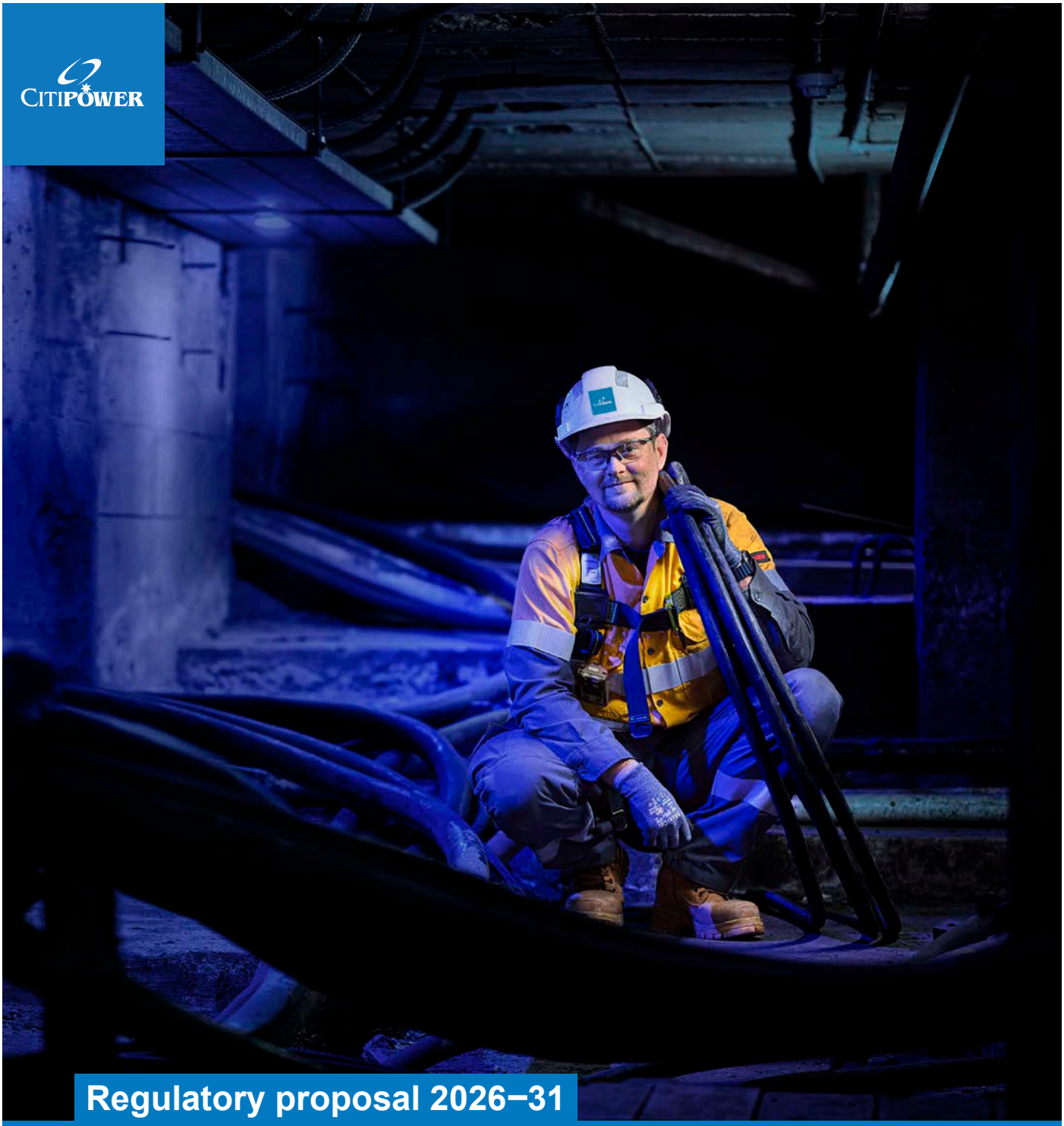
CITIPOWER



Regulatory proposal 2026–31

Tariff structure statement Compliance document

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Acknowledgement of Country

CitiPower acknowledges and respects the Traditional Owners as the original Custodians of the lands and waters our networks cover; lands First Peoples have occupied for tens of thousands of years.

CitiPower pays our respects to Elders past and present and acknowledge their ancient and continuing connection to Country.

About this tariff structure statement

CitiPower is submitting this Tariff Structure Statement (TSS) Compliance Document to the Australian Energy Regulator (AER) in accordance with the National Electricity Rules (NER). The main objective of the TSS Compliance Document is to outline our tariff structures for the upcoming regulatory control period and to demonstrate adherence to the NER. Additionally, we have provided a TSS Explanatory Statement that details the rationale behind our tariff structures.

This TSS, together with the Explanatory Statement, is an integral part of our regulatory proposal for the 2026-31 regulatory control period and should be considered alongside the rest of the regulatory proposal.

The CitiPower TSS is structured as follows:

TABLE 1.1 TSS STRUCTURE

CHAPTER	TITLE	PURPOSE
2	List of tariff classes and allocations	Provides a summary of our tariff classes and how customers are allocated to these tariff classes
3	Approach to setting tariffs	This section describes our approach to setting tariffs, calculation of avoided and stand alone cost and estimation of LRMC, as well as determining the basic export level and other associated issues relating to setting tariffs
4	Tariff structures and charging parameters	This section describes our approach to setting tariff structures and charging parameters
5	Tariff assignment	This section details the policies and procedures for customers to be assigned to individual tariffs
6	Export tariff transition strategy	This section outlines our approach to implementing export pricing
7	Alternative control services	A description of alternative control services and how we charge for them
8	Compliance checklist	This section sets out a checklist that identifies where each of the TSS Rule Requirements are met in this submission

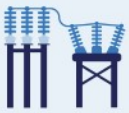
Table of contents

1. Tariff classes and allocations

1.1 Tariff classes

CitiPower supplies electricity to residential and commercial customers assigned to five tariff classes. These tariff classes are determined based on factors such as customer usage, voltage requirements, and the type of connection. Figure 1 shows CitiPower's tariff classes.

FIGURE 1 TARIFF CLASSES

	Tariff class	Supply voltage	Consumption
	Residential	<1kV	N/A
	Small and medium business	<1kV	<160MWh p.a.
	Large low voltage	<1kV	>160MWh p.a.
	High voltage	1kV–22kV	N/A
	Sub-transmission	≥22kV	N/A

1.2 Allocation of customers to tariff classes

Assignment of existing customers to tariff classes at the commencement of the next regulatory control period

Any customer who was served by CitiPower immediately prior to 1 July 2026 and remains a CitiPower customer as of 1 July 2026 will be deemed "assigned" to the tariff class applicable to them as of the period immediately preceding 1 July 2026.

Assignment of new or modified connections to a tariff class

If, after 1 July 2026, CitiPower becomes aware that a person will become a customer of CitiPower, then CitiPower will determine the tariff class to which the new customer will be assigned.

A customer that lodges an application to modify or upgrade an existing network connection from single to three-phase or upgrades their connection to a bi-directional flow is treated identically to a new customer with respect to their assignment to a tariff class.

If CitiPower becomes aware of a new or modified connection, then CitiPower will determine the tariff class to which the customer of that connection will be assigned in accordance with the eligibility criteria in this tariff structure statement.

Reassignment of existing customers to tariff classes

CitiPower will periodically review that existing customers continue to meet the eligibility criteria for their assigned tariff class.

Customers may be reassigned to a different tariff class if their connection characteristics or consumption levels have changed, rendering their current assignment no longer appropriate.

Customers or their retailers may request a tariff reassignment by submitting information demonstrating that the customer satisfies the eligibility criteria for the desired tariff class.

Notification and objections of proposed tariff class assignments and reassignments

CitiPower will notify a customer's retailer in writing of the tariff class to which the retail customer has been assigned or re-assigned, prior to the assignment or re-assignment occurring.

If a request is received for additional information from a customer's retailer, the requested information will be provided within a reasonable timeframe.

If a customer's retailer submits an objection to CitiPower in response to a notice regarding a proposed assignment or reassignment, CitiPower will review the proposed action, considering all relevant facts. The retailer will then be notified in writing of the reconsidered decision, including the rationale for that decision.

2. Approach to setting tariffs

This section outlines CitiPower's methodology for establishing tariffs for standard control services in compliance with the NER[1]. Consistent with the pricing objectives and principles outlined in the NER[2], we have determined the tariff charges for standard control services by:

- establishing tariff rates at levels ensuring the expected revenue from customers falls within:
  - the standalone cost of serving customers within the tariff class; and
  - the avoidable cost of not serving those customers.
- giving consideration for setting each tariff with the long-run marginal cost (LRMC) of providing import and, where applicable, export services to the customers within the tariff class
- setting tariff rates to reflect the efficient costs of delivering the services
- considering and minimising the impact of tariff changes on customers
- making our network tariff structure understandable to retail customers or capable of being incorporated into retail offers
- making tariffs compliant with the NER and all applicable regulatory instruments.

2.1 Standalone and avoidable cost

We must ensure that the revenue recovered for each tariff class lies between:

- an upper bound, representing the stand-alone cost of serving customers who belong to that class
- a lower bound, representing the avoidable cost of not serving those customers.

We have calculated the stand-alone and avoidable costs associated with each standard control service tariff class. These calculated costs are then compared to the distribution revenue generated by our proposed tariffs for each tariff class.

Our stand-alone and avoidable costs have been calculated in the model attachment CP MOD TSS.02 - Stand alone and avoidable cost - Jan2025 - Public.

Stand-alone costs have been calculated assuming the existing network configuration with:

- direct assets allocated based on assets directly attributable to supplying that asset class and indirect assets allocated based on a customer number and demand composite allocator
- variable O&M costs allocated based on demand and fixed O&M costs allocated based on stand-alone RAB value.

Avoidable costs have been calculated assuming that vegetation management, maintenance and emergency responses costs vary with customer numbers and non-coincident demand.

Table 3.1 demonstrates that 2026/27 forecast distribution revenue falls between avoidable and stand-alone costs.

[1] NER clause 6.18.1A(a)(5)
[2] NER clause 6.18.5

TABLE 3.1 2026/27 REVENUE COMPARED WITH AVOIDABLE AND STAND-ALONE COSTS

TARIFF CLASS	AVOIDABLE COST $000 2026-27	DISTRIBUTION REVENUE $000 2026-27	STAND-ALONE COST $000 2026-27
Residential	23,943	118,207	268,076
Small and medium business	5,762	109,704	183,056
Large low voltage	4,994	132,223	203,188
High voltage	1,438	20,988	106,383
Sub-transmission	268	925	6,791

2.2 Long run marginal cost

Clause 6.18.5(f) of the NER requires that our tariffs are based on the long run marginal cost (LRMC) of providing network services to our customers.

CitiPower engaged Oakley Greenwood to calculate LRMC for both imports from and exports to the network.

The Average Incremental Cost (AIC) approach was used for the purpose of calculating the LRMC outlined below. CitiPower has adopted this approach for several reasons, including but not limited to:

- It is commonly used by distribution networks, as it is generally considered to be well suited to situations where there is fairly consistent profile of investment over time to service growth in demand, and
- It does not rely on a forecast of growth in the demand for CitiPower that differs materially from the broader forecasts that underpin other components of this regulatory submission.

The AIC approach to determining the LRMC utilises the following formula:

$$LRMC = \frac{\sum NPV(Forecast\ Augmentation\ Capex + Forecast\ Agumentation - related\ Opex)}{\sum NPV\ (Forecast\ Cumulative\ Growth\ in\ MVA)}$$

2.2.1 Types of costs and demand growth included in the LRMC estimates

CitiPower incurs several different 'types' of costs, not all of which are relevant to the derivation of its import LRMC. It has only included forecast costs that it considers might be able to be mitigated by the broader customer base, if they were to respond to the price signal derived by the LRMC. In general, this means that only 'shared network augmentation' costs that will vary with changes in future demand (and any associated opex[3]) have been included. For import services, these costs have been allocated to different network categories – Sub transmission, High Voltage Network, Zone substations and DSS and Low Voltage network.

[3] CitiPower has assumed that OPEX in a year is 0.5% of the cumulative capex that has been spent to that point.

CitiPower has used the cumulative growth in its forecast system-wide peak demand (by voltage level) as its denominator for the purposes of determining its import LRMC.

Inputs for CitiPower's export LRMC are the cost of implementing and running flexible export services and the energy forecast to be exported into its network at low voltage.

The results of the LRMC calculation are shown in Table 3.2 and Table 3.3.

TABLE 3.2 LRMC - IMPORT

VOLTAGE LEVEL	LRMC ($/KVA) BY VOLTAGE LEVEL	LRMC ($/KVA) BY CONNECTION
Sub Transmission	$0.00	$0.00
High Voltage Network	$20.10	$92.82
Zone substations	$72.72	$72.72
DSS and Low Voltage Network	$36.28	$129.10

TABLE 3.3 LRMC - EXPORT

VOLTAGE LEVEL	LRMC ($/KWH)
Export	$0.02

The Explanatory Statement explains how LRMC has been considered in our tariffs.

2.3 Efficient costs

The AER has systems and process to ensure that distributors are only allowed to set prices to recover efficient costs.

2.4 Revenue changes for each tariff class comply with the side constraint

Under the NER[4], CitiPower is subject to pricing side constraints that limit the annual movement of revenue recovery between tariff classes. Specifically, no tariff class may experience an increase exceeding 2% above the average increase for all tariffs. These constraints apply exclusively to Distribution Use of System (DUOS) charges and to tariff classes, rather than to individual tariffs, tariff charging components, or outcomes for individual customers.

[4] NER clause 6.18.6

This side constraint does not apply in the first year of a regulatory period. Compliance with this requirement is addressed as part of our Annual Pricing Proposals and is therefore not detailed in this TSS.

For regulatory years 2–5 of the 2026–31 period, CitiPower will ensure that the annual increase for each tariff class remains within 2% of the average DUOS price increase across all tariffs.

2.5 Basic export level

The NER require us to apply a basic export level (BEL) for export charges, which defines the amount of electricity a customer can export to the grid without incurring a cost. We consider an economically efficient level for the residential customer energy resources (CER) tariff would be zero since this is an opt in tariff that does not require the consumer protections which a mandatorily assigned tariff is deemed to require. Since setting the BEL to zero is not allowed under the NER, we have adopted the lowest level practical of 1 kWh per day.

The BEL for non-residential flexible connections, such as community batteries, is also 1 kWh per day because these customers likewise don't need consumer protections.

2.6 Price movement during the regulatory period

For the 2026–31 regulatory period, we will continue to reduce the residential and small business time of use (ToU) tariffs by an additional one per cent per year relative to the single-rate tariff, for the average customer consumption profile. By 2030–31, the residential and small business ToU tariff will, on average, be priced ten per cent lower than the single-rate tariff.

Over the 2026-31 regulatory period, we will progressively increase the proportion of network revenue recovered by small businesses through the fixed daily supply charge so that by the 2030-31 roughly 30% of network revenue will be recovered through the fixed daily supply charge.

3. Tariff structures and charging parameters

The structure, charging parameters and eligibility criteria for the tariffs offered for customers in each of our tariff classes is set out below[5] with all time periods in local time except the type 7 or 9 metering tariff which will be based on Australian Eastern Standard Time (AEST).

Indicative network tariff rates are provided in CP ATT TSS.01 - SCS indicative prices - Jan2025 – Public.

TABLE 4.1 RESIDENTIAL TARIFFS

Tariff	Tariff code	Status	Supply voltage	Energy /demand threshold	Component	Unit	Charging parameter
Residential Single Rate	C1R	Opt-in	<1kV	-	Anytime energy	c/kWh	Charge applied to all energy consumption
					Fixed	c/day	Daily supply charge
Residential Time of Use	CRSTOU	Default	<1kV	-	Peak energy	c/kWh	Charge applied to energy consumption between 4pm and 9pm
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times
					Saver energy	c/kWh	Charge applied to energy consumption between 11am and 4pm
					Fixed	c/day	Daily supply charge
Residential CER	CRCER	Opt-in	<1kV	-	Peak import	c/kWh	Charge applied to energy consumption between 4pm and 9pm during the months Dec-Feb and Jun-Aug
					Peak import (Shoulder)	c/kWh	Charge applied to energy consumption between 4pm and 9pm during the shoulder months Mar-May and Sep-Nov
					Peak export credit	c/kWh	Credit applied to export between 4pm and 9pm during the months Dec-Feb and Jun-Aug
					Off-peak import	c/kWh	Charge applied to energy consumption between 9pm and 11am
					Saver import	c/kWh	Charge applied to energy consumption between 11am and 4pm
					Saver export	c/kWh	Charge applied to export seasonally between 11am and 4pm Sep - May and

[5] During the TSS period, CitiPower may need to introduce new tariff codes for billing purposes. Any new tariff codes introduced will comply with the tariff structures outlined in this document for each tariff class and the price level for NUOS services will equate to the tariff type under which the new tariff code has been created.

							11am and 4pm Jun-Aug with 1 kWh per day BEL
					Fixed	c/day	Daily supply charge
Dedicated circuit	CDS	Opt-in	<1kV	-	Anytime energy	c/kWh	Charge applied to energy consumption on the dedicated circuit

TABLE 4.2 SMALL AND MEDIUM BUSINESS TARIFFS

Tariff	Tariff code	Status	Supply voltage	Energy /demand threshold	Component	Unit	Charging parameter
Small Business Single Rate	C1G	Opt-in	<1kV	<40MWh p.a.	Anytime energy	c/kWh	Charge applied to all energy consumption
					Fixed	c/day	Daily supply charge
Small Business Time of Use	CGTOU	Default	<1kV	<40MWh p.a.	Peak energy	c/kWh	Charge applied to energy consumption on workdays between 9am and 9pm
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times
					Fixed	c/day	Daily supply charge
Small Business Demand	CG	Opt-in	<1kV	<40MWh p.a.	Anytime energy	c/kWh	Charge applied to all energy consumption
					Summer demand	$/kW/ month	Charge applied to the highest 30-minute KW reading between 10am and 6pm on workdays each summer month (Dec-Mar)
					Non-summer demand	$/kW/ month	Charge applied to the highest 30-minute KW reading between 10am and 6pm on workdays each non-summer month (Apr-Nov)
					Fixed	c/day	Daily supply charge
Medium Business Demand	CMG	Default	<1kV	≥40MWh and <160MWh p.a.	Anytime energy	c/kWh	Charge applied to all energy consumption
					Summer demand	$/kW/ month	Charge applied to the highest 30-minute KW reading between 10am and 6pm on workdays each summer month (Dec-Mar)
					Non-summer demand	$/kW/ month	Charge applied to the highest 30-minute KW reading between 10am and 6pm on workdays each non-summer month (Apr-Nov)
					Fixed	c/day	Daily supply charge

Medium Business Opt-out	CMGO21	Opt-in	<1kV	≥40MWh and <160MWh p.a.	Peak energy	c/kWh	Charge applied to energy consumption on workdays between 10am and 6pm
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times
					Fixed	c/day	Daily supply charge
Type 7 or 9 metering	C2U	Default	<1kV	-	Peak energy	c/kWh	Charge applied to energy consumption on weekdays between 7am and 11pm AEST
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times AEST
Flexible Small	CFS	Default	<1kV	<240kVA import capacity	Peak import	c/kWh	Charge applied to energy consumption between 4pm and 9pm during the months Dec-Feb and Jun-Aug
					Peak export credit	c/kWh	Credit applied to export between 4pm and 9pm during the months Dec-Feb and Jun-Aug
					Off-peak energy		Charge applied to energy consumption between 9pm and 11am
					Saver export	c/kWh	Charge applied to export between 11am and 4pm Sep - May and 11am and 4pm Jun-Aug with 1 kWh per day BEL
					Capacity charge	$/kW/ month	Charge applied to maximum 30-minute kW demand over the most recent 12-months measured at all times

TABLE 4.3 LARGE BUSINESS TARIFFS

Tariff	Tariff code	Status	Supply voltage	Energy /demand threshold	Component	Unit	Charging parameter
Large Low Voltage	CLLV1 / CLLV2 / CLLV3	Default	<1kV	≥160MWh p.a.	Peak energy	c/kWh	Charge applied to energy consumption on workdays between 7am and 7pm
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times
					Rolling demand	$/kVA/ month	Charge applied to maximum 15-minute kVA demand over the most recent 12-months measured from 7am to 7pm on workdays with minimum chargeable demand of 120kVA

					Incentive demand	$/kVA/ month	Charge applied to maximum 15-minute kVA demand for the respective months on workdays and measured as follows: Tariffs ending with "1" - measured between 1-4pm in summer (Dec-Mar) Tariffs ending with "2" - measured between 4-7pm in summer (Dec-Mar) Tariffs ending with "3" - measured between 4-7pm in winter (May-Aug)
High Voltage	CHV1 / CHV2 / CHV3	Default	≥1kV <22kV	-	Peak energy	c/kWh	Charge applied to energy consumption on workdays between 7am and 7pm
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times
					Rolling demand	$/kVA/ month	Charge applied to maximum 15-minute kVA demand over the most recent 12-months measured from 7am to 7pm on workdays with minimum chargeable demand of 500kVA
					Incentive demand	$/kVA/ month	Demand charge applied to maximum 15-minute kVA demand for the respective months on workdays and measured as follows: Tariffs ending with "1" - measured between 1-4pm in summer (Dec-Mar) Tariffs ending with "2" - measured between 4-7pm in summer (Dec-Mar) Tariffs ending with "3" - measured between 4-7pm in winter (May-Aug)
Sub-trans-mission	CST2	Default	≥22kV	-	Peak energy	c/kWh	Charge applied to energy consumption on workdays between 7am and 7pm
					Off-peak energy	c/kWh	Charge applied to energy consumption at all other times
					Rolling demand	$/kVA/ month	Charge applied to maximum 15-minute kVA demand over the most recent 12-months measured from 7am to 7pm on workdays with minimum chargeable demand of 5MVA
Flexible Large	CFL	Default	Up to 22kV	≥240kVAand <30MVA import capacity	Peak import	c/kWh	Charge applied to energy consumption between 4pm and 9pm during the months Dec-Feb and Jun-Aug

					Off-peak energy	c/kWh	Charge applied to energy consumption 9pm to 11am
					Capacity charge	$/kW/ month	Charge applied to maximum 30-minute kW demand over the most recent 12-months measured at all times
Flexible TUOS pass-through	CFTUOS	Default	≥22kV	≥30MVA import capacity	Energy charge (import)	$/MWh	Calculated consistent with the methodology used to calculate CitiPower's TUOS energy charges
					Demand charge (import)	$/kW/ month	Calculated consistent with the methodology used to calculate CitiPower's TUOS demand charges
					Demand credit (export)	$/kW/ month	Avoided locational TUOS charges calculated consistent with NER clause 5.3AA
					Capacity charge	$/kVA/ month	Charge applied to the import capacity of the connection

3.1 Residential customer tariffs

Dedicated circuit tariff rules

- open to new and existing single-phase connections with a resistive controlled load of less than 30 amps for an approved storage hot water service and/or space heating
- approved storage hot water service includes twin and single element storage, electric boosted solar hot water storage, but not heat pump hot water storage or instantaneous hot water storage
- customer must arrange for an electrician at their cost to separately wire the load to the meter board
- customer must have a single phase two element AMI meter, with load contactor installed to support a primary tariff and the dedicated circuit tariff
- if a meter change is required, the customer must pay for the labour cost of installing a new meter
- available only with relevant primary tariffs
- typically the dedicated load will be switched on for 7 hours a day during times that depend on localised demand management activities which may be during the daytime and/or nighttime
- dedicated controlled load tariffs are charged at off-peak rates regardless of the specific switching times applied by the network
- dedicated circuits have a boost switch on the meter which if pressed allows electricity to be supplied to the dedicated circuit at the prevailing primary tariff rates
- existing dedicated circuit customers may have existing multiple meters and multiphase connections and will retain those arrangements despite being outside these current requirements
- existing slab heating customers have access to an off-peak switching between 1pm and 4pm in winter, but this is not available to new customers.

Residential flexible and static export services

We will offer a flexible or static export services to residential solar customers. Flexible and static export residential customers will have the same tariff choices of the single rate, time of use (ToU) or CER tariffs.

3.2 Large business tariffs

Large business covers the large low voltage (LLV), high voltage (HV) and sub-transmission (ST) tariff classes.

The following table sets out how the tariff components are calculated for LLV, HV and ST tariffs.

12-month rolling maximum kVA

kVA 15-minute demand is calculated as:

$$\text{kVA} = \text{SQRT}(kW^2 + kVAr^2)$$

Where

kW = kWh in a 15-minute period x 4

kVAr = kVArh in a 15-minute period x 4

Maximum 15-minute kVA demand measured between 7am and 7pm local time on workdays over the most recent 12 months.

Minimum chargeable demand of 120kVA for low voltage large customers, 500 kVA for high voltage customers and 5,000 kVA for sub-transmission customers.

If there is a full 12-month history of the customer's consumption data, the rolling 12-month maximum kVA demand will take effect immediately looking back 12 months.

Demand for greenfield sites will be measured from energisation date to the end date of the bill, until 12 months of history is available when it will revert to a 12-month rolling demand.

Incentive kVA

Incentive kVA is the maximum monthly 15-minute kVA for each of four months of the year. There is no charge for the other eight months of the year.

Each customer will be assigned to one of the following measurement periods:

- 1-4pm local time workdays in summer (Dec-Mar), or
- 4-7pm local time workdays in summer (Dec-Mar), or
- 4-7pm local time workdays in winter (May-Aug)

15-minute maximum kVA demand in the measurement period is calculated as:

$$\text{kVA} = \text{SQRT}(kW^2 + kVAr^2)$$

where

kW = kWh in a 15-minute period x 4

kVAr = kVArh in a 15-minute period x 4

Incentive demand is not applicable to Sub-transmission customers.

Peak and off-peak usage

Peak usage is kWh usage between 7am and 7pm local time on workdays.

Off-peak usage is kWh usage at all other times.

Demand exclusions

The exclusion of temporary increases in demand from the 12-month rolling maximum demand charged to the customer at a supply point will be considered at our discretion. For example, if there is a specific short term need, such as commissioning a new plant. The customer must apply via their retailer in advance for a temporary increase in demand to be excluded from the supply point's 12-month rolling maximum demand charge.

Demand reset criteria

A 12-month rolling demand reset may be granted under the following circumstances:

- Install power factor correction (PFC) equipment and supply a copy of the Certificate of Electrical Safety (CES) to confirm the installation. If granted, demand will be measured from the date of commissioning of the PFC equipment.
- If PFC has not been installed, provide evidence of what the customer has changed on site to permanently alter the load/usage, for instance, removal of equipment. Evidence may be in the form of a CES detailing the works performed, technical information and/or photographic evidence to demonstrate the site changes.
- Customers that have moved into a premise will automatically continue to have their maximum demand charge based on the 12-month rolling maximum demand. A customer will need to lodge an application for their demand to be measured from the date they occupied the premises.
- NMI disaggregation where there is clear evidence of changes to the load characteristics of one or both of the affected NMIs.

Criteria to move away from large business tariff

Sites must have a minimum of 15 months of consumption data available. We require that consumption values consistently remain below the average daily load threshold of 160 MWh per annum for a minimum period of 3 months prior to submitting a request to move away from a large business tariff. All sites will be reviewed annually to ensure the tariff remains suitable for the site's usage profile. If a site is reverted to a large business tariff this may impact future requests to move.

4. Tariff assignment

This section outlines the tariff assignment and re-assignment criteria to apply to retail customers for standard control services over the 2026 to 2031 period.

4.1 Residential customers

We will assign the following customers onto the ToU tariff:

- new connections (i.e. new homes connecting to the network for the first time, not re-energisations)
- customers who choose to upgrade from single-phase to three-phase supply
- customers who choose to install or upgrade PV solar or batteries
- home with an electric vehicle charger above 3.6kW
- customers demand, ToU and daytime saver trial tariffs[6] as at 30 June 2026

Any customer with an AMI meter can opt into the ToU tariff or CER tariff. Customers can opt out of the ToU tariff or CER tariff to the single rate tariff. Once an electric vehicle register or other formal means of identification is available, customers with an electric vehicle charger above 3.6kW will not be able to access the single rate tariff.

A secondary dedicated circuit tariff is available for eligible load.

The following table summarises all the residential tariffs and assignment options.

[6] Existing demand tariff, current ToU tariff and daytime saver trial tariffs will be closed

TABLE 5.1 RESIDENTIAL TARIFFS

TARIFF	ASSIGNMENT	TARIFF OPTIONS[7]
ToU	New connections Supply upgrades to three-phase Households installing or upgrading PV solar or battery Existing demand tariff, ToU tariff and daytime saver trial tariff customers Home with an electric vehicle charger above 3.6 kW	Single rate or CER
Single rate	All existing customers remain	ToU or CER
CER	Opt-in	ToU or single rate
Dedicated circuit	All existing customers remain	Any new eligible load

4.2 Small and medium businesses

This tariff class comprises:

- Small businesses consuming less than 40 MWh per year
- Medium businesses consuming more than 40 MWh but less than 160 MWh per year
- NMIs with Type 7 or 9 metering
- Flexible small customers

Small business

We will assign the following small business customers onto our existing ToU tariff:

- new connections (i.e. new small businesses connecting to the network for the first time, not re-energisations)
- customers who choose to upgrade from single-phase to three-phase supply
- customers who choose to install or upgrade PV solar or batteries
- a small business with an electric vehicle charge greater than 3.6kW

The following table summarises all the small business tariffs and assignment options

[7] Homes with an electric vehicle charger above 3.6 kW cannot opt into the single rate tariff

TABLE 5.2 SMALL BUSINESS

TARIFF	ASSIGNMENT	TARIFF OPTIONS[8]
ToU	New connections Supply upgrades to three-phase Businesses installing or upgrading PV solar or battery Business with an electric vehicle charger above 3.6kW	Single rate or demand
Single rate	All existing customers remain	ToU or demand
Demand	All existing customers remain	ToU or single rate
Dedicated circuit	All existing customers remain	Any new eligible load

Medium business

Any new medium business customer will be assigned to the demand tariff which comprises a seasonal demand charge and a flat usage charge. Medium businesses can opt out of the demand tariff to the medium business opt-out tariff with no demand charge.

TABLE 5.3 MEDIUM BUSINESS

TARIFF	ASSIGNMENT	TARIFF OPTIONS
Demand	New connections All existing customers remain	Opt-out
Opt-out	All existing customers remain	Demand
Dedicated circuit	All existing customers remain	Any new eligible load

Type 7 or 9 metering

We will continue to charge a two-rate ToU tariff with a 7am to 11pm weekdays peak period, in Australian Eastern Standard Time (AEST).

Flexible small tariff

Discussed in section 4.4.

[8] Businesses with an electric vehicle charger above 3.6 kW cannot opt into the single rate tariff

4.3 Large business

Large low voltage, high voltage and sub-transmission connections can only be assigned to a single tariff unless they are flexible connection.

The incentive demand charge applies to large low voltage and high voltage customers, but not to sub-transmission customers.

Existing Customers on Large Tariffs Connected to Winter Peaking Zone Substations

- The retailers of existing customers currently on large tariffs and connected to winter peaking zone substations will be informed of any incentive demand period changes between April and August 2026.
- Eligible customers will be transferred from September with an effective tariff date of 1 September 2026. This ensures that customers who are transferred will not be billed the summer incentive demand for the months of December 2026 to March 2027 and will pay the winter incentive demand starting from May 2027.

New Customers Connected to Winter Peaking Zone Substations

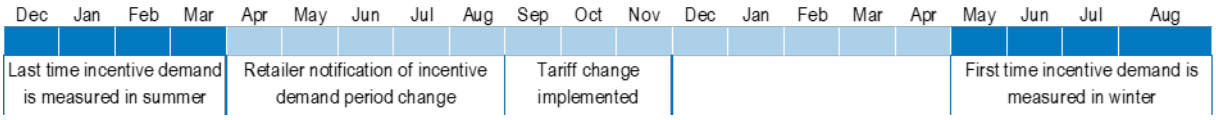
- New customers connected to winter peaking zone substations will be assigned the applicable incentive demand period at the time of their connection.

Future Adjustments for Existing Customers

- Should a zone substation become winter peaking within the regulatory period then customers connected to that zone substation will be moved to winter incentive demand period. The timing for this change is shown in Figure 2.

Figure 2 below demonstrates that existing customer who are moved to new winter incentive demand would receive a small benefit as the incentive demand would be deferred by six months. The customer would receive notification about the change at least eight months prior to the first winter demand period.

FIGURE 2 TIMING OF INCENTIVE DEMAND PERIOD CHANGE TO WINTER



4.4 Flexible connections

Flexible connection is defined as demand management actioned through connection agreements such as an agreement to be controlled by our distribution energy resource management system (DERMS).

Any battery or stand-alone generation connection will be deemed to be a flexible connection. It may also include loads combined with storage such as EV charging combined with battery, and other flexible loads such as hydrogen production facilities but they must have an agreement with us that gives us a level of control over their connection. Flexible tariffs are not intended to be available to residential or business sites with solar that can export to the grid.

Connection arrangements are evolving and therefore we will retain some discretion about eligibility for flexible tariffs.

Small flexible connections with an import capacity of up to 240 kVA will be assigned to the flexible small tariff.

Large flexible connections with an import capacity greater than 240 KVA and less than 30 MVA capacity will be assigned to the flexible large tariff.

Flexible connections with an import capacity greater than or equal to 30 MVA will be assigned to the flexible TUOS pass through tariff.

Flexible connection customers can opt-out to the tariff which would have otherwise been applied had they not been a flexible connection.

Flexible connections are subject to the same network tariffs irrespective of ownership. Therefore, distributor owned flexible connections would be assigned the same network tariff as any other flexible connection.

We will assign the following customers onto a flexible small tariff from 1 July 2026:

- Community battery ToU trial tariff customers
- Distributor LV battery trial tariff customers

We will assign the following existing customers onto the flexible large tariff from 1 July 2026:

- Generator storage trial tariff customers

Customers on a flexible tariff can opt out to the tariff that would have applied had they not been classified as a flexible connection.

5. Export tariff transition strategy

The recent amendment to the Access and Pricing rules by the Australian Energy Market Commission (AEMC), which removed the prohibition on export charges, enables distribution networks to enhance pricing efficiency by signalling the costs associated with both consumption and export services to customers utilising these services.

The Victorian Government is strongly opposed to mandatory export charges and therefore we have not considered mandatory export pricing. Instead, we are introducing two-way tariffs which are not mandatory.

We are introducing:

- a new solar soak / saver period from 11am to 4pm into our residential ToU tariff which is initially priced at around 1 c/kWh to encourage more consumption during this period when solar exports are at their greatest
- an opt-in two-way residential CER tariff focussed on flexible import/export devices such as home batteries and EVs with vehicle-to-grid capability. This tariff charges for exports from 11am to 4pm in the non-winter months. A residential customer can opt into or out of the CER tariff
- a flexible connection tariff with export charges from 11am to 4pm in the non-winter months. This tariff is targeted at flexible connections such as community batteries on the LV network which are likely to be co-located with residential customers with solar exports. Eligible flexible connections will by default be assigned to a two-way tariff, but they will have the option to revert to the tariff that would have applied had they not been classified as a flexible connection.

6. Alternative control services

CitiPower offers three categories of alternative control services: public lighting services, metering services and ancillary network services. Each of these categories constitutes its own tariff class and is governed by distinct pricing mechanisms separate from standard control service network tariffs. Public lighting services and ancillary network services are regulated under a price cap mechanism and metering services have revenue cap form of price control.

Our alternative control service prices represent the efficient costs of delivering each service. The charges for alternative control services are provided in CP ATT TSS.02 - ACS indicative prices - Jan2025 - Public.

6.1 Public lighting

We provide public lighting services for local councils and Victorian Department of Transport. The provision of public lighting services and the respective obligations of our business and public lighting customers are regulated by the Victorian Public Lighting Code. The following services are included:

- operation of public lighting assets; including handling enquiries and complaints about public lighting and dispatching crews to repair public lighting assets
- maintenance, repair and replacement of public lighting assets.

The cost of these services is charged to customers through an operation, maintenance, repair and replacement (OM&R) charge per each light.

All other public lighting services are treated as quoted.

6.2 Ancillary network services

Ancillary network services are non-routine types of services which are provided to individual customers on request. Ancillary network services are divided into two subclasses:

- Fixed fee is applied to ancillary network services that involve relatively consistent and standardised activities, where the associated costs and required level of effort are generally comparable.
- A quoted fee is applied to ancillary network services where delivery time can vary significantly due to the size and complexity of the work involved. These services, often tailored to a specific customer's request, are charged on a time-and-materials basis. The cost is calculated using the estimated time required to complete the activity and the applicable hourly labour rates, plus pass through of any other costs.

6.3 Metering services

We are responsible for metering coordinator services associated with types 5, 6 and 7 meters which are installed in residential and small commercial premises consuming up to 160 MWh per annum. The services provided in relation to these meters include:

- meter provision—includes purchasing meters and installing these meters at the customer's premise
- meter maintenance—includes inspecting, testing, maintaining and repairing meters
- meter replacement—replacement of a meter and associated equipment, at a site with existing metering infrastructure, with a modern equivalent where the meter has reached the end of its economic life

- meter reading and data services—includes collection, processing, storage and delivery of metering data to other participants for billing and market settlement purposes and the management of the relevant NMI
- meter communications—includes maintaining and installing communication devices required to operate the mesh radio network and management of the day-to-day operation of the meter communications systems including meter data delivery, testing, fault detection, investigation and resolution.

7. Compliance checklist

This TSS is a NER requirement. The table below sets out the NER and other requirements relevant to this TSS and the section in which those requirements have been met.

RULE PROVISION	REQUIREMENT(S)	RELEVANT SECTION OF SUBMISSSION
Part E: Regulatory proposal and proposed tariff structure statement		
6.8.2	**Submission of regulatory proposal, tariff structure statement and exemption application**	
6.8.2(a)	A Distribution Network Service Provider must, whenever required to do so under paragraph (b), submit to the AER a regulatory proposal and a proposed tariff structure statement related to the distribution services provided by means of, or in connection with, the Distribution Network Service Provider's distribution system.	This document
6.8.2(b)	A regulatory proposal, a proposed tariff structure statement and, if required under paragraph (a1), an exemption application must be submitted: (1) at least 17 months before the expiry of a distribution determination that applies to the Distribution Network Service Provider; or (2) if no distribution determination applies to the Distribution Network Service Provider, within 3 months after being required to do so by the AER.	This document
6.8.2(c)(7)	A description (with supporting materials) of how the proposed tariff structure statement complies with the pricing principles for direct control services including: (i) a description of where there has been any departure from the pricing principles set out in paragraphs 6.18.5(e) to (g); and (ii) an explanation of how that departure complies with clause 6.18.5(c).	Chapter 3 of this document and the TSS Explanatory Statement. We have not departed from the pricing principles
6.8.2(c1)	The regulatory proposal must be accompanied by an overview paper in reasonably plain language which includes each of the following matters: (1) a summary to explain: the proposed tariff structure statement including the export tariff transition strategy; the interrelationship between the proposed tariff structure statement and relevant elements of the regulatory proposal	Regulatory proposal - part A

	(including the proposed connection policy and capital expenditure or operating expenditure); (2) a description of: how the Distribution Network Service Provider has engaged with relevant stakeholders including distribution service end users or groups representing them and (in relation to the tariff structure statement) retailers and Market Small Generation Aggregators in developing the regulatory proposal and the proposed tariff structure statement including the export tariff transition strategy; the relevant concerns identified as a result of that engagement; and how the Distribution Network Service Provider has sought to address those concerns; (3) a summary to explain the Distribution Network Service Provider's approach to identifying demand for, and where relevant providing for, distribution services for supply into the distribution network from micro embedded generators and non-registered embedded generators; (4) a summary of other approaches considered by the Distribution Network Service Provider in deciding on the approach referred to in subparagraph (3), including relevant proposals from distribution service end users, and how they compare to the approach referred to in subparagraph (3); (5) a description of the key risks and benefits for distribution service end users of the regulatory proposal and the proposed tariff structure statement including the export tariff transition strategy; (6) a comparison of the Distribution Network Service Provider's proposed total revenue requirement with its total revenue requirement for the current regulatory control period and an explanation for any material differences between the two amounts; and (7) a comparison of the Distribution Network Service Provider's proposed capital expenditure to support the provision of distribution services for supply into the distribution network from micro embedded generators and non-registered embedded generators for the current regulatory control period and its actual or committed capital expenditure in the current regulatory control period for that purpose and an explanation for any material differences between the two amounts.	
6.8.2(d1)	The proposed tariff structure statement must be accompanied by an indicative pricing schedule.	Attachments: CP ATT TSS.01 - SCS indicative prices - Jan2025 - Public

		CP ATT TSS.02 - ACS indicative prices - Jan2025 - Public
6.8.2(d2)	The proposed tariff structure statement must comply with the pricing principles for direct control services.	Chapter 3 of this document and the TSS Explanatory Statement
6.8.2(e)	If more than one distribution system is owned, controlled or operated by a Distribution Network Service Provider, then, unless the AER otherwise determines, a separate tariff structure statement are to be submitted for each distribution system.	Not applicable
6.8.2(f)	If, at the commencement of this Chapter, different parts of the same distribution system were separately regulated, then, unless the AER otherwise determines, a separate regulatory proposal and a separate tariff structure statement are to be submitted for each part as if it were a separate distribution system.	Not applicable
6.18.1A	**Tariff structure statement**	
6.18.1A(a)(1)	A tariff structure statement must include the tariff classes into which retail customers for direct control services will be divided during the relevant regulatory control period.	This TSS Chapter 2
6.18.1A(a)(2)	A tariff structure statement must include the policies and procedures the Distribution Network Service Provider will apply for assigning retail customers to tariffs or reassigning retail customers from one tariff to another (including any applicable restrictions).	This TSS Chapter 2
6.18.1A(a)(2A)	A tariff structure statement must include a description of the strategy or strategies the Distribution Network Service Provider has adopted, taking into account the pricing principle in clause 6.18.5(h), for the introduction of export tariffs including where relevant the period of transition (export tariff transition strategy);	This TSS Chapter 4 and 6
6.18.1A(a)(3)	A tariff structure statement must include the structures for each proposed tariff.	This TSS Chapter 4
6.18.1A(a)(4)	A tariff structure statement must include the charging parameters for each proposed tariff.	This TSS Chapter 4
6.18.1A(a)(5)	A tariff structure statement must include a description of the approach that the Distribution Network Service Provider will take in setting each tariff in each pricing proposal during the relevant regulatory control period in accordance with clause 6.18.5 (pricing principles).	This TSS Chapter 3

6.18.1A(b)	A tariff structure statement must comply with the pricing principles for direct control services.	This TSS Chapter 3
6.18.1A(e)	A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.	Attachments: CP ATT TSS.01 - SCS indicative prices - Jan2025 - Public CP ATT TSS.02 - ACS indicative prices - Jan2025 - Public
6.18.3	**Tariff Classes**	
6.18.3(b)	Each customer for direct control services must be a member of 1 or more tariff classes.	This TSS Chapter 2 and 7
6.18.3(c)	Separate tariff classes must be constituted for retail customers to whom standard control services are supplied and retail customers to whom alternative control services are supplied (but a customer for both standard control services and alternative control services may be a member of 2 or more tariff classes).	This TSS Chapter 2 and 7
6.18.3(d)	A tariff class must be constituted with regard to: 1. the need to group retail customers together on an economically efficient basis; and 2. the need to avoid unnecessary transaction costs.	This TSS Chapter 2 and 7
6.18.4	**Principles governing assignment or re-assignment of retail customers to tariff classes and assessment and review of basis of charging**	
6.18.4(a)(1)	retail customers should be assigned to tariff classes on the basis of one or more of the following factors: i) the nature and extent of their usage or intended usage of distribution services; ii) the nature of their connection to the network; iii) whether remotely-read interval metering or other similar metering technology has been installed at the retail customer's premises as a result of a regulatory obligation or requirement.	This TSS Chapter 2 and 5
6.18.4(a)(2)	retail customers with a similar connection and distribution usage profile should be treated on an equal basis,	This TSS Chapter 2 and 5
6.18.4(a)(4)	a Distribution Network Service Provider's decision to assign a customer to a particular tariff class, or to re-assign a	This TSS Chapter 2

	customer from one tariff class to another should be subject to an effective system of assessment and review. Note: If (for example) a customer is assigned (or reassigned) to a tariff class on the basis of the customer's actual or assumed maximum demand, the system of assessment and review should allow for the reassignment of a customer who demonstrates a reduction or increase in maximum demand to a tariff class that is more appropriate to the customer's load profile.	
6.18.4(b)	If the charging parameters for a particular tariff result in a basis of charge that varies according to the distribution service usage or load profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.	This TSS Chapter 2 and 5
6.18.5	**Pricing Principles**	
6.18.5(a)	Network pricing objective The network pricing objective is that the tariffs that a Distribution Network Service Provider charges in respect of its provision of direct control services to a retail customer should reflect the Distribution Network Service Provider's efficient costs of providing those services to the retail customer. Note: Charges in respect of the provision of direct control services may reflect efficient negative costs.	Proposed charges don't exceed smoothed revenue and negative prices don't exceed LRMC
6.18.5(b)	Application of the pricing principles Subject to paragraph 6.18.5(c), a Distribution Network Service Provider’s tariffs must comply with the pricing principles set out in paragraphs (e) to (j).	This TSS Chapter 3
6.18.5(c)	A Distribution Network Service Provider's tariffs may vary from tariffs which would result from complying with the pricing principles set out in paragraphs (e) to (g) only: (1) to the extent permitted under paragraph (h); and (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j).	Noted
6.18.5(d)	A Distribution Network Service Provider must comply with paragraph (b) in a manner that will contribute to the achievement of the network pricing objective.	This TSS Chapter 3
6.18.5(e)	Pricing Principles For each tariff class, the revenue expected to be recovered must lie on or between:	This TSS Chapter 3

	(1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers.	
6.18.5(f)	Each tariff must be based on the long run marginal cost of providing the service to which it relates to the retail customers assigned to that tariff with the method of calculating such cost and the manner in which that method is applied to be determined having regard to: (1) the costs and benefits associated with calculating, implementing and applying that method as proposed; (2) the additional costs likely to be associated with meeting demand from retail customers that are assigned to that tariff at times of greatest utilisation of the relevant service; and (3) the location of retail customers that are assigned to that tariff and the extent to which costs vary between different locations in the distribution network.	This TSS Chapter 3 and TSS Explanatory Statement section 7.7
6.18.5(g)	The revenue expected to be recovered from each tariff must: (1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff; (2) when summed with the revenue expected to be received from all other tariffs, permit the Distribution Network Service Provider to recover the expected revenue for the relevant services in accordance with the applicable distribution determination for the Distribution Network Service Provider; and (3) comply with sub-paragraphs (1) and (2) in a way that minimises distortions to the price signals for efficient usage of the relevant service that would result from tariffs that comply with the pricing principle set out in paragraph (f).	This TSS Chapter 3
6.18.5(h)	A Distribution Network Service Provider must consider the impact on retail customers of changes in tariffs from the previous regulatory year and may vary tariffs from those that comply with paragraphs (e) to (g) to the extent the Distribution Network Service Provider considers reasonably necessary having regard to: (1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one regulatory control period); (2) the extent to which retail customers can choose the tariff to which they are assigned; and (3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their decisions about usage of services.	TSS Explanatory Statement

6.18.5(i)	The structure of each tariff must be reasonably capable of: (1) being understood by retail customers that are or may be assigned to that tariff (including in relation to how decisions about usage of services or controls may affect the amounts paid by those customers) or (2) being directly or indirectly incorporated by retailers or Market Small Generation Aggregators in contract terms offered to those customers, having regard to information available to the Distribution Network Service Provider, which may include: (3) the type and nature of those retail customers; (4) the information provided to, and the consultation undertaken with, those retail customers; and (5) the information provided by, and consultation undertaken with, retailers and Market Small Generation Aggregators.	This TSS Chapter 3 and 4 TSS Explanatory Statement
6.18.5(j)	A tariff must comply with the NER and all applicable regulatory instruments.	Demonstrated by this table
11.141.13	**Basic export levels to be specified in tariff structure statements**	
11.141.13(a)(1)	For the purposes of new clause 6.18.1A(a), a tariff structure statement of a Distribution Network Service Provider that will apply during the tariff transition period for the Distribution Network Service Provider must include, in addition to the elements in new clause 6.18.1A(a): (1) for each proposed export tariff, the basic export level or the manner in which the basic export level will be determined; and (2) the eligibility conditions applicable to each proposed export tariff.	This TSS Chapter 3 and 5
11.143.13(b)(1)	basic export levels must be set having regard to: (i) the capacity of a distribution network (or part of a distribution network) to accept supply from distribution connected units to the extent the AER considers that the capacity arises from the provision of distribution services for supply to retail customers in that distribution network (or part) with minimal or no further investment; and (ii) forecast use of distribution services relating to supply from distribution connected units in the distribution network (or relevant part)	TSS Explanatory Statement Section 7.1
11.143.13(b)(2)	a basic export level may be specified by reference to any one or more of the following measures: (i) the capacity to supply into the distribution network at a connection point;	Basic export level has been specified based on quantity of supply (kWh)

	(ii) the quantity of supply into the distribution network at a connection point; or (iii) any other measure the Distribution Network Service Provider is authorised to apply by the applicable distribution determination;	
AMI Tariff Order Clause 10	Distributor must provide a choice of AMI network tariff The tariffs for each tariff class included by a distributor in a tariff structure statement, where the customers of that tariff class may include a domestic customer with advanced metering infrastructure, must include at least: (a) one flat rate network tariff; and (b) one TOU network tariff	We offer these two tariff structures
AMI Tariff Order Clause 11	Distributor must provide at least one AMI network tariff that is not a demand network tariff The tariffs for each tariff class included by a distributor in a tariff structure statement, where the customers of that class may include a medium customer, must include at least one AMI network tariff that is not a demand network tariff.	We offer medium business customers a tariff that is not a demand tariff
AMI Tariff Oder Clause 12	Assignment of network tariffs for a dedicated charger (1) A distributor must not assign a flat rate network tariff to a small customer if the distributor is aware (including by an electric powered passenger car register or other formal means of identification that becomes available) that at least part of the electricity taken at the small customer's supply point is for use by a dedicated charger. (2) If a distributor becomes aware that electricity taken at a supply point for a small customer that has been assigned a flat rate network tariff is for use by a dedicated charger, the distributor must reassign that customer to a TOU network tariff. Dedicated charger means a dedicated charger for an electric powered passenger car with a specified capacity or charging rate of 3.6kW or greater;	These provisions are included in this document
AMI Tariff Order Clause 13(1)	If a retailer receives: (a) a notice from a small customer in accordance with clause 8; or (b) a medium customer notice in accordance with clause 9, the retailer may direct a distributor to assign to that small customer or medium customer to an open tariff that is not a demand network tariff.	We offer non-demand tariffs to both small and medium business customers

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