

Pricing information



Large Enterprise customers

Horizon Power's Pricing Policy




This pricing information sheet explains the charges you will be required to pay when you:

- first connect or augment your existing supply connection to Horizon Power's electricity system and
- how you will be charged for ongoing electricity use.

Getting connected

Services to get you connected

If you need to connect your premises to the Horizon Power electricity system, or if you wish to upgrade any existing connections, then depending on the connection you require, one or more of the following services will be required.

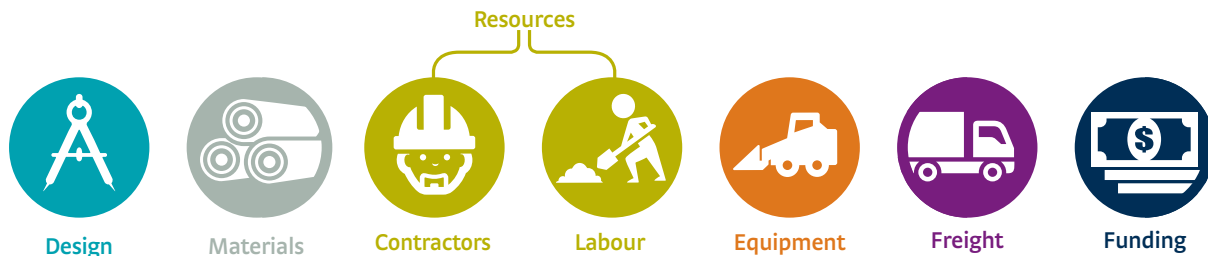
 <p>Generation augmentation</p>	<p>You will be charged for a contribution to any upgrades required to facilitate your connection at the power station, whether it be immediate or in the future.</p> <p>The contribution is calculated based on the risk of an asset becoming stranded. It covers the time it would take for the system demand to grow by the requested connection capacity based on the current demand and energy forecast.</p> <p>Generation augmentation costs are not refundable.</p>
 <p>Network augmentation</p>	<p>You will be charged for any works required to increase the capacity of the existing network assets if Horizon Power needs to upgrade or extend its existing distribution and transmission networks to meet your request for electricity supply (whether it be immediate or in the future).</p> <p>As an example, this may include changes to network configuration, such as building new lines, upgrading or replacing existing transformers, substation components, poles, wires and underground cables to be able to accommodate the new connection.</p>
 <p>Connection</p>	<p>You may be charged for any works required if Horizon Power needs to extend the network to your business premises (the portion of the network that is exclusively for your use*).</p> <p>This may include planning for and installing extension poles and transformers, underground cabling and performing any associated works required to make the physical connection to the existing network.</p> <p>All Large Enterprise customers will be charged full connection costs.</p> <p><i>*Some assets are 'sole use' whereas others are for 'shared use'. If no other customers are currently connected to the assets required for your connection, then those assets are sole use assets.</i></p>



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Cost of services

A number of components contribute to the costs of generation and network augmentation and connection. These may be categorised as:



A **design fee** is payable for projects involving:

- the supply of electricity to a connection with a total maximum load of between 31 kVA and 1000 kVA or 10% of the relevant systems peak load;
- CT metering that will result in an increase in the load capacity at the relevant site; or
- a subdivision that requires Horizon Power to undertake headworks to connect the subdivision to Horizon Power's network and the capacity of the connection will be between 31kVA and 1000 kVA or 10% of the relevant systems peak load.

This amount covers the work required to prepare a detailed design and formal quote.

If your project will result in a total maximum load greater than 1000kVA or 10% of the relevant systems peak load, Horizon Power will contact you, as a bespoke arrangement may be required to undertake the relevant work.

Materials are the physical items used in, or on, the project works to get you connected or increase your connection size.

Horizon Power relies on a combination of internal staff and carefully selected contractors as the **resources** on a project to perform the work.

The **equipment** costs are the fees associated with vehicles or other supporting tools required to complete the project.

An allowance is also made in the Formal Quote to recover for any **freight** costs incurred during the project.

The **cost of funding** is included to recover a tax payment Horizon Power is required to make upon completion of any project. The funding value is applied to the project value and covers the initial 30 per cent income tax payable on the gifting/vesting of the capital cost of the asset, and the reduction in income tax over the life of the asset due to depreciation. This net tax payment is incurred as result of the new assets that are gifted to Horizon Power. The current rates are 9 per cent for assets with life less than 20 years, and 15 per cent for assets with life greater than 20 years.

Already connected

Once you are connected, various ongoing charges apply. These include your electricity price (tariff) and any fees and charges that cover additional services provided to you as part of managing your account.

Electricity price

As a Large Enterprise customer you will receive a bespoke contracted energy price which includes the following components:

Energy charge

This charge recovers the variable cost of generating and distributing electricity and is predominantly comprised of the fuel costs associated with your electricity consumption.



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Generation capacity charge

This charge recovers the fixed costs for generating electricity, and is calculated based on the capacity contracted from Horizon Power.

Network capacity charge

This charge recovers the fixed costs associated with transmitting and distributing electricity to you. Capacity charges are based on your utilisation of assets via a return on asset (ROA) calculation, where the asset value is replacement cost minus customer funded contributions.

Supply charge

This charge may be included and recovers the overhead costs associated with providing an electricity service to you.

A profit margin is applied to all costs.

Fees and charges

Fees and charges may include any of the standard Fees & Charges listed on Horizon Power's website.






Customer segmentation

The information provided in this factsheet is relevant for the customer group Horizon Power refers to as '**Large Enterprise**'. When you apply to connect to the Horizon Power electricity system, you will be assigned to a customer segment based on the size of your requested connection, as well as a consideration for the nature of your connection, and ongoing energy consumption.

The Large Enterprise group or segment applies to customers whose connection size exceeds 1 MVA and/or customers who transfer electricity through Horizon Power's electricity system (a practice known as 'wheeling'). If you are already connected and have been using electricity for at least 12 months, your electricity consumption level may determine which customer segment you will fall into. Subject to existing contractual arrangements, it may be possible to move between customer segments if your consumption has changed. Please note, Developers are in a separate customer segment to Large Enterprise if they are not the end-users of electricity.

Horizon Power segments customers into groups to ensure we are able to address the unique requirements of our diverse customer base.

The following is a complete list of Horizon Power segments:

Customer segment	Connection description	Annual electricity consumption
 Residential	Private dwelling used solely for residential purposes	
 Small Enterprise	< 45 kVA (non-residential use)	0 – 160 MWh/annum (non-residential use)
 Medium Enterprise	45kVA – 1 MVA	160 – 4380 MWh/annum
 Large Enterprise	> 1 MVA	> 4380 MWh/annum
 Developer	An owner or other authority who develops land and provides electricity infrastructure that will have future capacity and energy requirements of any size from customers.	N/A



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Fact sheets detailing the charges applicable to other customer segments are available online or from your local Horizon Power office. Please contact us to obtain any of these or for assistance in determining the customer segment that applies to you.

Why do these charges apply?

Horizon Power has a Pricing Policy to guide how we charge for the services we provide you in relation to connecting your service, providing and managing your supply of electricity as well as for the buyback of renewable energy.

Horizon Power has a requirement to operate as a commercially responsible Government Trading Enterprise, under the *Electricity Corporations Act 2005*. Section 61 of the Act requires us to “act in accordance with prudent commercial principles, consistent with maximising long term value”. In addition to the *Electricity Corporations Act 2005* we are also bound to comply with other external laws and policies, such as relevant Taxation and Competition laws. These external factors also govern our pricing.



Contact us

To obtain a quote, or for more information, please contact your local Horizon Power office listed below.

Broome

2-4 McDaniel Rd, Broome WA 6725
Phone: (08) 9192 9900

Esperance

143 Sims St Esperance WA 6450
Phone: (08) 9072 3400

Gascoyne and Mid West

Cnr Iles Rd and Robinson St Carnarvon WA 6701
Phone: (08) 9941 6299

Karratha

Shop 24, Karratha Village Sharpe Ave Karratha WA 6714
Phone: (08) 9159 7250

Kununurra

Lot 228 Messmate Way Kununurra WA 6743
Phone: (08) 9166 4700

Port Hedland

18 Anderson St Port Hedland WA 6721
Phone: (08) 9173 8281

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