Network Pricing Proposal

2024-25

8 May 2024

PowerWater

Table of Contents

Abbreviations

The following table provides a list of abbreviations and acronyms used throughout this document. Defined terms are identified in this document by capitals.

Term	Definition
ACS	Alternative Control Services
AER	Australian Energy Regulator
DMIS	Demand Management Incentive Scheme
DTF	Department of Treasury and Finance
HV	High Voltage
kV	Kilovolts
LRMC	Long Run Marginal Cost
LV	Low Voltage
NBN	National Broadband Network
NMI	National Metering Identifier
NSPs	Network Service Providers
NT NER	NT National Electricity Rules
NT Pricing Order	NT Government Electricity Pricing Order
Power and Water	Power and Water Corporation
PTRM	Post Tax Revenue Model
SAC	System Availability Charges
SCS	Standard Control Services
TAR	Total Allowed Revenue
TSS	Tariff Structure Statement

Executive summary

Power and Water Corporation (**Power and Water**) is pleased to submit our 2024-25 Network Pricing Proposal to the Australian Energy Regulator (**AER**) and our stakeholders. This document sets out Power and Water's proposed network tariffs for our regulated customers including tariffs for standard control services and the fees and charges for our alternative control services.

Power and Water's total allowable revenue has increased in 2024-25 by 12.9 per cent, this is $19.9 million ($nominal) more than in 2023-24. The large increase is due to this being the first year of a new regulatory control period. This increase has the following implications on our network tariffs:

- In 2024-25 residential smart metered customers will see a decrease in the network component of their bill when compared to 2023-24.
- Tariff 3 is segmented into three individual tariffs to better reflect the NT's customer base and cost-to-serve for these cohorts.
- Removed demand charges from all smart metered tariffs assigned to those consuming below 750MWh annually.
- Introduced three tier time-of-use energy structure for all smart metered customers consuming below 750MWh annually.
- All our charges are aligned (as closely as possible) with the indicative rates published in our revised Tariff Structure Statement (**TSS**) submitted to the AER for approval (adjusted by inflation).
- Combined our two high voltage (**HV**) tariffs into one, better reflecting the cost-to-serve to the small number of HV customers for this new regulatory control period (2024-29).
- Introduced seasonal "On" and "Off" seasonal peak demand (**KVA**) charges for all tariffs where customers consume above 750MWh annually.

Bill impacts and engagement

Table 1.1 sets out the proposed changes in the network bill between 2023-24 and 2024-25 for typical customers connected to Power and Water's regulated network. The table shows that the increased revenue allowance results in network bill increases for customers on four of our seven tariffs in 2024-25.

Residential and non-residential smart metered customers consuming below 160MWh annually will benefit from the new structure, historically these customers were subsidising the cost-to-serve for smart metered customers consuming between 160 and 750MWh annually.

Any changes in our network tariffs will not directly impact most customer's actual retail bill[1] due to the Northern Territory Government's Electricity Pricing Order (**NT Pricing Order**[2]). It should be noted that the

[1] As of 31 January 2024, 99.8% of the NT Regulated customer base is protected by the NT Electricity Pricing Order.

[2] Electricity retail pricing | Utilities Commission (nt.gov.au).

impacts highlighted in Table 1.1 do not take into account any potential changes in generation, metering, retail, system control, and market operator charges.

Table 1.1: Change in a typical customer's network bill between 2023-24 and 2024-25

Tariff	Description	Annual Consumption	Network bill ($)		Network bill impact	
		KWh	2023/24	2024/25	$	%
1	Residential accumulation^	8,500	$1,053	$1,243	$191	18%
2	Non-residential accumulation^	30,000	$2,967	$2,830	-$137	-5%
3a	Residential 0-160MWh^	8,500	$2,850	$1,231	-$1,619	-57%
3b	Non-residential 0-160MWh^	30,000	$4,746	$2,849	-$1,897	-40%
3c	Smart meter 160-750MWh^	250,000	$11,040	$25,035	$13,995	127%
5	LV >750MWh	3,200,000	$119,034	$152,140	$33,106	28%
6	HV Smart Meters	5,400,000	$230,781	$254,354	$23,573	10%

*All impacts above excludes ACS metering charges
^Currently the customer has retail price protection under the NT Electricity Pricing Order

Currently, all customers who consume less than 750MWh annually, regardless of meter and system type, are subject to retail price protection under the NT Pricing Order. We anticipate that the NT Pricing Order will continue in the 2024-25 regulatory year, meaning that changes in Power and Water's network tariffs will not impact the retail electricity bills of those customers. Once approval is received from the AER for our 2024-25 prices, we will continue to engage with stakeholders including licenced retailers and major customers operating across the Northern Territory.

Our major energy customers are classified as LV connections consuming above 750MWh annually and all HV connections, most of these customers are not covered by the NT Pricing Order. While relatively small in number (approximately 225 currently) these customers account for approximately 20 per cent of the total revenue we recover. Their retailers usually directly pass through network charges as a separate line item in their retail bills and any changes in Power and Water's 2024-25 tariffs will directly impact these customers.

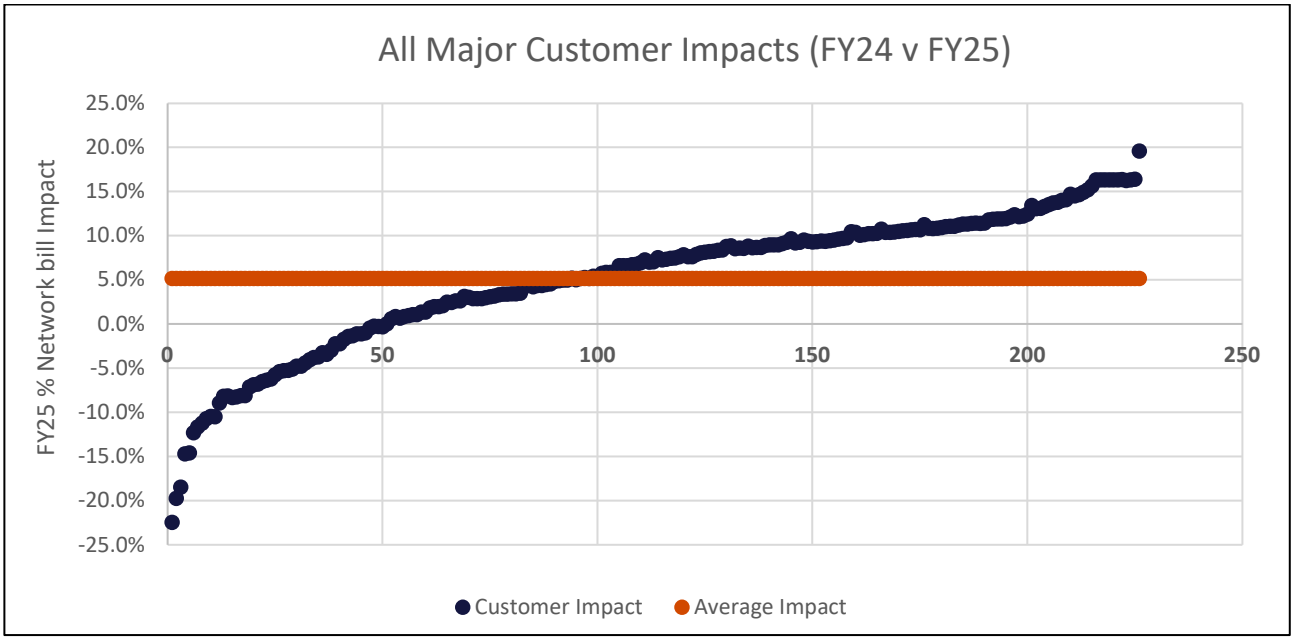
Power and Water through our ongoing engagement program met with major customers, retailers and the NT Government regarding the proposed alignment of the two HV tariffs, tariff 6 (HV consuming less than 750MWh's annually) and tariff 7 (HV consuming above 750MWh's annually). Major customers and the NT

Government were generally supportive of the need to align these tariffs, ensuring accurate and cost reflective revenue recovery for this class of customer.[3]

Figure 1.1 shows the percentage change in network charges for each of our major customers in 2024-25 compared to 2023-24, this assumes no change in consumption, demand, or metering installations. On average our major customers will have a 5.2 per cent increase in their network bill, with the price impacts ranging between -22.4 and 19.6 per cent (including inflation of 4.05 per cent annually). We forecast that 74 per cent of our major customers will have a price impact between +/-10 per cent.

As part of the process to finalise prices, Power and Water will continue to engage regularly with our major customers informing them of indicative bill impacts. This will also include continuing to develop and identify additional opportunities to reduce network bills e.g., working with customers to shift energy usage to off-peak periods and enact energy efficiency measures.

Figure 1.1: Percentage change in network bill of major customers between 2023-24 and 2024-25



3 HV customers consuming below 750MWh annually are currently protected by the NT Pricing Order meaning these increases will not impact their retail bill.

1. Background

1.1 Purpose

Under the Northern Territory National Electricity Rules (**NT NER**)[4], Power and Water is required to submit a pricing proposal to the AER for approval each year.

This document is Power and Water's 2024-25 annual pricing proposal. It sets out our proposed standard control services (**SCS**) and alternative control services (**ACS**) tariffs for 2024-25, which is the first year of our second regulatory control period (2024-29) under the AER. We have included indicative tariffs for all remaining years for this regulatory period in Appendix B.

The key purpose of this document is to set out the basis of our proposed tariffs and to demonstrate that we have complied with the relevant provisions of the NT NER and the AER's 2024-29 Distribution Determination.

1.2 Network services and pricing regulations

Power and Water delivers energy from electricity generators to homes and businesses in a safe and reliable way. Our network distribution services comprising our regulated network are classified by the AER as direct control services, meaning they are subject to price or revenue controls.

Our SCS tariffs recover the cost of planning, designing, constructing, operating, and maintaining the electricity distribution network. This includes restoring power when faults and emergencies occur, resulting from severe weather and other causes sometimes beyond our control. Our ACS charges cover both our metering tariffs and ancillary one-off services provided to specific customers on request.

We charge retailers for the network services provided to regulated customers including the tariffs for SCS and ACS. For customers consuming less than 750MWh annually (over 99 per cent of the total regulated customer base) retailers cannot charge more than the NT Pricing Order. We expect that the NT Pricing Order will continue through 2024-25 meaning that changes in our network tariffs will not impact these customers.

Our major customers consume more than 750MWh annually. These customers are not subject to the NT Pricing Order and our network charges are passed on directly by retailers to this cohort.

We note that in 2023-24 the NT Government also provided relief to certain commercial customers consuming below 160MWh annually through the NT Pricing Order. This relief provided non-government customers with $650 in annual credit on a pro-rata basis and we are unaware on whether this relief will continue in 2024-25.

1.3 Control mechanisms

A control mechanism imposes limits over the prices or revenues that we can recover from customers. The AER Determination applies a revenue cap on our SCS. Under a revenue cap, the AER sets the maximum revenue we can recover from customers during that period. Any variation in actual revenue in any one year, compared to what was forecasted is recovered or paid back to customers in the subsequent years.

[4] Clause 6.18.2(a) of the NT NER.

Power and Water's pricing proposal must demonstrate compliance with the SCS revenue cap, including accounting for adjustments for any under or over recovery of revenue in prior years, in accordance with the AER Determination.

Price caps apply to our different ACS. Under a price cap the AER approves a maximum price for each service. The initial price for each of these ACS are then adjusted annually in our annual network pricing proposal process.

1.4 Structure of the document

This document is structured as:

- Chapter 2 sets out the network tariff classes, tariffs and charging parameters we propose to apply in 2024-25 and describes our process to assign customers to tariff classes.
- Chapter 3 identifies the key inputs, forecasts and strategies that were used to develop SCS tariffs and identifies our proposed tariff rates for 2024-25.
- Chapter 4 identifies the key inputs to derive ACS prices for 2024-25, and identifies our price list for metering, quoted and fee-based services.
- Chapter 5 seeks to demonstrate our compliance with the NT NER.

All values shown in the proposal are in nominal dollars and exclude goods and services tax (GST), unless otherwise stated.

2. Tariff structures and assignment

In this section, we describe the tariff structures we propose to apply in 2024-25. A 'tariff' is the price customers are charged for their electricity supply. A 'tariff class' is a grouping of one or more tariffs. The tariff can be made up of different component charges (and associated charging parameters) such as one or more fixed charges, usage charges or demand charges.

This chapter explains the eligibility criteria for each of our network tariff classes and tariffs (section 2.1), the components and charging parameters we apply (section 2.2), and assessment process for tariff assignment (section 2.3).

2.1 Tariff classes and tariffs

Our tariff classes remain the same as the previous regulatory control period with three distinct tariff classes, our AER proposal retains this approach for the 2024-29 period to avoid any additional and unnecessary transaction costs. However, our tariffs continue to evolve and we are streamlining our tariffs for HV customers, while expanding the number and structure of tariffs for smart metered customer consuming below 750MWh. These changes provide better segmentation and cost reflective pricing for our customers while remaining consistent with our AER approved TSS and are set out in Table 2.1.

Unlike the previous regulatory control period, Power and Water will no longer offer individually calculated tariffs[5], we currently do not have any customers with an individually calculated tariff or do we foresee the need for placing any customer on an individually calculated tariff moving forward. Customers on tariffs 1, 2, 3a, 3b, 3c, 4 and approximately half of our tariff 6 customers continue to be subject to retail price protection under the NT Pricing Order.

Table 2.1: Network tariff classes and tariffs

LV less the 750MWh annually	1: Residential Accumulation Meter	Residential customers consuming less than 750MWh annually, per National Meter Identifier (NMI) with standard accumulation meters
	2: Non-Residential Accumulation Meter	Non-residential customers connected to the low voltage network consuming less than 750MWh annually, per NMI with standard accumulation meters
	3a: LV Smart Meter Residential	Residential customers connected to the low voltage network with a smart meter consuming less than 160MWh annually, per NMI

[5] The AER did not approve PWCs 2024-29 TSS continuing an individual negotiated tariff option for customers, a revised TSS was submitted and approved as part of the final decision. Attachment 7.1 (aer.gov.au)

	3b: LV Smart Meter Non-Residential	Non-residential customers connected to the low voltage network with a smart meter consuming less than 160MWh annually, per NMI
	3c. LV Smart Meter	Residential and non-residential customers connected to the low voltage network with a smart meter consuming above 160MWh and less than 750MWh annually, per NMI
	4: Unmetered	Unmetered supply (for street lighting, traffic lights, CCTV cameras and other unmetered devices) consuming less than 160MWh annually
LV above 750MWh	5: LV Majors	Customers connected to the low voltage network consuming above 750MWh annually per NMI
HV	6: HV Smart Meters	All customers connected to the high voltage network consuming less than 10GWh annually

2.1.1 Low voltage less than 750MWh tariff class

Customers who connect to the low voltage network and consume less than 750MWh annually will be assigned to one of the following tariffs according to the conditions outlined in Table 2.2 and the primary use of the premises:

- 1: Residential Accumulation
- 2: Non-Residential Accumulation
- 3a: LV Smart Meter Residential (0-160MWh annually)
- 3b: LV Smart Meter Non-Residential (0-160MWh annually)
- 3c: LV Smart Meter (160-750MWh annually)
- 4: Unmetered.

Table 2.2 Low Voltage 0-750MWh annually tariff eligibility

Tariff	Conditions
Tariff 1 ***Residential Accumulation Meter***	Applies to customers supplied at any NMI point where: • Total electricity consumption is less than 750MWh annually per NMI. • Electricity is supplied at a voltage level defined as low voltage – nominally 230/400V. • The customer is connected to the low voltage network via an accumulation meter. • The premises is intended to be used primarily for residential purposes, excluding serviced apartments, but including: – electricity used on vacant land zoned for residential (domestic) purposes; and – living premises in retirement villages, which must be separately metered.

Tariff	Conditions
Tariff 2 ***Non-Residential Accumulation Meter***	Applies to customers where: • Total electricity consumption is less than 750MWh annually per NMI. • Electricity is supplied at a voltage level defined as low voltage – nominally 230/400V. • The customer is connected to the low voltage network via an accumulation meter. • The premises is intended to be used for non-residential purposes, including: – electricity used on vacant land zoned for commercial purposes; – temporary supply (i.e. for construction purposes); – motels, hotels, serviced apartments and any form of temporary accommodation; – shops, offices, warehouses, and industrial/manufacturing plants; – mining enterprises; and – farms.
Tariff 3a ***LV Smart Meter Residential***	Applies to customers where: • Total electricity consumption is less than 160MWh annually per NMI. • Electricity is supplied at a voltage level defined as low voltage – nominally 230/400V. • The customer is connected to the low voltage network via a smart meter. • The premises is intended to be used primarily for residential purposes, excluding serviced apartments, but including: – electricity used on vacant land zoned for residential (domestic) purposes; and – living premises in retirement villages, which must be separately metered.
Tariff 3b ***LV Smart Meter*** ***Non-Residential***	Applies to customers where: • Total electricity consumption is less than 160MWh annually per NMI. • Electricity is supplied at a voltage level defined as low voltage – nominally 230/400V. • The customer is connected to the low voltage network via a smart meter. • The premises is intended to be used for non-residential purposes, including: – electricity used on vacant land zoned for commercial purposes; – temporary supply (i.e. for construction purposes); – motels, hotels, serviced apartments and any form of temporary accommodation; – shops, offices, warehouses, and industrial/manufacturing plants; – mining enterprises; – farms.
Tariff 3c ***LV Smart Meter***	Applies to customers where:

Tariff	Conditions
	• Total electricity consumption is greater than 160MWh but less than 750MWh annually per NMI. • Electricity is supplied at a voltage defined as low voltage – nominally 230 to 400V. • The customer is connected to the low voltage network via a smart meter. • The premises is intended to be used for either residential or non-residential purposes.
Tariff 4 ***Unmetered Supply***	Applies to connection points that, with the agreement of Power and Water, are unmetered (Type 7 metering) and the consumption is anticipated to be less than 160MWh annually. In these circumstances, the demand at the connection point is estimated.

2.1.2 Low voltage greater than 750MWh

Customers connected to the low voltage network and consuming greater than 750MWh annually will be assigned to Tariff 5.

Table 2.3 Low Voltage greater than 750MWh annually *tariff eligibility*

Tariff	Conditions
Tariff 5 ***LV Majors***	Is the tariff available for all customers supplied at an NMI point where: • Total electricity consumption is greater than 750MWh annually per NMI. • Electricity is supplied at a voltage defined as low voltage – nominally 230 to 400V.

2.1.3 High voltage

Customers connected to the High Voltage network (at a voltage of 11 kilovolts (kV) or higher) will be assigned to Tariff 6.

Table 2.4 High Voltage tariff eligibility

Tariff	Conditions
Tariff 6 ***HV Smart Meters***	Is the tariff for all customers connected to the high voltage network will be assigned.

Unlike the previous regulatory control period, Power and Water will no longer offer individually calculated tariffs. We currently do not have any customers with an individually calculated tariff or do we foresee the need for placing any customer on an individually calculated tariff moving forward.

2.2 Tariff components and charging parameters

Under our AER approved TSS, customers in each tariff class are subject to a range of different components to which charges are applied. This includes a daily system access charge ($/NMI/Day) and energy charges

($/KWh), as well as demand charges ($/KVA) for customers with smart meters consuming above 750MWh annually.

Each of these tariff components vary depending on the actual tariff being charged, for example the energy charge ($/kWh) may be applied as an anytime energy charge (flat energy rate applied 24/7) for our larger customers or customers with an accumulation meter, or as a time of use energy charge for our small to medium smart meter customers.

The demand (kVA) charges applied to tariff 5 and 6 customers also vary dependent on the season in which the charges apply. Between 1 October and 31 March each year will be classified as 'On' season, while the 'Off' season will apply between 1 April and 30 September.

2.2.1 System Availability Charge (SAC)

The System Availability Charge (SAC) is a fixed daily charge component which is charged at dollars per NMI, per day and designed to recover the costs associated with maintaining the connection to Power and Water's electricity network and is often referred to as the SAC. This charge is applied to all tariffs with the only exception being Tariff 4 covering the unmetered infrastructure connected to the network.

The SAC is a separate charge to the ACS metering charge, which is also applied as a fixed daily charge but is applied based on the number and type of meters installed at the NMI.

2.2.2 Energy consumption charges

For this new regulatory control period (2024-29) we will apply both an 'anytime' energy charge or a 'time of use' energy charge. The type of energy charge will be based on:

1. The type of meter installed at the property, or
2. The annual consumption of the customer (tariff assignment).

The anytime energy tariff applies to all customers assigned to tariffs 1, 2, 4, 5 and 6. Customers assigned to tariffs 1 and 2 are subject to the anytime energy rate as they are connected to the network through an accumulation meter and therefore cannot be charged on any other basis. Tariff 4 covers unmetered infrastructure which is charged based on the maximum voltage of the connected device, as no meter is attached the customer must be charged at the flat rate. Tariffs 5 and 6 customers are our major customers, either connected to our HV network or consuming above 750MWh annually on our LV network. These tariffs are assigned an anytime energy tariff as they are also charged a time-of-use demand (KVA) charge.

The time of use energy charge only applies to our tariff 3 customers, covering tariffs 3a, 3b and 3c all of which are LV smart metered connections consuming below 750MWh annually. We consider that the change provides a simpler signal to customers (if the NT Pricing Order protections are removed or amended) when the network is experiencing peak demand in the evening, and when there is ample capacity to meet demand in the middle of the day.

The different periods for charging energy in the 2024-29 regulatory control period are:

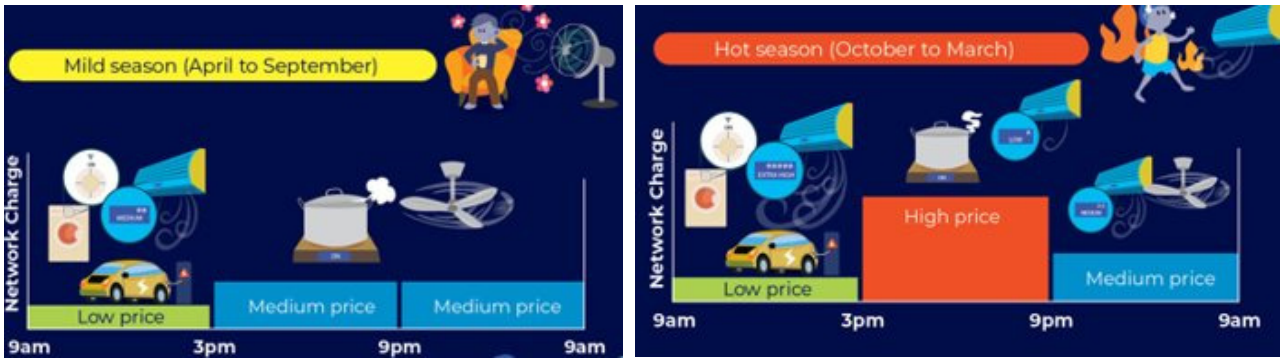
- **High period (Peak) period**:
  - From 1 October to 31 March weekdays, between 3pm and 9pm.
- **Medium (Off-peak) period**:
  - From 1 April to 30 September Monday to Sunday between 3pm to 9am.

- From 1 October to 31 March, Monday to Sunday between 9pm to 9am and 3pm to 9pm on weekends.

- **Low (Super off-peak) period**:
  - Every day of the year between 9am and 3pm.
- **Anytime energy period**:
  - 24 hour a day, 7 days a week all year round.

High period for energy replaces the maximum demand charge for smart metered customers covered by the NT Pricing Order, those consuming below 750MWh annually. This seasonal energy charge is designed to encourage customers to avoid using the network during maximum demand periods. The medium period signals that while the network is not expected to experience major demand issues, customers should be mindful of their usage. While the low period is designed to encourage customers to increase usage and shift load (where possible) to this time, it is designed to address minimum demand issues on the network. *Figure* 2.1 illustrates the various time-of-use pricing periods.

Figure 2.1 Time of Use Pricing for Consumption



Lastly the anytime energy period which remains for our largest customers consuming above 750MWh annually or connected to our HV network is designed to recover residual costs of tariffs which also incorporate a demand (kVA) charge.

2.2.3 Demand charge parameters

In the 2019-24 regulatory control period we applied a demand charge to all customers with a smart meter. For our new tariffs covering the 2024-29 regulatory control period applying to customers with smart meters consuming less than 750MWh annually, we are removing the demand charge component and instead apply the time of use energy charges as outlined above.

For our major customers, those LV consuming above 750MWh annually and all customers connected to the HV network, we will continue to apply an annual peak demand charge. However, this charge will be applied as an 'On' season, from 1 October to 31 March, and an 'Off' season from 1 April to 30 September each year.

The introduction of the two seasons allows us to better manage major customer impacts by smoothing the 'on' season rate, by recovering during the 'off' season. This is important for customers who are not covered by the NT Pricing Order.

2.2.4 Tariff structure and demand and energy periods

Table 2.5 below outlines the various time periods that apply to our energy and demand charges, with table 2.6 outlining the various components that apply to each of our tariffs.

Table 2.5 Breakdown of energy and demand time of use periods

Demand (kVA) detail and periods	Energy (kWh) details and periods
On Season - Peak Period • 3pm to 9pm Monday to Friday (including public Holidays) from 01 October to 31 March	**Low Period (Super Off-Peak)** • 9am to 3pm Monday to Sunday, all year
Off Season - Peak Period • 3pm to 9pm Monday to Friday (including public Holidays) from 01 April to 30 September	**Mid Period (Off Peak)** • 3pm to 9am Monday to Sunday from 01 April to 30 September, and • 9pm to 9am Monday to Sunday from 01 October to 31 March and 3pm to 9pm on weekends
Peak Demand Charging Consumer charged for the highest recorded demand during the peak period (regardless of season) each month	**High Period (Peak)** • 3pm to 9pm Monday to Friday (including public Holidays) from 01 October to 31 March
	Anytime Energy • 24 hour a day, 7 days a week, is a flat rate (cents/kWh) that applies all day every day

Table 2.6 Network tariffs by charging parameters from 1 July 2024

Tariff	Tariff Description	Eligibility	Connection Voltage (HV/LV)	System Availability Charge (SAC) ($/NMI/day)	Energy (kWh)				Peak Demand (kVA)*	
					Anytime (24/7)	Low Period	Mid Period	High Period	On Season	Off Season
1	Residential Accumulation	All residential customers with accumulation metering	LV	✓	✓					
2	Non-Residential Accumulation	All non-residential customers with accumulation metering	LV	✓	✓					
3a	LV Smart Meter	Residential with smart metering consuming 0-160 MWh pa	LV	✓		✓	✓	✓		
3b	LV Smart Meter	Non-Residential with smart metering consuming 0-160 MWh pa	LV	✓		✓	✓	✓		

Tariff	Tariff Description	Eligibility	Connection Voltage (HV/LV)	System Availability Charge (SAC) ($/NMI/day)	Energy (kWh)				Peak Demand (kVA)*	
					Anytime (24/7)	Low Period	Mid Period	High Period	On Season	Off Season
3c	LV Smart Meter	All customers with smart metering consuming 160-750 MWh pa	LV	✓		✓	✓	✓		
4	Unmetered	All Unmetered	LV		✓					
5	LV Majors	All customers connected to the LV network consuming above 750MWh pa	LV	✓	✓				✓	✓
6	HV Smart Meters	Customers connected to HV network consuming 0-10,000 MWh pa	HV	✓	✓				✓	✓

2.3 Tariff assignment process

Power and Water has a two-step process to assign or reassign customers to an appropriate tariff class and tariff. Initially, a customer is assigned a tariff class according to whether they are connected to the LV or HV network. Consideration is given to the customer's historical or expected consumption level and finally meter type. The customer is then assigned a tariff according to these characteristics and end use as specified against the matching tariff class and tariff eligibility criteria.

A tariff assignment is triggered when one of the following occurs:

- Power and Water undertakes an annual customer review and identifies that the customer may need to be reassigned;
- a smart meter is installed;
- a new customer connects to the network and is allocated an NMI for the first time, or
- following a request by a retailer, the customer, or their representative.

The tariff assignment will continue to apply until a reassignment is triggered, either due to changes in the customer's load, connection, metering characteristics or by request.

3. Standard control services

The purpose of this chapter is to identify our process for deriving SCS tariffs in 2024-25. To calculate tariffs, we calculated the total allowed revenue for the period, developed forecasts of energy consumption, including demand and customer numbers, and then set tariffs based on our AER approved TSS.

This chapter is structured as follows:

- Section 3.1 sets out the inputs to calculate the total allowable revenue for 2024-25.
- Section 3.2 outlines the 2024-25 forecast for customer numbers, energy consumption and demand.
- Section 3.3 sets out our tariff re-balancing strategy for 2024-25.
- Section 3.4 identifies our proposed tariffs for 2024-25.

3.1 Total allowable revenue

The first step in our process is to calculate the total allowed revenue (**TAR**) 2024-25. The TAR we calculated for 2024-25 is $173.978 million (nominal), which is 11.1 per cent more than the 2023-24 TAR of $154.592 million (nominal) as included in the 2023-24 pricing proposal. The large increase in TAR for 2024-25 is predominately due to this being the first year of our second regulatory control period.

The increase in Power and Water's revenue allowance will lead to increased charges across many of our tariffs when compared to the previous year. The exception being our new tariff 3a and 3b tariff which will see a decrease due to our new tariff structure, specifically the segmentation of tariff 3c.

3.1.1 Calculation of total allowable revenue

The AER prescribes the method and formula that we must use to derive the TAR.[6] The TAR formula is:

$$TAR_t = AAR_t + I_t + B_t + C_t$$

The elements are as follows:

- AAR_t is the adjusted annual smooth revenue requirement for year t (2024-25).
- I_t is the sum of incentive scheme adjustment in year t relating to approved demand management incentive scheme (**DMIS**) amounts from t-2 (2022-23).
- B_t is the sum of annual adjustment factors for year t (2024-25).
- C_t is the sum of approved cost pass through amounts with respect to regulatory year t (2024-25).

Table 3.1 applies the TAR formula and sets out where the inputs are sourced from. The SCS pricing model (Appendix F) provides the underlying calculations.

[6] This is identified in section 13.4.6 of AER's draft decision (which was retained in the final decision).

Table 3.1: 2024-25 SCS total allowed revenue ($m, nominal)

Input	Value*	Source
Adjusted annual smoothed revenue (AAR_t)	$173.978	The AER's smoothed nominal revenue requirement in 2024-25 was $173.978 million. Consistent with AER prescribed method we have updated inflation to reflect the December 2022 and December 2023 ABS updates. The inflation rate values are 7.83 per cent and 4.05 per cent respectively. The updated X-factors are -6.97 per cent and weighted average cost of capital **(WACC)** of 2.94 per cent sourced from the updated Post Tax Revenue Model (**PTRM**) provided by the AER.[7]
Demand management incentive scheme (DMIS) adjustments (I_t)	$0.0	The DMIS reward relates to payments for 2022-23 (i.e. t-2).
Annual adjustments (B_t)	$0.525	We have applied the under and overs account using the AER's required approach – see section 3.1.2 below. No additional adjustments have been applied for designated pricing proposal charges or jurisdictional scheme payments.[8]
Cost pass through amounts (C_t)	$0.0	There are no pass-through amounts for 2024-25. We have not applied for a cost pass through amount at the time of submitting this pricing proposal.
Total allowable revenue (TAR_t)	$174.503	Sum of the above values.

* Numbers have been rounded for presentational purposes. Exact values are included in the SCS pricing model (Appendix F).

3.1.2 Under and overs

The annual adjustments applicable to Power and Water in 2024-25 are those relating to reconciling revenue for the revenue cap outcomes in the 2022-23 (t-2) regulatory period and updated with the most recent inflation data. We recorded a minor revenue adjustment of $0.525 million for the 2024-25 regulatory year.

Our current year to date revenue forecasts for 2023-24 pricing period predicts a 6.4 per cent revenue variance against our forecasted revenue contained in that pricing period. We have not amended our current 2024-25 proposal to capture this increase.

Table 3.2 demonstrates our revenue calculations, including the unders and overs calculations.

7 The PTRM provided by the AER is the same as that included with its final determination for the 2019–24 period, updated for the most recent cost of debt observation.

8 Designated pricing proposal charges are charges related to: designated pricing proposal services (prescribed exit fees, prescribed common transmission services and prescribed transmission use of system services); avoided customer transmission use of system charges; charges provided by another distributor (but only to the extent they comprise of designated pricing proposal services or standard control services); and charges or payments specified in the National Electricity Rules (NER) clause 11.39. Power and Water is unique in Australia because we have no network tariff component relating to the annual recovery of transmission costs. While the AER's TAR formula provides for these in the NT, the values are zero for 2020-21. This means Power and Water's network charges only comprise a SCS component.

Jurisdictional scheme amounts arise where a distributor is required to incur costs under a jurisdictional scheme imposed by a state or territory government. Clause 6.18.7A of the NT NER requires this initial pricing proposal to set out any jurisdictional scheme values. We are currently not subject to any eligible jurisdictional schemes. While we have a territory based Guaranteed Service Level scheme, this scheme is funded through our operational costs and was considered as part of the determination process.

Table 3.2: 2024-25 revenue calculations ($m, nominal)

	2022-23	2023-24	2024-25
Pricing year	*t-2*	*t-1*	*t*
Revenue from charges	139.2	154.6	174.5
Cross-boundary revenue (Designated pricing proposal charges (DPPC) only)	0.0	0.0	0.0
Deliberate under-recoveries	0.0	0.0	0.0
Unpaid network charges (Retailer of last resort (ROLR))	0.0	0.0	0.0
Total revenue	139.2	154.6	174.5
Total allowable revenue a/DPPC or JSA expenditure	153.1	165.3	174.0
Total allowable revenue	153.1	165.3	174.0
Total under/over recovery of revenue for regulatory year	-13.9	-10.7	0.5
Balancing adjustment (b-factor) made when year was 't'	-14.9	-10.7	0.0
Net under/over recovery of revenue for regulatory year	1.0	-0.0	0.5
SCS unders and overs account			
Nominal WACC	0.00%	0.00%	7.11%
Opening balance	22.7	9.8	-0.5
Interest on opening balance	1.3	1.0	-0.0
Under/over recovery of revenue for regulatory year	-13.9	-10.7	0.5
Interest on under/over recovery for regulatory year	-0.4	-0.5	0.0
Closing Balance	9.8	-0.5	-0.0

Under the AER's revenue cap, revenues in year *t* are adjusted to true-up any under or over recovery of actual revenue collected through SCS charges in year *t–2* and any estimated under or over recovery of revenues in year *t–1*.

The AER's 2024-29 Distribution Determination allows for interest to be earnt or paid back on the unders and overs account variance using the nominal WACC. The final decision nominal WACC has been adjusted to reflect actual inflation and updated cost of debt.

3.2 Forecast customer numbers, consumption and demand in 2024-25

The next step in the process is to update forecast customer numbers (represented by NMIs), energy consumption (kWh), and demand (kVA) for 2024-25 ensuring they align to the newly approved tariff structures. As this is the first year of our second regulatory control period, we have used the exact forecast as provided in our revised regulatory proposal to the AER for our 2024-29 Distribution Determination submitted to the AER in November 2023.

The forecast approved in our revised regulatory proposal is based on the work undertaken by industry experts and independent consultants *Energeia,* who provided the forecast and trend analysis used in our

initial regulatory proposal. We used this trend analysis and applied it to the updated base when updating our forecast for the revised regulatory proposal.

3.3 SCS tariffs

Table 3.3 and 3.7 sets out the proposed price list for SCS tariffs in 2024-25 by charging parameter and the associated time periods. The charges are based on the key inputs, including forecasted volumes, approved tariff strategies and the AER approved revenue allowance.

Available in Appendix B is our forecasted charges for the remainder of the current regulatory control period (2024-29), and the inputs and outputs which are contained in the 2024-25 SCS pricing model in Appendix F.

Table 3.3: 2024-25 price list for SCS - tariffs by charging parameter ($, nominal)

Tariff	System Availability Charge	Energy ($/kWh)			Demand ($/kVA/Month)	
	SAC $/NM/day	Anytime (24/7)	Low Period (Super Off Peak)	Mid Period (Off Peak)	High Period (Peak)	On Season	Off Season
Tariff 1: Residential Accumulation Tariff	2.000	0.060375					
Tariff 2: Non-residential Accumulation Tariff	2.000	0.070000					
Tariff 3a: LV Smart Meter Residential 0-160MWh	2.000	-	$0.000000	0.050000	0.190000		
Tariff 3b: LV Smart Meter Non-Residential 0-160MWh	2.500	-	$0.000000	0.057500	0.250000		
Tariff 3c: LV Smart meter 160-750MWh	8.500	-	$0.000000	0.080000	0.320255		
Tariff 4: Unmetered Tariff	-	0.098346					
Tariff 5: LV Majors Tariff (>750MWh)	95.000	0.025000				15.000000	2.200000

Energy (kWh) and Demand (kVA) periods
Low Period Energy (Super Off Peak) • 9am to 3pm Monday to Sunday, all year
Mid Period Energy (Off Peak) • 3pm to 9am Monday to Sunday from 1 April to 30 September, and • 9pm to 9am Monday to Sunday from 1 October to 31 March, and 3pm to 9pm on weekends
High Period Energy (Peak) • 3pm to 9pm Monday to Friday (including public holidays) from 1 October to 31 March
Anytime Energy (24/7) • 24 hours a day 7 days (including public holidays) all year
On Season Demand (kVA) • 3pm to 9pm Monday to Friday (including public holidays) from 1 October to 31 March
Off Season Demand (kVA) • 3pm to 9pm Monday to Friday (including public holidays) from 1 April to 30 September

Tariff 6: HV Smart Meters	110.000	0.030000				6.500000	1.829185

Table 3.7: 2024-25 charging times

4. Alternative control services

This chapter explains our 2024-25 ACS charges and the inputs used to calculate them in accordance with the AER's determination. Alternative control services (ACS) are regulated distribution services we provide specifically to a customer. They include metering and ancillary (one-off) services. The services are provided on a user pays basis and the costs are recovered from individual customers through charges.

4.1 Key inputs to calculating ACS prices

ACS are subject to a price cap, which is updated on an annually. There is no under-over recovery in the price cap formula.

In 2024-25 we applied the charge approved and published in the AER's determination. From 2025-26 we will be required to apply a formula updating the previous year's price, taking into account inflation and the relevant X-factor for each service as outlined in the AER's determination.

As this is the first year of our second regulatory control period (2024-29), Table 4.1 below identifies the key inputs that would usually be used to calculate the annual charges for ACS. Appendix G includes the ACS pricing model which demonstrates our compliance with the AER's control mechanism in deriving the 2024-25 prices.

Table 4.1: ACS metering pricing parameters

Terms	Input	Source
Inflation update	4.05%	Consistent with AER prescribed method we have updated inflation forecasts for 2024-25 to reflect the December 2023 ABS updates. Note this inflation update is consistent with that used to determine SCS prices.
X-factor for metering services (Type 1 to 6)	0%	Consistent with AER final decision on page 21 of Attachment 15 (Table 15.7)
X-factor re-connection, disconnection and final read	0%	Consistent with AER final decision on page 20 of Attachment 15 (Table 15.6)
X-factor for all other services to apply to 2024-25	0%	Consistent with AER final decision on page on page 20 of Attachment 15 (Table 15.6)

4.2 ACS metering tariffs

Our metering service provision includes Power and Water performing the following activities:

- Metering coordinator
- Metering provider including providing, installing, maintaining, inspecting, replacing and testing meters
- Meter reading, including scheduled and special meter reads (e.g. move in and move out meter reading, final read on removed meter)
- Data services including collection, processing, management, delivery and storage of metering data.

Table 4.2 sets out the proposed price list for single phase meters, three phase meters, LV current transformer and HV Voltage transformer with remote reading meters (i.e., CT and VT meters). Like the SAC

charge, the metering charges will be applied on a daily basis. The daily charge is set out in the ACS pricing model in Appendix G.

Table 4.2: ACS metering service provision for Type 1 to 6 meters - 2024-25 price list (nominal $, excluding GST)

Meter type	Annual Charge	Daily Charge
1 Phase Meters (including Prepayment)	$136.39	$0.373671
3 Phase Meters	$180.71	$0.495096
LV CT	$721.14	$1.975726
HV	$2,488.06	$6.816603

4.3 Ancillary – Quoted services

Quoted services are provided for one-off specific tasks at a customer or retailer request. The cost of quoted services will vary on the time taken and any other costs incurred to complete the task. The charges included for quoted services relate to the cost of labour (and overheads) that will be used to provide a quote for the service. Additional to the labour costs, we will also include material and travel costs when preparing the quote. Table 4.3 sets out the proposed price list for 2024-25 for quoted services.

Table 4.3: ACS quoted services - price list in 2024-25 - labour only (nominal $, excluding GST)

Quoted Service		Basis of charging	Price
Internal - Technical	Business hours	$/Hour	$239.27
Internal - Administration	Business hours	$/Hour	$117.95
Internal - Comms	Business hours	$/Hour	$239.27
Internal - Engineering	Business hours	$/Hour	$262.10
Internal – Technical	After hours	$/Hour	$303.45
Internal – Administration	After hours	$/Hour	$206.41
Internal - Comms	After hours	$/Hour	$303.45
Internal - Engineering	After hours	$/Hour	$362.27

4.4 Ancillary – Fee-based services

Fee-based charges form part of ancillary services. These services are routinely performed and are based on a set rate that includes a labour rate, materials, other and overheads with a set time to perform the task. Table 4.4 sets out the proposed price list for 2024-25 for fee-based services.

Table 4.4: ACS fee-based services - 2024-25 price list (nominal $, excluding GST)

Fee-based Service	Basis of charging	Price
Provision of 3 phase service	$/Request	$2,622.03
Standard temporary builder's connection	$/Request	$1,116.40
Class 1 & 2 PV service	$/Request	$178.61
Class 3 PV Assessment	$/Request	$2,055.08
Temporary disconnection and reconnection - no dismantling	$/Request	$660.04
Temporary disconnection and reconnection - physical dismantling	$/Request	$2,071.71
Complex disconnection	$/Request	$757.50
Disconnection (and final read)	$/Request	$91.00
Reconnection	$/Request	$93.35
Reconnection - after hours	$/Request	$732.27
Wasted visit fee	$/Request	$320.41
Historical data requests	$/Request	$176.92
Standing data requests	$/Request	$58.97
Customer transfers	$/Request	$235.89
Network tariff change request	$/Request	$58.97
Installation of minor apparatus	$/Request	$784.45
Special meter test	$/Request	$554.12
Exchange or replace meter – three phase	$/Request	$434.49
Exchange or replace meter - single phase	$/Request	$374.67
Relocation of meter	$/Request	$578.05
Remove meter	$/Request	$578.05
General meter inspection	$/Request	$267.00
Special meter read - no appointment	$/Request	$61.70
Special meter read - appointment	$/Request	$134.58
Meter program change	$/Request	$314.85
Install modem on smart ready meter	$/Request	$314.85
Prepayment vending charge	$/Request	$0.63
Prepayment meter support charge	$/Request	$139.29
After hours (non-reconnection) - uplift 1.83 x business hours charge (BHC)	$/Request	BHC x 1.83

5. Pricing compliance

This chapter explains how we demonstrate compliance with the pricing principles, and other requirements in the NT NER. Appendix A is our checklist of how we have complied with each relevant provision in the NT NER.

5.1 Pricing principles

The NT NER requires that tariffs comply with the pricing principles. The sections below identify how we meet each pricing principle[9].

5.1.1 Network pricing objective

Our tariff structures must support the network pricing objective in the pricing principles. Under the objective, the tariffs we charge for direct control services to a retail customer should reflect our efficient costs of providing those services to that retail customer.[10]

Consistent with this objective, we have sought to support the long-term interests of our customers when designing our tariffs. In our approved TSS Explanatory Statement[11] we noted that our tariff strategy seeks to develop tariff structures that reflect the efficient cost of providing these services to each retail customer. At the same time we sought to manage adverse bill impacts. In the 2019-24 regulatory control period, we made significant inroads into tariff reform by simplifying our tariff structures while moving to more efficient charging parameters. We have continued this tariff reform into our second regulatory control period (2024-29), further refining our tariffs to better represent our customer base while still complying with network pricing objectives.

5.1.2 Pricing within stand-alone and avoidable costs

To comply with the NT NER, Power and Water must demonstrate that expected revenues from customers for a given tariff class are less than the stand alone cost of serving those customers and more than the avoidable cost of not serving those customers – commonly referred to as the 'efficient pricing bounds'.[12]

Our 2024-29 TSS provided the efficient pricing bounds for each tariff class. We have updated the TSS values to reflect the CPI as part of this pricing proposal. Table 5.1 demonstrates that the revenues we expect to recover from each tariff class are within the CPI adjusted efficient pricing bounds previously approved.

9 NT NER 6.18.5.
10 NT NER 6.18.5(a).
11 Power and Water, Revised Tariff Structure Statement – Explanatory Statement, November 2023.
12 NT NER 6.18.5(e).

Table 5.1: Stand-alone and avoidable cost ($M per year, nominal $2024-25)

Revenue and cost measures	Tariff classes		
	LV <750MWh	LV >750MWh	HV
Stand-alone cost	566	74	105
Forecast 2024-25 tariff revenues	140	18	17
Avoidable cost	15	2	2
Compliant	**Yes**	**Yes**	**Yes**

5.1.3 Long run marginal costs (LRMC)

Under the NT NER, each tariff must be based on the long run marginal cost of serving those customers, with the method of calculation and its application determined with regard to the costs and benefits of that method, the costs of meeting demand from those customers at peak network utilisation times, and customer location.[13]

The AER's 2024-29 Distribution Determination approved our LRMC estimates. These estimates were based on the average incremental cost approach for the HV and the LV systems. Our LRMC estimation was a two-step process where we first estimated LRMC for the whole of our three regulated networks by voltage level using current available inputs. We then compared these LRMC estimates against other National Electricity Market (NEM) distribution network's estimates, and against previous estimates used for our 2019-24 network pricing determination. Table 14 sets out our TSS approved LRMC values for the forthcoming regulatory control period (2024-29).

Table 14: Long-run marginal cost estimates (real $2024-25)

Tariff class	TSS LRMC estimate $/kVA per month
LV <750MWh	14.3
LV >750MWh	14.3
HV	8.4

Ideally, demand charges should be aligned to the LRMC estimates. However, this is not always possible given customer impacts and allowable side constraints of moving to new tariffs. To assist with moving towards the ideal outcome we calculated a diversified LRMC by tariff in our TSS, which provides a minimum target for each tariff.[14] This involved assessing customer's coincident demand for demand tariffs and power factor for consumption tariffs. The inputs, methodology and outcomes are consistent with Power and Water's approved TSS.

Table 5.1 shows the diversified LRMC by tariff, compared to the relevant tariffs for 2023-24 and 2024-25.

[13] NT NER 6.18.5(f).

[14] Power and Water, revised Tariff Structure Statement, 30 November 2023

Figure 5.1: Diversified LRMC by tariff ($Nominal 2024-25)

Tariff	Anytime Energy Charge			Peak Energy Charge			On-Season Demand		
	Diversified LRMC by Tariff	2023-24	2024-25	Diversified LRMC by Tariff	2023-24	2024-25	Diversified LRMC by Tariff	2023-24	2024-25
	¢/kWh	¢/kWh	¢/kWh	¢/kWh	¢/kWh	¢/kWh	$/kVA	$/kVA	$/kVA
Tariff 1: Residential Accumulation Meter	0.49	0.00	6.04						
Tariff 2: Non-Residential Accumulation	0.50	0.00	7.00						
Tariff 3a: LV Smart Meter Residential				0.49	0.00	19.00			
Tariff 3b: LV Smart Meter Non-Residential				0.49	0.00	25.00			
Tariff 3c: LV Smart Meter				0.49	0.00	32.03			
Tariff 4: Unmetered	0.51	0.00	9.83						
Tariff 5: LV Majors	0.49	0.00	2.50				2.84	0.00	15.00
Tariff 6: HV Smart Meters	1.31	0.00	3.00				7.30	0.00	6.50

5.1.4 Reflect total efficient costs and seek to minimise distortion

The NT NER requires that the expected revenue from each tariff must reflect our efficient costs, permit us to recover revenue consistent with the applicable distribution determination, and minimise distortions to efficient price signals.[15]

Overall our tariffs are set to recover the total allowed revenue consistent with the AER's determination, which is set out in section 3.1. The revenue reflects the AER's assessment of our efficient costs, updated for inflation (measured by CPI) and cost of debt.

The pricing principles require us to minimise distortions, which includes considering aligning revenue shares with the cost to serve, and revenue recovery through non-distortionary charging parameters. Our focus is on those customers who see our tariff structures and charges, although we try to adopt these principles across all our tariff classes.

Figure 5.2 shows that residual cost shares by tariff, while Figure 5.3 shows the residual cost recovery by tariff parameter (tariff components) covering 2024-25.

[15] NT NER 6.18.5(g).

Figure 5.2: Residual cost recovery share by tariff (2024-25)

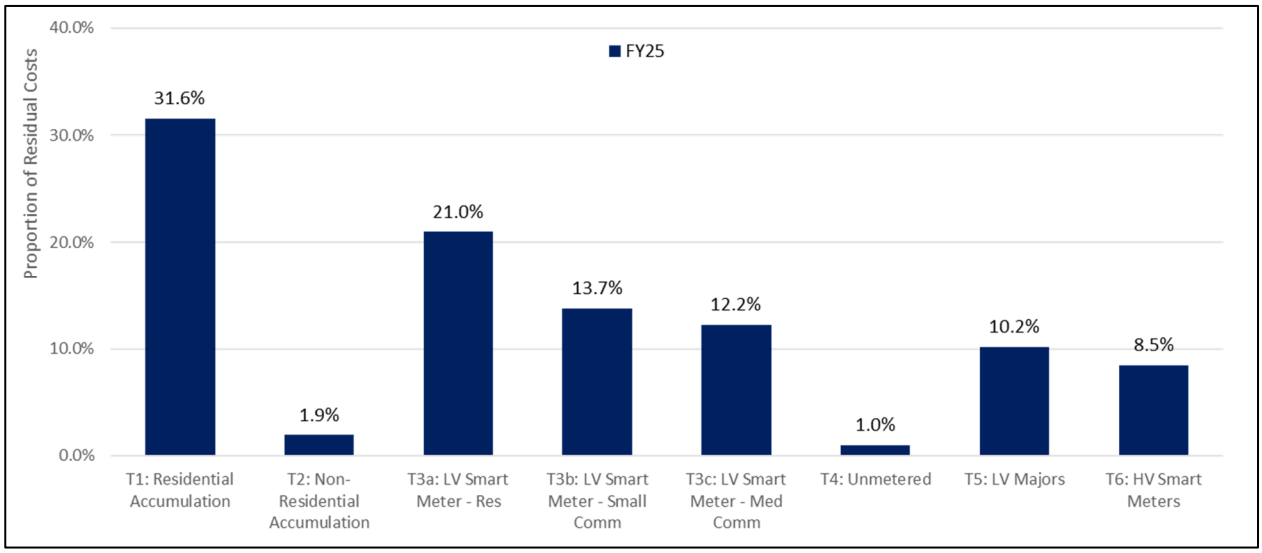
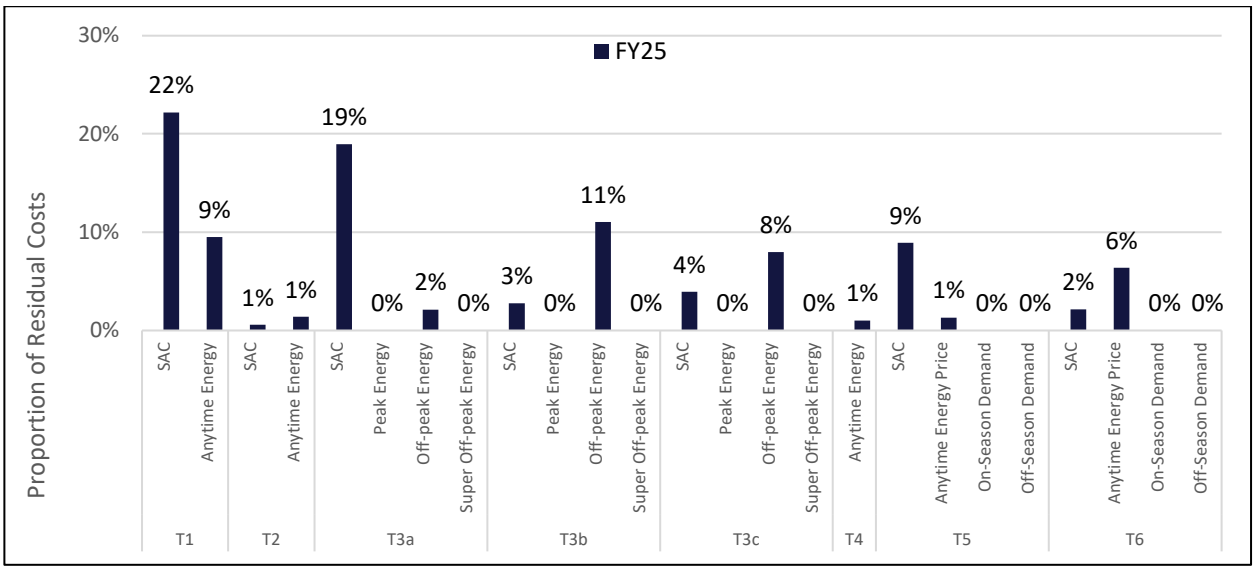


Figure 5.3: Residual cost recovery share by tariff parameter (2024-25)



5.1.5 Customer transition and ability to respond

While the NT NER requires us to adopt efficient cost reflective tariffs, it recognises that this may need to occur over a period of transition. Under the pricing principles the design of any transition can have regard to the level of bill impact faced by our customers, the desirability for efficient tariffs, customers' ability to choose tariffs and their ability to respond to pricing changes by modifying their behaviour. [16]

In our first regulatory control period 2019-24 we made significant headway into developing efficient tariffs, which has continued through the current regulatory control period while having regard to potential bill impacts.

16 NT NER. 6.18.5(h).

5.1.6 Simple to understand

The pricing principles also require that tariff structures be reasonably capable of being understood by retail customers assigned to that tariff.[17]

Power and Water's tariffs are simple and easy to understand, particularly when compared to other utilities. Notably we have simple tariff structures with a flat rate anytime energy for customers on accumulation meters and our major customers (LV above 750MWh and all HV customers) and a three tier time-of-use energy rates for the smart metered customer below 750MWh annually. In addition we have introduced a seasonal peak demand charge for each tariff (with no off-peak demand charging).

Most other networks have significantly more tariff-types. We have also retained simplicity in our tariffs by not having a menu of opt-in tariffs, which helps reduce transaction costs and is unnecessary with NT Pricing Order retail pricing protections.

5.2 Other requirements in the NER

This section addresses other relevant NT NER provisions applying to this proposal.

5.2.1 Side constraints

The NT NER requires that we apply side constraints, which restricts movement of revenues within each tariff class from one year to the next. [18] Specifically for each regulatory year after the first year of a regulatory control period, side constraints apply to the weighted average revenue raised from each tariff class. The NT NER requires the permissible percentage increase is the greater of CPI–X plus 2 per cent or CPI plus 2 per cent after accounting for other adjustments allowed in the annual TAR formula. [19]

Appendix F demonstrates our compliance with the side constraint for each tariff class. As 2024-25 is the first year of the new regulatory control period side constraints do not apply.

We have calculated the relevant side constraint to apply in 2024-25 as set out in Figure 5.4.

Figure 5.4: Calculation of side constraint for 2024-25

Component	Values
Inflation	0%
X-Factor	0%
Constraint Factor	0%
Incentive Scheme Adjustments	0%
Annual Adjustment Factors	0%
Approved Pass-Through Amounts	0%
Constraint	**0%**

17 NT NER 6.18.5(i)

18 While the side constraint forms part of the control mechanism it is discussed here as it impacts on the level of pricing parameters rather than the total revenue requirement.

19 NT NER, 6.18.6(c).

Table 5.2 sets out the increased weighted average revenue from each tariff class which would usually be consistent with the side-constraint formula. As 2024-25 is the first year of the new regulatory control period side constraints do not apply.

Table 5.2: Weighted expected revenue in 2023-24 and 2024-25 and percentage change

Tariff class	Expected Revenue 2023-24	Expected Revenue 2024-25	% change in revenue
LV <750MWh	$125,803	$139,984	11.27%
LV >750MWh	$16,412	$17,860	8.82%
HV	$12,377	$16659	34.60%

5.2.2 Variation during the year

The NT NER requires that a pricing proposal sets out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur.[20]

In the previous years, Power and Water responded to the COVID-19 pandemic by significantly reducing pricing for major customer tariffs. As the NT continues its economic recovery, similarly to the rest of the nation NT is faced with an increase in cost of living pressures due to a period of increased inflation. We are not currently aware of any NT Government plans or the potential of any upcoming issues that would require Power and Water to deviate from our proposal.

If this were to occur Power and Water would actively engage with our stakeholders.

5.2.3 Tariff variation from 2022-23 to 2023-24

The NT NER requires us to describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the NT NER and any applicable distribution determination.

In this respect we note that our tariff classes have remained the same as the previous regulatory control period (2019-24), while our tariffs and tariff structures have changed from the previous regulatory control period. These charges are a result of Power and Water's continued tariff reforms as we enter our second regulatory control period (2024-29).

5.2.4 Rounding

When reporting on compliance as part of the annual pricing proposal process each year of the regulatory control period, the AER requires that certain calculation inputs be used on an unrounded basis while others may be used on a rounded basis. The process for rounding and the specific inputs to be rounded are detailed in Draft Determination Attachment 13: Appendix D.[21]

We have complied with these requirements.

20 NT NER 6.18.2(b)(5)

21 The final decision confirmed this aspect of the Draft Decision. Australian Energy Regulator, Final Decision: Power and Water Corporation Distribution Determination for 2024 to 2029, April 2024.

Appendix A

SCS revised indicative pricing schedule

A.1 Indicative pricing schedule

Table A.1 sets out our proposed TSS tariff charges for 2024-25 (**bold**) by charging parameter, together with the approved tariff charges in previous submissions, and the indicative tariff charge in the remaining years of the regulatory period. This constitutes our revised indicative pricing schedule for SCS.

Table A.1: Indicative price schedule for SCS (nominal $, excluding GST)

Charge	Basis of charging	Proposed 2024-25	Indicative 2025-26	Indicative 2026-27	Indicative 2027-28	Indicative 2028-29
Tariff 1: Residential						
SAC	$/day/NMI	**2.000000**	2.250000	2.500000	2.750000	2.750000
Anytime Energy Charge	$/kWh	**0.060375**	0.060000	0.067000	0.074750	0.080000
Tariff 2: Non-residential						
SAC	$/day/NMI	**2.000000**	2.250000	2.500000	2.750000	3.000000
Anytime Energy Charge	$/kWh	**0.070000**	0.073300	0.077000	0.080100	0.081500
Tariff 3a: LV Smart Meter Residential						
SAC	$ $/day/NMI	**2.000000**	2.250000	2.500000	2.750000	2.750000
Peak Energy Charge	$/kWh	**0.190000**	0.195000	0.200000	0.210000	0.220000
Off-Peak Energy Charge	$/kWh	**0.050000**	0.050500	0.060200	0.070000	0.076000
Super Off-Peak Energy Charge	$/kWh	**0.000000**	0.000000	0.000000	0.000000	0.000000
Tariff 3b: LV Smart Meter Non-Residential						
SAC	$/day/NMI	**2.500000**	2.750000	3.000000	3.250000	3.500000
Peak Energy Charge	$/kWh	**0.250000**	0.260000	0.265000	0.270000	0.274896
Off-Peak Energy Charge	$/kWh	**0.057500**	0.060000	0.065550	0.070000	0.072000
Super Off-Peak Energy Charge	$/kWh	**0.000000**	0.000000	0.000000	0.000000	0.000000
Tariff 3c: LV Smart Meter						
SAC	$/day/NMI	**8.500000**	9.000000	9.500000	9.750000	10.000000
Peak Energy Charge	$/kWh	**0.320255**	0.329330	0.332500	0.344220	0.362575
Off-Peak Energy Charge	$/kWh	**0.080000**	0.100000	0.105864	0.115000	0.138335
Super Off-Peak Energy Charge	$/kWh	**0.000000**	0.000000	0.000000	0.000000	0.000000
Tariff 4: Unmetered						
Anytime Energy Charge	$/kWh	**0.098346**	0.149794	0.159871	0.163639	0.175548
Tariff 5: LV Majors						
SAC	$/day/NMI	**95.000000**	100.000000	110.000000	115.000000	120.000000
Anytime Energy Charge	$/kWh	**0.025000**	0.027500	0.030000	0.032500	0.035000
On-Season Demand	$/kVA	**15.000000**	16.000000	17.000000	19.000000	20.000000
Off-Season Demand	$/kVA	**2.200000**	3.000000	4.000000	6.000000	7.000000
Tariff 6: HV Smart Meters						
SAC	$/day/NMI	**110.000000**	115.000000	120.000000	125.000000	130.000000
Anytime Energy Charge	$/kWh	**0.030000**	0.032500	0.035000	0.037500	0.039675
On-Season Demand	$/kVA	**6.500000**	8.000000	9.000000	11.000000	12.000000
Off-Season Demand	$/kVA	**1.829185**	2.188440	2.662170	4.022055	4.990000

Appendix B

ACS metering revised indicative pricing schedule

B.1 Indicative pricing schedule

Table B.1 sets out our proposed price by meter type in 2024-25 (**bold**) together with the approved tariff charges in previous submissions, and the indicative price in the remaining years of the regulatory period. This constitutes our revised indicative pricing schedule for ACS metering services.

Table B.1: Indicative price schedule for ACS Metering services (nominal $, excluding GST)

Charge	Basis of charging	Proposed	Indicative	Indicative	Indicative	Indicative
		2024-25	2025-26	2026-27	2027-28	2028-29
1 Phase Meters (including Prepayment)	$/Year/Meter	**$136.39**	$140.02	$143.74	$147.56	$151.48
3 Phase Meters	$/Year/Meter	**$180.71**	$185.52	$190.45	$195.52	$200.72
LV CT	$/Year/Meter	**$721.14**	$740.32	$760.01	$780.22	$800.97
HV	$/Year/Meter	**$2,488.06**	$2,554.24	$2,622.18	$2,691.92	$2,763.52

Appendix C

ACS Quoted Services revised indicative pricing schedule

C.1 Indicative pricing schedule

Table C.1 sets out our proposed price by ACS quoted service (labour only) in 2024-25 (**bold**) together with the approved price in previous submissions, and the indicative price in the remaining years of the regulatory period. This constitutes our revised indicative pricing schedule for ACS quoted services.

Table C.1: Indicative price schedule for ACS quoted services (nominal $, excluding GST)

Service	Basis of charging	Proposed 2024-25	Indicative 2025-26	Indicative 2026-27	Indicative 2027-28	Indicative 2028-29
Internal - Tech	$/Hour	**$239.27**	$249.06	$258.13	$267.52	$277.58
Internal - Admin	$/Hour	**$117.95**	$122.78	$127.25	$131.88	$136.84
Internal - Comms	$/Hour	**$239.27**	$249.06	$258.13	$267.52	$277.58
Internal - Engineering	$/Hour	**$262.10**	$272.83	$282.76	$293.04	$304.06
Internal – Tech (A/H)	$/Hour	**$303.45**	$315.87	$327.37	$339.27	$352.03
Internal – Admin (A/H)	$/Hour	**$206.41**	$214.86	$222.68	$230.78	$239.46
Internal – Comms (A/H)	$/Hour	**$303.45**	$315.87	$327.37	$339.27	$352.03
Internal – Engineering (A/H)	$/Hour	**$362.27**	$377.10	$390.83	$405.04	$420.27

Appendix D

ACS Fee-based Services revised indicative pricing schedule

D.1 Indicative pricing schedule

Table D.1 sets out our proposed price by ACS fee-based service in 2024-25 (**bold**) together with the approved price in in previous submissions, and the indicative price in the remaining years of the regulatory period. This constitutes our revised indicative pricing schedule for ACS fee-based services.

Table D.1: Indicative price schedule for ACS Fee-based services (nominal $, excluding GST)

Charge	Basis of charging	Proposed	Indicative	Indicative	Indicative	Indicative
		2024-25	2025-26	2026-27	2027-28	2028-29
Provision of 3 phase service	$/request	**$2,622.03**	$2,729.34	$2,828.70	$2,931.56	$3,041.78
Standard temporary builder's connection	$/request	**$1,116.40**	$1,162.09	$1,204.39	$1,248.19	$1,295.12
Class 1 & 2 PV service	$/request	**$178.61**	$185.92	$192.69	$199.70	$207.21
Class 3 PV Assessment	$/request	**$2,055.08**	$2,139.18	$2,217.05	$2,297.67	$2,384.06
Temporary disconnection and reconnection - no dismantling	$/request	**$660.04**	$687.05	$712.06	$737.95	$765.70
Temporary disconnection and reconnection - physical dismantling	$/request	**$2,071.71**	$2,156.49	$2,234.99	$2,316.26	$2,403.35
Complex disconnection	$/request	**$757.50**	$788.50	$817.20	$846.92	$878.76
Disconnection (and final read)	$/request	**$91.00**	$94.72	$98.17	$101.74	$105.57
Reconnection	$/request	**$93.35**	$97.17	$100.71	$104.37	$108.29
Reconnection - after hours	$/request	**$732.27**	$762.24	$789.99	$818.72	$849.50
Wasted visit fee	$/request	**$320.41**	$333.52	$345.66	$358.23	$371.70
After Hours (non-reconnections) - uplift 1.83 x business hours charge	$/request	**1.83x**	1.83x	1.83x	1.83x	1.83x
Historical data requests	$/request	**$176.92**	$184.16	$190.86	$197.80	$205.24
Standing data requests	$/request	**$58.97**	$61.38	$63.61	$65.92	$68.40
Customer transfers	$/request	**$235.89**	$245.54	$254.48	$263.73	$273.65
Network tariff change request	$/request	**$58.97**	$61.38	$63.61	$65.92	$68.40
Installation of Minor Apparatus	$/request	**$784.45**	$816.55	$846.28	$877.05	$910.03
Special meter test	$/request	**$554.12**	$576.80	$597.80	$619.54	$642.83
Exchange or replace meter – three phase	$/request	**$434.49**	$452.27	$468.73	$485.77	$504.03
Exchange or replace meter - single phase	$/request	**$374.67**	$390.00	$404.20	$418.90	$434.65
Relocation of meter	$/request	**$578.05**	$601.71	$623.61	$646.29	$670.59
Remove meter	$/request	**$578.05**	$601.71	$623.61	$646.29	$670.59
General meter inspection	$/request	**$267.00**	$277.93	$288.05	$298.52	$309.74
Special meter read - no appointment	$/request	**$61.70**	$64.23	$66.57	$68.99	$71.58
Special meter read - appointment	$/request	**$134.58**	$140.09	$145.19	$150.47	$156.13
Meter program change	$/request	**$314.85**	$327.74	$339.67	$352.02	$365.26
Install modem on smart ready meter	$/request	**$314.85**	$327.74	$339.67	$352.02	$365.26
Prepayment Vending Charge	$/request	**$0.63**	$0.66	$0.68	$0.70	$0.73
Prepayment Meter Support Charge	$/request	**$139.29**	$144.99	$150.27	$155.73	$161.59

Appendix E

SCS Pricing Model

E.1 Pricing model

Please refer to separate excel workbook titled **PWC – 2024-25 annual SCS pricing model – 8 May 2024 – PUBLIC.**

Appendix F

ACS Pricing Model

F.1 Pricing model

Please refer to separate excel workbook titled **PWC – 2024-25 annual ACS pricing model – 8 May 2024 – PUBLIC.**

Contact

Australia: 1800 245 092
Overseas: +61 8 8923 4681
powerwater.com.au

PowerWater