimbursement Scheme confirmation letter.