

Final Decision

**Power and Water Corporation
Electricity Distribution
Determination 2024 to 2029
(1 July 2024 to 30 June 2029)**

**Attachment 16
Alternative control services**

April 2024

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List of attachments

This attachment forms part of the AER's final decision on the distribution determination that will apply to Power and Water Corporation for the 2024–29 period. It should be read with all other parts of the final decision.

As a number of issues were settled at the draft decision stage or required only minor updates, we have not prepared all attachments. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision. In these circumstances, our draft decision reasons form part of this final decision.

The final decision includes the following documents:

Overview

Attachment 1 – Annual revenue requirement

Attachment 2 – Regulatory asset base

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 6 – Operating expenditure

Attachment 7 – Corporate income tax

Attachment 9 – Capital expenditure sharing scheme

Attachment 13 – Classification of services

Attachment 14 – Control mechanisms

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Attachment 18 – Connection policy

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16 Alternative control services

This attachment sets out our final decision on prices Power and Water Corporation is allowed to charge customers for the provision of the following alternative control services: ancillary network services and metering.

Alternative control services are customer specific, or customer requested services and so the full cost of the service is attributed to a particular customer, or group of customers, benefiting from the service.

We set service specific prices to provide a reasonable opportunity to the distributor to recover the efficient cost of each service from customers using that service. This is in contrast to standard control services where costs are spread across the general network customer base.

16.1 Ancillary network services

Ancillary network services are non-routine services provided to individual customers as requested. Our F&A paper outlines several types of services that meet this broad definition.¹

Ancillary network services are charged to customers on a user-pays approach which are charged on either a fee or quotation basis, depending on the nature of the service.

We determine price caps for fee-based services for the 2024–29 period as part of our determination, based on the cost inputs and the average time taken to perform each service. These services tend to be homogenous in nature and scope and can be costed in advance of supply with reasonable certainty, such as disconnections and special meter reads.

By comparison, prices for quoted services are based on the quantities of labour and materials required, with the quantities dependent on a particular task. Prices for quoted services are determined at the time of a customer's enquiry and reflect the individual requirements of the customer's service request.

For this reason, it is not possible to list prices for quoted services in our decision. However, our final decision sets the maximum labour rates to be applied to quoted services.

16.1.1 Final decision

16.1.1.1 Fee-based and quoted services

Our final decision does not accept Power and Water Corporation's revised proposal as submitted. We update Power and Water Corporation's labour rates and prices by:

- substituting Power and Water Corporation's proposed X factors with our final decision labour price growth forecasts

¹ See AER, *Final framework and approach for Power and Water Corporation for the 2024-29 regulatory control period*, July 2022, pp. 5–6. Our F&A paper outlines several types of services that can be considered as meeting this broad definition such as network ancillary services, basic connection services and non-routine metering services.

- adjusting the prices for year one of the 2024–29 period for actual inflation.

We also accept Power and Water Corporation’s proposal to remove the meter assets and communication components related to meter assets and communications components from the following services:

- exchange or replace meter – three phase
- exchange or replace meter – single phase
- install modem on smart ready meter.

Appendix A contains our final decision for Power and Water Corporation’s proposed labour rates and prices for fee based services.

16.1.1.2 X factors for ancillary network services

As ancillary network services have a high share of labour and labour-related inputs, we use labour price growth forecasts as the ancillary network services X factor. Consistent with our previous decisions, we derived the X factor by averaging wage price index growth forecasts from KPMG (provided by the AER) and BIS Oxford Economics (provided by the distributor).²

We have updated the labour price growth forecasts for our final decision to include the most recent forecasts. Our final decision X factors for ancillary network services are set out in Table 16.6 in appendix A of this attachment.

16.1.1.3 Form of control for ancillary network services

Our final decision is to maintain our final F&A position to apply price caps to ancillary network services as the form of control.

Under a price cap form of control, we set a schedule of price caps for fee-based services and maximum labour rates for quoted services for the first year of the period, 2024–25. For all subsequent years of the 2024–29 period, prices will be adjusted by the applicable control mechanism formula set out in section 14.5.2 of Attachment 14 – Control mechanisms. This mechanism adjusts price caps and maximum labour rates for inflation, an X factor³, and any relevant adjustments.

16.1.2 Power and Water Corporation’s revised proposal

Power and Water Corporation accepted our draft decision labour rate and prices for fee-based services, with minor adjustments.⁴

In response to our draft decision on labour rates, Power and Water Corporation:

² For more detail on the reasons for this decision, see the discussion in section 6.4.2 of Attachment 6 – Operating expenditure.

³ Under the CPI–X framework, the X factor measures the real rate of change in prices from one year to the next. For ancillary network services, the X factor is the wage price growth given that labour is the primary cost input for providing these services.

⁴ Power and Water Corporation, *PWC - 0.1 - Revised Regulatory Proposal*, 30 Nov 2023, p.49.

- accepted our draft decision to substitute the Administrative officer R1, Technical specialist R2 and Field Worker R4 hourly labour rates with our maximum benchmark labour rate.
- accepted our draft decision to adjust their overhead allocation rate from 83% to 61%.

For fee-based services, Power and Water Corporation proposed to remove meter assets and communications equipment components for the following services:

- exchange or replace meter – three phase
- exchange or replace meter – single phase
- install modem on smart ready meter

Power and Water Corporation proposed these components be considered as metering services capex and add it to the metering services regulatory asset base (RAB). Table 16.1 in section 16.1.4.1 summaries the price impact of these changes.

Appendix A contains Power and Water Corporation’s proposed labour rates for business hours and after hours, respectively.⁵

16.1.3 Assessment approach

The regulatory framework for assessing alternative control services is less prescriptive than for standard control services. That is, there is no requirement to apply the building block model exactly as prescribed in Part C of the National Electricity Rules (NER).

On this basis, our approach involves an assessment of the efficient costs of providing ancillary network services. Labour costs are the major input in the cost build-up of prices for ancillary network services. Therefore, our assessment focuses on comparing Power and Water Corporation’s proposed labour rates against maximum total labour rates, which we consider efficient.

Where Power and Water Corporation proposed labour rates exceed our maximum efficient labour rates, we apply our maximum efficient labour rates to determine prices. We follow this assessment process for services provided on a fee or quotation basis.

We also considered relevant stakeholder feedback raised throughout the consultation process and benchmarked Power and Water Corporation’s proposed ancillary network services prices against its prices for the 2019–24 period and the prices of other distributors. We will also make further adjustments to Power and Water Corporation’s ancillary network services prices where we consider it appropriate to do so.

⁵ The labour rates in table 16.8 are specifically for quoted services, though they are consistent with the labour rates for fee-based services. The difference is that “base” labour rates and on-costs are the explicit labour input for fee-based services, with overheads being calculated at a later stage based on total direct costs (labour, materials and so on).

16.1.4 Reasons for final decision

16.1.4.1 Removal of meter assets and communication services from metering services

Our final decision is to accept Power and Water Corporation's proposal to remove meter assets and communication equipment from the following metering services:

- exchange or replace meter – three phase
- exchange or replace meter – single phase
- install modem on smart ready meter

Power and Water Corporation proposed that the meter assets and communications equipment components capital costs are metering services capex and therefore should be added to the metering services RAB. The costs will then be recovered over the life of the asset via meter charges and not through the services listed above. The service fee will only include the labour component to perform the service.

We consider this proposal reasonable as customers would initially pay only the labour cost to replace or exchange their meter. We observe large decreases in proposed prices as material costs are a substantial cost driver for these metering services. Power and Water Corporation would recover the meter costs over the life of the asset through meter charges.

Like the other fee-based services, we will annually adjust the prices for these services by applying the price cap control mechanism, namely adjustments for inflation and X factor. Table 16.1 summaries Power and Water Corporation's revised prices and our final decision prices for these services.

Table 16.1 Revised prices for metering services with removed assets and communication equipment components

| Service | Initial proposal | Draft decision | Revised Proposal | Final Decision |
|--|------------------|----------------|------------------|----------------|
| Exchange or replace meter – three phase | \$1,184.99 | \$1,068.26 | \$436.36 | \$434.49 |
| Exchange or replace meter – single phase | \$796.33 | \$720.51 | \$376.28 | \$374.67 |
| Install modem on smart ready meter | \$483.73 | \$438.83 | \$316.19 | \$314.85 |

16.2 Metering

We are responsible for the economic regulation of the regulated metering services provided by PWC. Metering services include the maintenance, reading, data services, and recovery of capital costs related to installing meters.

Metering assets are used to measure electrical energy flows at a point in the network to record consumption for the purposes of billing, and include:

- Type 1-4 (remote) meters – generally known as ‘smart’ meters
- Type 5 (interval) and type 6 (accumulation) meters – generally known as ‘legacy’ meters.

We apply price caps to PWC’s metering services for the 2024–29 period using a building block approach similar to the approach for standard control services. We derive price caps using standardised metering models, as well as the roll-forward and post-tax revenue models used for standard control services. Our final decision on the forms of control and price control formulae for metering services is set out in Attachment 14 – Control Mechanisms.

In this section, we explain our final decision for PWC on Type 1–6 metering services. Our final decision on standard control services includes type 7 metering services.⁶ Our final decision on other regulated metering services, such as auxiliary metering services, is set out in section 16.1 on ancillary network services.

Australian Energy Market Commission (AEMC) review of metering services

Unlike most jurisdictions where metering is contestable, PWC is the monopoly provider of most metering services in the Northern Territory, including smart metering services.

Jurisdictions where metering services are contestable will be subject to reforms resulting from the AEMC’s review of the regulatory framework for metering services.⁷ PWC is not subject to the AEMC’s review. As such, our consideration of PWC’s metering services differs to the other jurisdictions for which we are simultaneously making distribution determinations.

16.2.1 Final decision

Our final decision is to not accept PWC’s proposed prices for metering services for the following reasons:

- We have substituted our forecast capital expenditure to apply our final decision labour price growth forecasts and inflation.
- We have substituted our forecast operating expenditure to apply our final decision labour price growth forecasts and inflation to the trend component of operating expenditure.
- We have substituted an alternative revenue calculated by applying our final decision rate of return, inflation forecasts, and updated actual inflation consistent with standard control services.

⁶ These relate to unmetered connections with predictable energy consumption patterns.

⁷ AEMC, *Final report – Review of the regulatory framework for metering services*, August 2023.

We accept PWC’s revised meter replacement capital expenditure. We also accept PWC’s approach to regulatory depreciation.

Our final decision 2024–25 price caps for metering services are set out in appendix B. These prices are on average 4.1% higher than PWC’s prices in its revised proposal.

For all subsequent years of the 2024–29 period, prices will be adjusted by the applicable control mechanism formula set out in attachment 14. This mechanism adjusts price caps annually for inflation, an X factor, and any relevant adjustments. Our final decision sets this X factor at zero.

16.2.2 PWC’s revised proposal

PWC revised its capital expenditure forecast to reflect an accelerated rollout of smart meters at the current installation rates. This involves the installation of around 11,000 meters per year with an aim to complete the rollout by the end of the 2024–29 period. Its capital expenditure forecast was also revised to include a new estimate relating to the single site consolidation project.

PWC revised its operating expenditure forecast for updated information, resulting in:⁸

- Base operating expenditure of \$6.3 million per year in line with the actual spend in the 2019–24 period.
- Adjustments of -\$0.7 million per year reflecting the removal of one-off items from base operating expenditure.
- Allocation of step changes that apply across wider operating expenditure, including cyber security.
- An increasing negative step change of -\$0.4 to -\$1 million per year over the 2024–29 period to account for efficiencies gained from increased remote meter reads, rather than manual reads.
- Output growth of 0.3% related to new customers.

16.2.3 Assessment approach

As metering services are classified as an alternative control service, we have greater discretion under the NT NER in making our assessment compared to standard control services.⁹

⁸ PWC, *ACS metering expenditure model*, 30 November 2023.

⁹ NT NER, cl. 6.2.6(c).

Consistent with the approach adopted in the 2019–24 period and proposed by PWC for the 2024–29 period, we applied a limited building block approach¹⁰ for our final decision, using the AER’s standardised models.

For our final decision we had regard, where relevant, to:

- PWC’s revised regulatory proposal and responses to information requests
- stakeholder feedback in response to our issues paper and draft decision, as well as in response to PWC’s revised proposal
- cost allocation principles, and particularly our Cost Allocation Methodology Guideline and the approved Cost Allocation Methodology for PWC
- consistency with our aspects of our draft decision on other regulated services, including capital expenditure projects in relation to standard control services, as well as the weighted average cost of capital (**WACC**) and labour price growth forecasts used for standard control services
- the wider regulatory context in relation to metering, including the current AEMC metering review applicable to other jurisdictions.

16.2.4 Reasons for final decision

16.2.4.1 Capital expenditure

Our final decision is to not accept PWC’s forecast capital expenditure of \$62.86 million (\$2023–24). Our final decision is to include our alternate estimate of \$62.81 million (\$2023–24). This reflects our updates to the labour price growth forecasts and inflation inputs.

Table 16.2 Final decision capital expenditure (\$million, 2023–24)

| Forecast capex | 2024–25 | 2025–26 | 2026–27 | 2027–28 | 2028–29 |
|------------------|---------|---------|---------|---------|---------|
| Proposal | 5.73 | 5.76 | 8.72 | 10.19 | 11.08 |
| Draft decision | 5.70 | 5.73 | 8.59 | 8.31 | 8.33 |
| Revised proposal | 12.30 | 12.64 | 12.76 | 14.41 | 10.75 |
| Final decision | 12.29 | 12.63 | 12.75 | 14.40 | 10.74 |

16.2.4.1.1 Non-network expenditure

PWC’s capital expenditure proposal for metering includes non-network expenditure. This includes amounts related to ICT, property, fleet, and plant, and are aligned with the same expenditure in SCS.

¹⁰ The building block model calculates the allowed revenue for a regulated business for each year of the regulatory control period. Where the revenue requirement = operating expenditure + depreciation + tax + (WACC x regulatory asset base). The building block model requires inputs/forecasts for each year of the regulatory control period. These include; the regulatory asset base, operating expenditure, capital expenditure, interest rates, inflation and incentive payments. Our metering building block model is 'limited' because it does not include any adjustment for incentive schemes.

As set out in our final decision relating to SCS capital expenditure (Attachment 5), we consider that there is a portion of costs that should be removed from the single site consolidation project. However, due to the immateriality of these amounts, we have accepted the overall capital expenditure for SCS. As such, we have made no revisions to the single site consolidation project amounts included in the metering capital expenditure.

16.2.4.1.2 Smart meter rollout

We consider PWC’s smart meter rollout target of 100% by the end of the 2024–29 period is reasonable. This aligns with the preference we expressed in our draft decision for a more accelerated rollout. This was driven by the most recent rates of meter installation achieved by PWC in the latter years of the 2024–29 period.

The accelerated rollout is supported by customer groups and stakeholders. PWC has noted that its People’s Panels expressed strong support for this rate of rollout. Stakeholder submissions from Rimfire Energy¹¹ and Jacana Energy¹² support an accelerated rollout also.

This outcome will lead to a quicker rollout and earlier realisation of the benefits of widespread smart meters. It also aligns better with the pace of the rollout in other jurisdictions because of the AEMC’s metering review.

16.2.4.1.3 Connections

We consider that the rate of new connections of around 0.3% is appropriate and reflects housing supply data available from the Northern Territory Government.¹³ We therefore consider the related expenditure to be reasonable.

16.2.4.2 Operating Expenditure

Our final decision is to not accept PWC’s forecast operating expenditure of \$33.39 million (\$2023–24). Our final decision is to include our alternate estimate of \$33.36 million (\$2023–24), which applies our final decision labour price growth forecasts and inflation to the trend component of operating expenditure.

Table 16.3 Final decision operating expenditure (\$million, 2023–24)

| Forecast opex | 2024–25 | 2025–26 | 2026–27 | 2027–28 | 2028–29 |
|------------------|---------|---------|---------|---------|---------|
| Proposal | 6.50 | 6.62 | 6.73 | 6.80 | 6.86 |
| Draft decision | 6.47 | 6.58 | 6.70 | 6.78 | 6.84 |
| Revised proposal | 6.55 | 6.61 | 6.68 | 6.75 | 6.81 |
| Final decision | 6.54 | 6.60 | 6.67 | 6.74 | 6.80 |

We consider PWC’s base operating expenditure and adjustments are reasonable.

¹¹ Rimfire Energy, *Submission on Power and Water Corporation’s revised proposal and draft decision 2024–29*, January 2024, p. 1.

¹² Jacana Energy, *Submission – 2024–29 electricity determination – Power and Water Corporation*, May 2023, pp. 12–13.

¹³ <https://treasury.nt.gov.au/dtf/economic-group/economic-briefs/building-approvals>

16.2.4.2.1 Step Changes

We consider the step changes proposed by PWC to be reasonable. This is consistent with our final decision on standard control services for those step changes that are allocated across both standard control services and alternative control services. Our final decision on SCS operating expenditure (Attachment 6) provides our consideration of these step changes.

PWC included revised amounts of -\$2.9 million and -\$0.6 million (\$2023–24) in step changes in relation to meter reads and special meter reads, respectively. We consider these amounts appropriately reflect the per unit cost of these services, and the forecast metering churn. It also reflects that over time the cost of meter reading will become more expensive for those manually-read meters that remain.

16.2.4.2.2 Trend

We consider the output trend to be appropriate, being customer growth applied at a 100% weighting. We have applied our final decision labour price growth forecasts and inflation.

16.2.4.3 Revenue requirement and recovery

Our final decision is to not accept PWC’s smoothed revenue of \$75.72 million (\$nominal). Our final decision is to include our alternate smoothed revenue of \$78.56 million (\$nominal).

Table 16.4 Final decision smoothed revenue (\$million, nominal)

| Smoothed revenue | 2024–25 | 2025–26 | 2026–27 | 2027–28 | 2028–29 |
|------------------|---------|---------|---------|---------|---------|
| Proposal | 11.91 | 12.97 | 14.11 | 15.36 | 16.72 |
| Draft decision | 13.02 | 13.50 | 14.00 | 14.51 | 15.04 |
| Revised proposal | 14.11 | 14.61 | 15.13 | 15.66 | 16.22 |
| Final decision | 14.68 | 15.18 | 15.70 | 16.23 | 16.78 |

16.2.4.3.1 Inputs

In addition to the adjustments addressed above, we updated the metering post-tax revenue, expenditure, and pricing models to include our final decision inputs relating to the rate of change, inflation, and other related data. These updates are listed in each metering model published with our final decision.

16.2.4.3.2 Price path

Our final decision is to apply a flat real price path. This sets X factors at 0% for years 2–5 of the 2024–29 period, meaning that prices will increase year-on-year by CPI as per the control mechanism formula.

16.2.4.3.3 Price caps

Our final decision maintains our draft decision on the metering tariff structures and how the relevant price caps are calculated.

Our draft decision considered PWC’s amendments to how price caps are calculated across customers. This included the improved differentiation of charges for LV and HV customers,¹⁴ as well as the correction of historical errors where price cap calculations used physical meters instead of billable meters,¹⁵ creating under-recoveries.¹⁶ These amendments also accounted for several generators that historically were not charged for metering services erroneously.

As noted in our draft decision, these changes increase prices for most customers. However, this change means PWC’s charges are more cost reflective and will enable PWC to recover its efficient costs moving forward.

We note that the prices used in metering models for 2023–24 are not consistent with those approved by the AER. We have maintained this approach from PWC’s proposal as it establishes a new base price for the services based on the new offerings.¹⁷ The approach also reflects the more cost-reflective prices that allows PWC to recover efficient costs and account for the historical 30% overstatement of meters and lack of historical charges for generators. For transparency, we have included the 2023–24 base prices at Table 16.5 for comparison.

Table 16.5 shows the AER approved prices for 2023–24 for the 3 tariffs that existed in the 2019–24 period. It also shows PWC’s recalibrated 2023–24 prices for the purpose of calculating 2024–25 prices across the 4 tariffs that will exist in the 2024–29 period. For clarity, the 2023–24 recalibrated prices are not charged to customers and are only used in the PTRM to calculate the 2024–25 prices.

Table 16.5 2023–24 base prices (\$nominal)

| Metering tariff | 2023–24 approved price ¹⁸ | 2023–24 recalibrated price |
|--|--------------------------------------|----------------------------|
| Single phase meter | 80.17 | 82.25 |
| Three phase meter | 88.25 | 108.98 |
| Metering dedicated CTs and VTs – remote read | 149.48 | NA |
| Low voltage CT | NA | 434.89 |
| High voltage | NA | 1500.45 |

The recalibrated 2023–24 prices are escalated by forecast inflation of 2.66% and the first year increase of 61.52% to achieve the 2024–25 final decision revenue requirement. The first

¹⁴ PWC, 13.01 – Metering attachment, 31 January 2023, p. 1.

¹⁵ PWC, 13.01 – Metering attachment, 31 January 2023, p. 6.

¹⁶ For example, if PWC was allowed to recover \$300, they would calculate price caps over 30 physical meters under their approach in the 2019–24 period, resulting in price caps of \$10 per meter. However, the meters are all arrangements where three single phase meters are billed as a single meter. PWC is capped at \$10 per meter, so can only recover a total \$100 for 10 billable meters, under-recovering \$200.

¹⁷ PWC, 13.01 – Metering attachment, 31 January 2023, p. 24.

¹⁸ PWC, 2023–24 – ACS pricing model, 30 March 2023.

year increase accounts for the changes to tariffs, the historical quantity errors, and the costs of the smart meter rollout. The revenue requirement is recovered through the final decision price caps, which are provided in appendix B.

A Ancillary network services prices

Table 16.6 X factors for each year of the 2024–29 regulatory control period for ancillary network services, final decision (per cent)

| | 2025–26 | 2026–27 | 2027–28 | 2028–29 |
|----------|----------|----------|----------|----------|
| X factor | -1.3956% | -0.9552% | -0.9513% | -1.0716% |

Note: We do not apply an X factor for 2024–25 because we set 2024–25 ancillary network services prices in this determination. To be clear, the labour escalators in this table are operating as de facto X factors. Therefore, positive labour escalators are represented as negative in this table and vice versa. X factors in this table are rounded to 4 decimal places but distributors should use the raw X factors in the final decision model.

Table 16.7 Fee-based ancillary network services for 2024–25, final decision (\$2024–25)

| Service | Service category | Revised proposal | Final decision |
|---|-----------------------------------|------------------|----------------|
| Provision of 3 phase service | Connection Services | \$2,633.72 | \$2,622.03 |
| Standard temporary builder's connection | Connection Services | \$1,121.36 | \$1,116.40 |
| Class 1 & 2 PV service | Connection Services | \$179.42 | \$178.61 |
| Class 3 PV Assessment | Connection Services | \$2,064.38 | \$2,055.08 |
| Temporary disconnection and reconnection - no dismantling | De-energisation / Re-energisation | \$662.85 | \$660.04 |
| Temporary disconnection and reconnection - physical dismantling | De-energisation / Re-energisation | \$2,080.91 | \$2,071.71 |
| Complex disconnection | De-energisation / Re-energisation | \$760.84 | \$757.50 |
| Disconnection (and final read) | De-energisation / Re-energisation | \$91.22 | \$91.00 |
| Reconnection | De-energisation / Re-energisation | \$93.58 | \$93.35 |
| Reconnection - after hours | De-energisation / Re-energisation | \$735.49 | \$732.27 |
| Wasted visit fee | Other | \$321.77 | \$320.41 |

| Service | Service category | Revised proposal | Final decision |
|---|-----------------------------|------------------|----------------|
| After Hours - non reconnections - uplift 1.83 x business hours charge | Other | - | - |
| Historical data requests | Non Standard Data Services | \$177.72 | \$176.92 |
| Standing data requests | Non Standard Data Services | \$59.24 | \$58.97 |
| Customer transfers | Non Standard Data Services | \$236.96 | \$235.89 |
| Network tariff change request | Non Standard Data Services | \$59.24 | \$58.97 |
| Installation of Minor Apparatus | Miscellaneous services | \$787.91 | \$784.45 |
| Special meter test | Meter Servicing (Fee based) | \$556.54 | \$554.12 |
| Exchange or replace meter – three phase | Meter Servicing (Fee based) | \$436.36 | \$434.49 |
| Exchange or replace meter - single phase | Meter Servicing (Fee based) | \$376.28 | \$374.67 |
| Relocation of meter | Meter Servicing (Fee based) | \$580.57 | \$578.05 |
| Remove meter | Meter Servicing (Fee based) | \$580.57 | \$578.05 |
| General meter inspection | Meter Servicing (Fee based) | \$268.12 | \$267.00 |
| Special meter read - no appointment | Meter Servicing (Fee based) | \$61.88 | \$61.70 |
| Special meter read - appointment | Meter Servicing (Fee based) | \$134.90 | \$134.58 |
| Meter program change | Meter Servicing (Fee based) | \$316.19 | \$314.85 |
| Install modem on smart ready meter | Meter Servicing (Fee based) | \$316.19 | \$314.85 |
| Prepayment Vending Charge | Meter Servicing (Fee based) | \$0.63 | \$0.63 |
| Prepayment Meter Support Charge | Meter Servicing (Fee based) | \$139.92 | \$139.29 |

Table 16.8 Quoted service hourly labour rates (business hours) for 2024–25, final decision (\$2024–25)

| | Revised proposal (business hours) | Final decision (business hours) | Revised proposal (after hours) | Final decision (after hours) |
|------------------------|-----------------------------------|---------------------------------|--------------------------------|------------------------------|
| Internal - Tech | \$240.35 | \$239.27 | \$304.82 | \$303.45 |
| Internal - Admin | \$118.48 | \$117.95 | \$207.34 | \$206.41 |
| Internal - Comms | \$240.35 | \$239.27 | \$304.82 | \$303.45 |
| Internal - Engineering | \$263.29 | \$262.10 | \$363.91 | \$362.27 |
| Internal - Vending Fee | \$0.63 | \$0.63 | | |

Table 16.9 Non-exhaustive list of ancillary network services provided on a quotation basis

| Description of service | Description of service |
|---|---|
| Design related services | Performance of a statutory right (access prevented) |
| Negotiated Connections (and Standard Connections) | Inspection and auditing services |
| Connection application related services | Provision of network related training to third parties |
| Access permits, oversights and facilitation | Authorisation and approval of third party service providers' design, work and materials |
| Sale of approved materials or equipment | Security lights services |
| Notices of arrangement and completion notices | Non-standard reporting services |
| Network related property services | Services provided for retailer of last resort event |
| Network safety services | Rectification of illegal connections service |
| Network tariff change request | Customer Initiated network asset relocations / rearrangements |

| Description of service | Description of service |
|---|---------------------------------------|
| Customer requested planned interruption | Annual prepayment meter licensing fee |

B Metering price caps

Table 16.10 X factors for each year of the 2024–29 regulatory control period for legacy metering services, final decision

| | 2025–26 | 2026–27 | 2027–28 | 2028–29 |
|----------|---------|---------|---------|---------|
| X factor | 0% | 0% | 0% | 0% |

Note: We apply 0% X factors as we set a real flat price path for years 2–5 to reduce volatility of prices.

Table 16.11 Final decision metering price caps (\$nominal)

| Metering tariff | 2024–25 price cap |
|--------------------|-------------------|
| Single phase meter | \$136.39 |
| Three phase meter | \$180.71 |
| Low voltage CT | \$721.14 |
| High voltage | \$2488.06 |

Shortened forms

| Term | Definition |
|---------|--|
| AEMC | Australian Energy Market Commission |
| AER | Australian Energy Regulator |
| capex | capital expenditure |
| CCP26 | Consumer Challenge Panel, sub-panel 26 |
| CPI | consumer price index |
| F&A | framework and approach |
| LED | light-emitting diode |
| NEM | national electricity market |
| NER | national electricity rules |
| NMI | national meter identifier |
| opex | operating expenditure |
| PE cell | photoelectric cell |
| RBA | Reserve Bank of Australia |
| RIN | regulatory information notice |
| WACC | weighted average cost of capital |