

Document	Article/Section	Discussion of Comment/s and/or Questions for Clarification	Suggestions/Proposed Change/s
Annex A Rules for Setting Distribution Wheeling Rates (RDWR)	General Comments	<p>As described in Sec. 2 of the Issues Paper, the <u>RDWR applies only to privately owned Distribution Utilities that have commenced the Regulatory Reset Process</u> and are therefore defined as Regulated Entities (RE). It determines the manner in which the maximum electricity distribution wheeling rates for providing Regulated Distribution Services by a RE and the Performance Incentive Scheme to be implemented under PBR.</p> <p>As defined in Article 1.3 of the RDWR, a <u>Regulatory Reset Process refers to the actions prior to the start of any Regulatory Period, through which the price control arrangements are established that will apply to a RE for the next Regulatory Period.</u></p> <p>As per Sec. 1.2 of the Issues Paper, <u>July 1, 2015</u> is the date at which the First group of privately-owned Distribution Companies will enter the Fourth Regulatory Period under PBR.</p> <p>Doing a regulatory reset process after the start of any Regulatory Period, particularly Fourth Regulatory Period, is contrary to the requirement as provided for in the RDWR.</p>	DECORP proposes to apply these rules to the Fifth Regulatory Period only and handle separately (on a later date) the Fourth Regulatory Period with a new set of rules applicable for it.
Annex B Issues Paper for the Regulatory for the First Entry Group for the Fourth and Fifth Regulatory Period			
	Sec. 3.2	<p><b>Reset timetable</b></p> <ul style="list-style-type: none"> <li>• A schedule is provided for the issuance of the <u>Supplemental RAB Handbook</u> but none on the <u>Final (Main) RAB Handbook</u>?</li> </ul>	

		<ul style="list-style-type: none"> <li>• The Final Supplemental RAB Handbook will be issued later than the revenue requirement application. How can we comply with the Roll Forward RAB if the application will be done earlier than the issuance of the handbook?</li> <li>• In Sec 3.2.1 of the Issues Paper, Figure 3.1, the flowchart of the regulatory reset process includes issuance of draft determination and its public consultation prior to submission of Final Determination, why are these not part of the reset timetable in Sec. 3.2, table 3.1 of the same document?</li> <li>• Considering the limited time, a month to submit our revenue application, it will be difficult to comply with the additional requirement for auditor's certification and report.</li> </ul>	
	Sec. 4.1.2	...practicality of providing further breakdown of operating and maintenance expenditure related to consumption growth...	Classification based on load growth, etc. is ordinarily done for capital expenditures. However, for operating and maintenance expenditures, which are normally recurring expenses, recording is based on its nature, ex. rent. It would involve estimations and allocations to segregate rent as to growth or safety. This process will be applied to majority of expenses and considering the numerous works, it would be impractical for additional breakdown.
	Sec 11.2	<p>Converting maximum annual prices into rates</p> <p>...Such changes or the introduction of a new rate structure can therefore only be made as part of the regulatory reset process</p> <p>For clarification, the proposal for a new rate structure will form part of our revenue requirement application or our first application for rate translation given a regulatory period?</p>	
	Sec 10.3.3	Inclusion of outages on major low voltage lines or distribution transformers	Most of the causes of outages of distribution transformers are outside of the control of the DU and should not be included in the performance measurement, i.e. shorted service entrance, defective

			motor loads, etc.
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