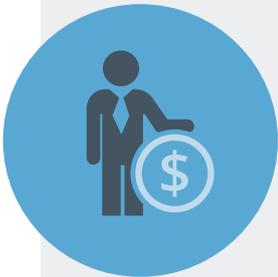


Cost of capital contribution

Information for Victorian customers

→ *When new connections are made to a distribution network, there are costs involved. Some of those costs must be paid by the customer requesting the connection. We can only investigate a limited scope of complaints about capital contributions.*



What are capital contributions?

Capital contributions are payments made by customers who want to make a new connection to a distribution network for electricity, gas or water. For new connections, customers will generally be directed to pay for costs up to a defined point on the distribution network – the connection point.

Capital contribution costs are usually paid as a single, lump-sum payment before any works commence.

Why do I have to pay capital contribution?

A capital contribution ensures that the costs for the connection are paid by the customer who initiated the works. Distributors and water providers do not fully fund customer-initiated new connections, as it would lead to costs passed on to all customers within the network.

What is the difference between Capital Contribution and Supply Upgrade Costs?

Capital contribution is about costs involved with new projects and developments. For example, a real estate developer needs electricity, gas and water lines to be connected at a new apartment building. Since it is the developer that needs the new connections, they would be required to contribute towards the costs of the works.

Supply upgrade costs is about an upgrade at an existing connection. For example, a customer needs an electricity meter upgraded to allow for solar export. The customer would need to speak with their distributor to find out the cost to upgrade their existing connection.

How can EWOV help?

We generally can't investigate the cost of capital contribution. Capital contribution cost is not within the scope of complaints we can take – what we call our 'jurisdiction'. Any complaints about the setting of these costs is better dealt with by the Australian Energy Regulator or the Essential Services Commission.

We can, however, investigate a complaint about:

- information provided by a distributor
- the quoting process for capital contribution
- where a distributor has applied a charge inappropriately
- where a customer has been charged a higher amount than they have been quoted.

FOR FURTHER INFORMATION:

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