Network Pricing Proposal

2025-26

31 March 2025

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
EB RIN	Economic Benchmarking Regulatory Information Notice
HV	High Voltage
JSA	Jurisdictional Scheme Adjustment
kV	Kilovolts
LRMC	Long Run Marginal Cost
LV	Low Voltage
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
PV	Photovoltaic
RMS	Retail Management System
RoLR	Retailer of Last Resort
SAC	System Availability Charges
SCS	Standard Control Services
TAR	Total Allowed Revenue
TSS	Tariff Structure Statement
WACC	Weighted Average Cost of Capital

Executive summary

Power and Water's proposed network tariffs for 2025–26 are similar to those in 2024–25 for most retail customers. Power and Water's revenue in 2025–26 will be lower than the amount approved in the AER's Final Determination, due to adjustments for an over-recovery in a prior year that must now be returned to customers.

Power and Water Corporation (**Power and Water**) is pleased to submit our 2025-26 network pricing proposal to the Australian Energy Regulator (**AER**) and our stakeholders.

Power and Water's regulated electricity networks are subject to economic regulation. The AER sets an annual maximum allowed revenue we can collect for our standard network services (standard control services (SCS)), and one-off services provided to customers (alternative control services (ACS)). Each year, we propose network tariff charges to collect the allowed revenue and assign customers to 7 tariff types based on their consumption, voltage connection, the meter on their premises.

This document sets out Power and Water's proposed network tariffs for our regulated customers including tariffs for SCS and ACS fees and charges. All values shown in this proposal are in nominal dollars and exclude goods and services tax (GST).

Revenue and implications

Power and Water's total allowable revenue is $175.5 million in 2025-26, which increased by about 1% from $174.0 million in 2024. This represents a revenue allowance of $191.4 million less $16 million of over-recovered revenue in 2023-24.

We are returning the 2023-24 over-recovery to customers as equitably as possible. To achieve this, we reduced prices and hence expected revenue for each tariff by the same extent that Power and Water over-recovered from these tariffs in 2023-24.[1] Within each tariff, we reduced the rate for each tariff component (SAC, consumption and demand) by the same percentage. This has the following implications for our network tariffs in 2025-26:

- For a given level of consumption, network bills in 2025-26 are expected to be lower than 2024-25 for customers on 5 of our 7 tariffs.
- Customers on tariffs 5 and 6, who are not currently subject to the Northern Territory Government's Electricity Pricing Order (NT Pricing Order)[2], see very small changes in expected network bills of +2% and -1% respectively.
- Indicative 2026-27 tariffs suggest that customers benefiting from the return of the over-recovery this year will see a significant increase in bills in 2026-27 as prices revert to the AER's allowed revenue requirement.

1 Noting tariff 7 customers were moved into tariff 6 as this was tariff was not included in the current TSS.

2 Northern Territory Government, Electricity Pricing Order 1 July 2024 - 30 June 2025, 26 June 2024.

Network bill analysis

Table 1 sets out the proposed changes in the network bill for SCS between 2024-25 and 2025-26 for typical customers connected to Power and Water's regulated network.[3] The table shows that the over-recovered revenue in 2023-24 results in network bill decreases for customers on 5 of the 7 tariffs in FY26 (relative to FY25).

We note that customers also pay additional ACS charges for one-off services specific to a customer. Our ACS prices have increased by inflation consistent with the AER's methodology.

Table 1 - Change in a typical customer's network bill between 2024-25 and 2025-26* (nominal $, excluding GST)

Tariff	Description	Annual Consumption	Network bill ($)		Network bill impact	
		kWh	2024-25	2025-26	$	%
1	Residential accumulation^	8,500	1,243	1,652	409	33%
2	Non-residential accumulation^	30,000	2,830	1,052	-1,778	-63%
3a	Residential 0-160MWh^	8,500	1,231	1,130	-101	-8%
3b	Non-residential 0-160MWh^	30,000	2,849	2,565	-284	-10%
3c	Smart meter 160-750MWh^	250,000	25,035	24,185	-851	-3%
5	LV >750MWh	3,200,000	174,043	177,917	3,875	2%
6	HV Smart Meters	5,400,000	231,317	229,824	-1,494	-1%

Note 1 – tariff 4 not included in this table as this tariff is for street lighting and other unmetered installations, consumption is the unaccounted for energy and not forecasted.
Note 2 – all impacts above excludes ACS metering charges.
Note 3^ – currently the customer has retail price protection under the NT Electricity Pricing Order as set out in next section.

NT Pricing Order protections

The changes in our network tariffs are not expected to directly impact 99.8% of our customer's actual retail bill due to the NT Pricing Order. Currently, all customers who consume less than 750MWh annually, regardless of meter and system type, are subject to the NT Pricing Order's retail price protection. We

[3] It should be noted that the impacts highlighted in Table 1.1 do not take into account any potential changes in generation, metering, retail, system control, and market operator charges.

anticipate that the NT Pricing Order will continue in the 2025-26 regulatory year, meaning that changes in Power and Water's network tariffs will not directly impact the bills of the majority of customers.

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 and changes in network tariffs in 2025-26 will have a direct impact. Typically, retailers pass through network charges directly as a separate line item in major energy customer retail bills.

Stakeholder engagement

Once approval is received from the AER for our 2025-26 network tariff prices, we will engage with our stakeholders including licenced retailers and major customers operating across the Northern Territory. Power and Water will also continue to engage regularly with our major customers on indicative bill impacts and additional opportunities to reduce network bills. For example, we currently work with customers on how they can shift energy usage to off-peak periods.

1. Background

1.1 Purpose

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

This document is Power and Water's 2025-26 annual network pricing proposal. It sets out our proposed 2025-26 SCS and ACS tariffs. This is the second regulatory year under the AER's final decision on Power and Water Corporation's electricity distribution determination 2024 to 2029 (AER's 2024-29 distribution determination). As required, we have included indicative tariffs for all remaining years for this regulatory period in Appendices A-D.

The primary 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.
- Explain the basis and impacts of our prices to our customers and stakeholders.

1.2 Network services and pricing regulations

Power and Water builds and operates electricity networks in three regulated regions of Darwin-Katherine, Alice Springs and Tennant Creek. Our network delivers electricity to about 75,800 residential customers and 10,200 non-residential customers. Our regulated electricity network is subject to economic regulation by the AER, where we have controls placed on the revenue we collect from our customers for our SCS and price controls on our ACS.

Our SCS tariffs are designed to recover the maximum revenue allowed by the AER. The revenue is set in the AER's 2024-29 distribution determination and is designed to recover the efficient cost of planning, designing, constructing, operating, and maintaining the electricity distribution network. Our ACS charges cover our metering tariffs and ancillary one-off services provided to customers on request.

We charge retailers for the network services provided to regulated customers including the tariffs for SCS and ACS. As discussed in the Executive Summary, customers consuming less than 750MWh are subject to the tariffs set out in the NT Pricing Order and are not billed based on our network tariffs. We expect that the NT Pricing Order will continue through 2025-26 meaning that changes in our network tariffs will not directly impact these customers. Our major customers that consume more than 750MWh annually are not subject to the NT Pricing Order and retailers pass on our network charges to these customers.

1.3 Control mechanisms

A control mechanism imposes limits over the prices or revenues that we can recover from customers. The AER's 2024-29 distribution 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 subsequent years.

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

Power and Water's network 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's 2024-29 distribution determination.

Price caps apply to our different ACS and 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 Tariff Structure Statement

As part of the 2024-29 AER's distribution determination, the AER approved our TSS. The TSS explains the charging parameters within each tariff and a description of the approach we will take in setting tariffs in the annual network pricing proposals. The TSS introduced significant changes in the 2024-29 regulatory control period, including:

- Replacing demand charges with time of use energy charges for our T3 customers that consume less than 750MWh and have a smart meter.
- Changing our definition of peak periods to more closely align to times when the network is most congested and introducing changes to the structure of our demand tariffs for major customers.
- Merging high voltage customers into a single tariff.

1.5 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 2025-26.
- Chapter 4 identifies the key inputs to derive ACS prices for 2025-26, 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 GST, unless otherwise stated.

2. Tariff structures and assignment

Our 2025-26 network tariff proposal maintains the current structure of tariffs as identified in our approved TSS and the 2024-25 network pricing proposal. We have assigned customers to each of the tariffs based on our annual review of customer's meter type and consumption. Our smart meter rollout will mean that many of our customers will change tariff class within the FY26.

All our customers are assigned to 1 of 7 – tariffs based on their meter technology, whether they are a residential or non-residential customer, and their likely annual consumption. Each tariff has at least 1 of 3 different charging components including fixed, consumption and demand charges. A 'tariff class' is a grouping of one or more tariffs. This chapter explains our tariffs and network tariff classes (section 2.1), the components and charging parameters we apply (section 2.2) and the annual assessment process for assigning customers to tariffs (section 2.3).

2.1 Tariffs and tariff classes

The purpose of this section is to provide information on our proposed network tariffs and tariff classes to apply to the 2025-26 regulatory year. **Table 2** sets out the tariff class, tariff name and criteria for assignment. These tariff classes are important in establishing compliance with the side constraint provisions in the NT NER.

Customers who connect to the low voltage network and consume less than 750MWh annually will be assigned to tariffs using the criteria outlined in **Table 3.** The differences relate to meter technology, whether the primary use of the premises is for residential or non-residential purposes and consumption levels for customers with a smart meter.

Customers connected to the low voltage network[5] and who consume greater than 750MWh annually, will be assigned to the low voltage greater than 750MWh tariff class under Tariff 5.

Customers connected to the high voltage network[6]will be assigned to the high voltage tariff class under Tariff 6.

[5] This is defined as a network where electricity is supplied between 230 to 400 volts.

[6] This is defined as a network where electricity supplied at 11 kilovolts or higher.

Table 2- Network tariff classes and tariffs

Tariff Class	Tariff name	Criteria for assignment
LV less the 750MWh annually	1: Residential Accumulation Meter	Residential customers consuming less than 750MWh annually, for each 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, for each 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
	3b: LV smart meter non-residential	Non-residential customers connected to the low voltage network with a smart meter consuming less than 160MWh annually, for each 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, for each 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 for each NMI
HV	6: HV smart meters	All customers connected to the high voltage network consuming less than 10GWh annually for each NMI

Table 3 - Low voltage less than 750MWh tariff class - eligibility

Tariff	Criteria
Tariff 1 **residential accumulation meter**	• 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 2 **non-residential accumulation meter**	• 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**	• Total electricity consumption is less than 160MWh annually for each 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**	• Total electricity consumption is less than 160MWh annually for each 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; and farms.
Tariff 3c **LV smart meter**	Applies to customers where: • 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.

2.2 Tariff components and charging parameters

Under our AER approved TSS, customers in each tariff are subject to a range of pricing components to which charges are applied. This includes a daily system access charge ($/NMI/Day) and energy charges ($/kWh), and demand charges ($/kVA) for customers with smart meters consuming above 750MWh annually. These components vary for each of the 7 tariffs. In addition, there is a separate ACS metering charge, which is applied as a fixed daily charge based on the number and type of meters installed at the NMI (see Section 4.2).

System availability charge

The system availability charge (SAC) is a fixed daily charge component for each NMI and designed to recover the costs associated with maintaining the connection to Power and Water's electricity network. This charge is applied to all tariffs, except for Tariff 4 as this is unmetered infrastructure connected to the network.

Energy consumption charges

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

- The type of meter installed at the property, or
- The annual consumption of the customer.

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 these 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 would provide a simpler signal to customers if the NT Pricing Order protections are removed or amended. The price signal would provide customers with a signal to reduce consumption when the network is experiencing peak demand in the evening, and increase consumption 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 (Peak) period, which is from 1 October to 31 March weekdays, between 3pm and 9pm.
- Medium (Off-peak) period, which is from 1 April to 30 September Monday to Sunday between 3pm to 9am and from 1 October to 31 March, Monday to Sunday between 9pm to 9am and 3pm to 9pm on weekends.
- Low (Super off-peak) period, which is every day of the year between 9am and 3pm.
- Anytime energy period, which is 24 hour a day, 7 days a week all year round.

This high period 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. The low period is designed to encourage customers to increase usage and shift load (where possible) to this time, supporting minimum demand issues on the network. 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.

Demand charge parameters

For customers with smart meters and consuming less than 750MWh annually, there is no demand charge component and instead the time of use energy charges as outlined above are applied.

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

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.

Tariff structure and demand and energy periods

Table 4 below outlines the various time periods that apply to our energy and demand charges, with **Table 5** outlining the various components that apply to each of our tariffs.

Table 4 - Breakdown of energy and demand time of use periods

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

Table 5 - Network tariffs by charging parameters from 1 July 2025

Tariff	Tariff Description	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	LV	✓	✓					
2	Non-Residential Accumulation	LV	✓	✓					
3a	LV Smart Meter (Residential)	LV	✓		✓	✓	✓		
3b	LV Smart Meter (Non-Residential Less than 160MWh)	LV	✓		✓	✓	✓		
3c	LV Smart Meter (Non- Residential (160MWh to 750MWh)	LV	✓		✓	✓	✓		
4	Unmetered	LV		✓					
5	LV Majors	LV	✓	✓				✓	✓
6	HV Smart Meters	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. Using these characteristics, the customer is then assigned an appropriate tariff type.

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 a NMI for the first time.
- 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. Tariffs for standard control services (SCS)

Due to an over-recovery of revenue in 2023-24, we are proposing tariffs that are mostly lower than indicated in last year's network pricing proposal. We have applied a re-balancing strategy to adjust tariffs in the 2025-26 year to compensate for each tariff type's over or under recovery in 2023-24. Such a strategy means each tariff type will have unique adjustments relative to the indicative tariff set out in last year's regulatory proposal. This is a one-off adjustment with tariffs expected to revert to indicative prices in FY27 as set out in last year's pricing proposal.

The purpose of this chapter is to explain our process for deriving SCS tariffs in 2025-26. To calculate tariffs we calculated the total allowed revenue (**TAR**) for the period, developed energy consumption forecasts including demand and NMI 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 2025-26.
- Section 3.2 outlines the 2025-26 forecast for customer numbers as defined by NMIs, energy consumption and demand.
- Section 3.3 sets out our tariff re-balancing strategy for 2025-26.
- Section 3.4 identifies our proposed tariffs for 2025-26.

3.1 Total allowable revenue

The first step in our process is to calculate the TAR for 2025-26. The TAR we calculated for 2025-26 is $175.477 million, which is 0.87% higher than the 2024-25 TAR of $173.978 million. The increase in TAR for 2025-26 is much smaller than it would have been due to the return of the revenue over-recovered in the previous regulatory control period (predominantly in 2023-24).

The small increase in Power and Water's revenue allowance will lead to decreased charges across most of our tariffs when compared to the indicative prices for 2025-26 set in last year's network pricing proposal. This is because last year's network pricing proposal assumed we would have already returned the over-recovery from 2023-24 in the 2024-25 financial year, hence there would be no opening balance to clear going into the 2025-26 year.

Calculation of total allowable revenue

The AER prescribes the method and formula that we must use to derive the TAR.[7] The TAR formula is:

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

The elements are:

- AAR_t is the adjusted annual smooth revenue requirement for year t (2025-26).

[7] This is identified in figure 14.4.1 Attachment 14 of the Control Mechanisms. See AER's 2024-29 final determination.

- I_t is the sum of incentive scheme adjustment in year t relating to approved demand management incentive scheme (**DMIS**) amounts from t-2 (2023-24).
- B_t is the sum of annual adjustment factors for year t (2025-26).
- C_t is the sum of approved cost pass through amounts with respect to regulatory year t (2025-26).

Table 6 applies the TAR formula and sets out where the inputs are sourced from. The SCS pricing model (Appendix E) provides the underlying calculations.

Table 6 - 2025-26 SCS total allowed revenue ($m, nominal)

Input	Value*	Source
Adjusted annual smoothed revenue (AAR_t)	$191.450	The AER's smoothed nominal revenue requirement in 2025-26 was $191.462 million. Consistent with AER prescribed method we have updated inflation to reflect the December 2023 and 2024 ABS updates. The inflation rate values are 4.05% and 2.42%respectively. The updated X-factors are -7.44% and real vanilla weighted average cost of capital (**WACC**) of 3.04% sourced from the updated post tax revenue model (**PTRM) p**rovided by the AER.[8]
Demand management incentive scheme (DMIS) adjustments (I_t)	$0.0	The DMIS reward relates to payments for 2023-24 (i.e. t-2).
Annual adjustments (B_t)	$15.973	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.[9]
Cost pass through amounts (C_t)	$0.0	There are no pass-through amounts for 2025-26. At submission of this proposal we had not applied for a cost pass through amount.
Total allowable revenue (TAR_t)	$175.477	Sum of the above values.

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

Under and over recovery calculation

The annual adjustments applicable to Power and Water in 2025-26 are those relating to reconciling revenue for the revenue cap outcomes in the 2023-24 (t-2) regulatory period and updated with the most recent inflation data. We recorded a revenue adjustment of $15.973 million for the 2025-26 regulatory year. This is due to over-recovery from previous years (particularly 2023-24) brought forward.

8 The PTRM provided by the AER is the same as that included with its Final Determination for the 2024–29 period, updated for the most recent cost of debt observation.

9 Designated pricing proposal charges are charges related to transmission charges. 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 2024-25. 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. We have no approved jurisdictional schemes in place currently.

Our revenue estimates for 2024-25 (based on year-to-date actuals) predict a 0.6% over recovery relative to TAR. Since the projected over-recovery is small and may not eventuate by year-end, we have not incorporated this into the 2025-26 opening balance. **Table 7** demonstrates our revenue calculations, including the under and over calculations.

Table 7 - 2025-26 revenue calculations ($m, nominal)

Calculations	2023-24	2024-25	2025-26
Pricing year	**t-2**	**t-1**	**t**
Revenue from charges	168.4	174.5	175.5
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	168.4	174.5	175.5
Total allowable revenue a/DPPC or JSA expenditure	165.3	174.0	191.5
Total allowable revenue	**165.3**	**174.0**	**191.5**
Total under/over recovery of revenue for regulatory year	3.1	0.5	-16.0
Balancing adjustment (b-factor) made when year was 't'	-10.7	0.5	0.0
Net under/over recovery of revenue for regulatory year	13.8	-0.0	-16.0
SCS unders and overs account			
Nominal WACC	0.00%	7.11%	5.54%
Opening balance	9.8	14.0	15.5
Interest on opening balance	1.0	1.0	0.9
Under/over recovery of revenue for regulatory year	3.1	0.5	-16.0
Interest on under/over recovery for regulatory year	0.2	0.0	-0.4
Closing balance	14.0	15.5	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 significant estimated under or over recovery of revenues in year *t–1*.

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

3.2 Forecast SAC, consumption and demand volumes in 2025-26

In our 2025-26 network pricing proposal, we have re-forecast SAC, consumption and demand volumes for tariffs T1 to T6 for the 2025-2029 regulatory control period. The data has been used to estimate under or over recovery revenue in the 2024-25 year[10], calculate tariffs for the upcoming FY26 regulatory year, and calculate indicative tariffs for the FY27 to FY29 regulatory years.

We have relied on the following sources to develop our FY25 forecasts:

- BI reports extracted from our retail management system (RMS) that provide a monthly snapshot of billing reads and consumption of each customer, and which are aggregated into a 'budget tracker' tool.
- Audited actuals from the FY24 year reported in our Economic Benchmarking Regulatory Information Notice (EB RIN).
- Smart meter data for our T5 and T6 customers to establish the maximum demand periods.
- Where unable to source data, we have relied on the assumptions in last year's network pricing proposal such as consumption by 'time of use' segments.

For FY26 to FY29 we have largely relied on the trends in forecasts for these years as set out in last year's network pricing proposal, except for major connections where we have considered most recent data.

There have been complexities in developing robust volume forecasts for the 2025-26 network pricing proposal. In FY25, we introduced significant changes to our tariff design including establishing time of use tariffs for our T3 customers. We also accelerated our smart meter rollout which results in customers switching to different tariffs within the regulatory year. Our legacy reporting tools have had difficulty extracting reliable data on actual volumes between July 2025 and December 2025, with the need for manual correction of data and application of alternative assumptions.

In the sections below, we outline our sources and methods for developing a forecast of SAC, consumption and demand volumes.

SAC volumes

The SAC represents the number of NMIs in each tariff type (T1 to T6) multiplied by days in the year. For the FY25 forecast, we relied on actual NMI data reported in the 2024 RIN.[11] We have used last year's network pricing proposal data to calculate the change in NMIs, and to estimate the number of customers moving to smart meter tariffs. The re-forecast FY25 year is the starting point for establishing FY26 to FY29 forecasts, where we have applied the NMI growth rates consistent with last year's network pricing proposal. The key exceptions are T6 customers where we have used updated data on customer numbers as defined by NMIs, and T3c where we have re-assigned some customers to T5 and T6.

Consumption volumes

We have relied on BI reports extracted from RMS as the source of consumption forecasts for FY25 based on the aggregate of T1 and T3a customers (residential), T2 and T3b customers (small non-residential), and T3c,

[10] The estimate over-recovery is less than 1%. For this reason, we have not used t-1 estimates in our calculation of over-under recovery amount. This will be considered in next year's proposal where we will have audited data.

[11] We were unable to use actual data reported in our BI report due to unexplained anomalies in the NMI count. We consider that the 2024 audited RIN is a reasonable foundation for establishing customer count at the beginning of the period.

T4, T5, and T6 customers. We have extrapolated the 6 months of actual FY25 data to derive the 2025 forecasts.[12]

The BI report closely aligns to the 2024 audited actuals in the EB RIN. While residential customers' aggregate consumption was about 2% lower than 2024 actuals, this could be explained by increasing self-consumption from more customers connecting household photovoltaic (**PV**) generating systems, and 'year to year' variability.

Our forecast method has manually adjusted the relative consumption of T1 and T3a customers as we considered the BI report over-stated the number of customers that moved onto T3a. For this reason, we made an adjustment that considered the likely number of customers that will move onto a smart meter. We have also assumed that about 5% of T2 customers will switch to T3b in the last 6 months of the FY25 year compared to the extrapolated data.

We have limited data to confirm the consumption levels within time of use segments in the FY25 year for T3a, T3b and T3c. For this reason, we have relied on the relative proportions in last year's pricing proposal, noting that this was based on a sampling exercise undertaken for the TSS.

For the FY26 to FY29 years, we have used our re-forecast consumption for FY25 as a base and applied the assumptions on consumption growth and smart meter rollouts, as described in last year's network pricing proposal. There are two exceptions:

- For T6 customers, we have applied the most recent information on new major customer loads.
- We have assumed that some T3 customers in FY25 will be re-assigned to T5 and T6 in FY26 and beyond due to consumption being significantly higher than 750MWh.

Demand volumes

Demand charges only apply to T5 and T6 customers. We have used 6 months of FY25 smart meter data to extrapolate a forecast of demand for T5 and T6 customers for the remainder of FY25.[13]

For FY26 to FY29, we have used our re-forecast consumption for FY25 as a base. We have then used the proportionate change in forecast consumption between FY26 and FY29 as a proxy to calculate the growth rate in demand charges. This recognises that demand will increase as more major customers connect to the network and assumes that new customers have similar demand characteristics as the average customer in T6.

3.3 Tariff re-balancing strategy

The final step is to re-balance tariff rates to allow us to earn the TAR for 2025-26. Given the over-recovery compared to expected recovery in 2023-24, on average we need to lower prices in FY26 relative to what was indicated in the 2024-25 network pricing proposal. Specifically, indicative FY26 prices from last year's network pricing proposal would yield a forecast revenue of $192.3 million, which is $16.8 million or 9.6% higher than the newly calculated TAR of $175.5 million.

[12] For T6 customers, we have included a slight increase from the extrapolated 6 months of data based on a new major customer load commencing in February 2025.

[13] Similar to consumption, we have applied a slight increase for T6 customers due to a major new customer commencing in February 2025.

We have directed the necessary price changes across all tariffs in proportion to the under-over recovery from each tariff in 2023-24 as set out in **Table 8**.[14] This means that all customers receive a different reduction in prices in FY26 compared to what we indicated in our previous network pricing proposal. Each charging component within a tariff is adjusted by the same percentage. In doing so, we sought to:

- Maximise equitability of revenue redistributions.
- Partially give back under/over-recovery through behaviour-invariant charges (SAC), so as not to excessively temper price signals determined in our TSS strategy, while balancing the need to reduce year-on-year price variability attributable to forecasting limitations by lessening Power and Water's revenue exposure to consumption and particularly demand charges.

Table 8 - Tariff strategy applied to charging parameters in 2025-26

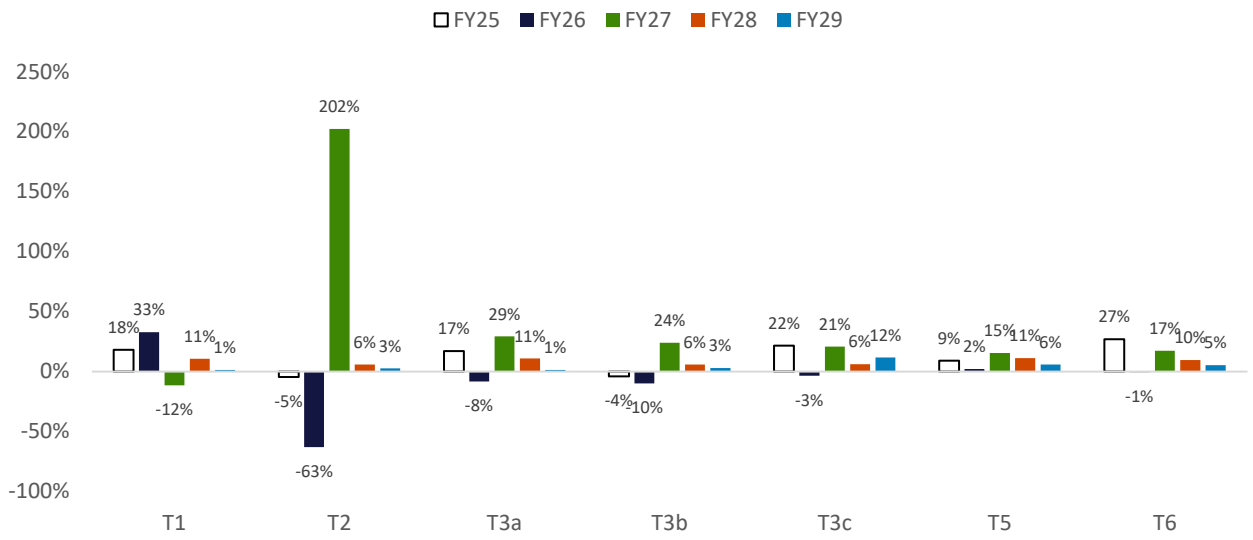
Tariffs	Tariff component	Price reduction relative to 2024-25 network pricing proposal
1: Residential Accumulation Meter	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	24.1%
2: Non-Residential Accumulation Meter	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	-65.2%
3a: LV Smart Meter Residential	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	-15.1%
3b: LV smart meter non-residential	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	-15.1%
3c. LV smart meter	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	-15.1%
4: Unmetered	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	0.2%
5: LV majors	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	-6.3%

[14] This was not possible for tariff 7 customers (under the previous TSS) as this was tariff was not included in the current TSS. These customers were moved into tariff 6 for this regulatory control period and will receive the proportion of over-recovery for tariff 6 customers.

6: HV smart meters	SAC ($/NMI/day) Consumption ($/kWh) Demand ($/kVA/month)	-9.2%

Against the backdrop of expected price increases over the 2025–2029 regulatory control period[15], the reduction in most tariffs in FY26 will lead to a sharper year-on-year increase from FY26 to FY27 as long-term pricing remains aligned with the original target trajectory. Customers receiving reduced rates due to return of historical over-recovery should therefore view the FY26 tariff reduction as a temporary downward adjustment rather than a new baseline, as shown below.

Figure 1 - Network bill year-on-year increase (%) by tariff in FY25-29



3.4 SCS tariffs

Table 9 sets out the proposed price list for SCS tariffs in 2025-26 by charging parameter. The charges are based on the key inputs, including forecasted volumes, approved tariff strategies and the AER approved revenue allowance. **Table 4** provides more information on the charging times.

Appendix A includes our forecasted charges for the remainder of the current regulatory control period (2024-29), and the inputs and outputs which are contained in the 2025-26 SCS pricing model in Appendix E.

[15] Power and Water Corporation (2024). *Network Pricing Proposal 2024-25*. Appendix A.1.

Table 9 -2025-26 price list for SCS - tariffs by charging parameter (nominal $)

	System Availability Charge	Energy ($/kWh)				Demand ($/kVA/month)	
Tariffs	SAC $/NMI/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	2.792731	0.074473	-	-	-	-	-
Tariff 2: Non-residential Accumulation Tariff	0.783652	0.025530	-	-	-	-	-
Tariff 3a: LV Smart Meter	1.910751	-	0.000000	0.042886	0.165598	-	-
Tariff 3b: LV Smart Meter	2.335362	-	0.000000	0.050953	0.220798	-	-
Tariff 3c: LV Smart Meter	7.643002	-	0.000000	0.084922	0.279674	-	-
Tariff 4: Unmetered Tariff	-	0.150152	-	-	-	-	-
Tariff 5: LV Majors Tariff	93.687057	0.025764	-	-	-	14.989929	2.810612
Tariff 6: HV Smart Meters	104.396577	0.029503	-	-	-	7.262371	1.986658

4. Tariffs for alternative control services (ACS)

ACS are one-off charges for specific customer services. Our proposed prices reflect an adjustment for inflation consistent with the AER's methodology. This means that our prices will only rise by inflation in the 2025-26 financial year.

This chapter explains our 2025-26 ACS charges and the inputs used to calculate them in accordance with the AER's 2024-29 distribution determination. ACS are regulated distribution services we provide specifically to a customer. They include metering and ancillary (one-off) services and are provided on a user pays basis with the charges being recovered from individual customers.

4.1 Key inputs to calculating ACS prices

ACS are subject to a price cap, which is updated 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 2024-29 distribution determination. From 2025-26 we will be required to apply a formula updating the previous year's price, considering inflation and the relevant X-factor for each service as outlined in the AER's 2024-29 distribution determination.

Table 10 below identifies the key inputs that would usually be used to calculate the annual ACS charges. Appendix F includes the ACS pricing model which demonstrates our compliance with the AER's control mechanism in deriving the 2025-26 prices.

Table 10 -ACS metering pricing parameters

Terms	Input	Source
Inflation update	2.42%	Consistent with AER prescribed method we have updated inflation forecasts for 2025-26 to reflect the December 2024 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 16 of Attachment 16 (Table 16.10)
X-factor for ancillary network services	-1.4%	Consistent with AER final decision on page 12 of Attachment 16 (Table 16.6)

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.
- Metering data provider including:
  - 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 11 sets out the proposed price list for single phase meters, three phase meters, LV current transformer and HV transformer with remote reading meters (i.e. CT and VT meters). Like the SAC charge, the metering charges are applied daily. The daily charge is set out in the ACS pricing model in Appendix G.

Table 11 - ACS metering service provision for Type 1 to 6 meters - 2025-26 price list (nominal $, excluding GST)

Meter type	Annual charge	Daily charge
1 Phase Meters (including Prepayment)	$139.7	$0.382740
3 Phase Meters	$185.09	$0.507096
LV CT	$738.63	$2.023644
HV	$2,548.39	$6.981890

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 varies and is dependent on the time taken and other costs incurred to complete the task. The charges included for quoted services include labour rates (including overheads), materials, and travel time for the service provider (based on labour rates). **Table 12** sets out the proposed price list for 2025-26 for quoted services.

Table 12 - ACS quoted services - price list in 2025-26 - labour only (nominal $, excluding GST)

Quoted service		Basis of charging	Price
Internal - Technical	Business hours	$/hour	$248.49
Internal - Administration	Business hours	$/hour	$122.50
Internal - Comms	Business hours	$/hour	$248.49
Internal - Engineering	Business hours	$/hour	$272.20
Internal – Technical	After hours	$/hour	$315.15
Internal – Administration	After hours	$/hour	$214.37
Internal - Comms	After hours	$/hour	$315.15
Internal - Engineering	After hours	$/hour	$376.23

4.4 Ancillary – fee-based services

Ancillary services are fee-based charges. 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 13** sets out the proposed price list for 2025-26 for fee-based services.

Table 13 - ACS fee-based services - 2025-26 price list (nominal $, excluding GST)

Fee-based service	Basis of charging	Price
Provision of 3 phase service	$/request	$2,723.09
Standard temporary builder's connection	$/request	$1,159.43
Class 1 & 2 PV service	$/request	$185.49
Class 3 PV Assessment	$/request	$2,134.29
Temporary disconnection and reconnection - no dismantling	$/request	$685.48
Temporary disconnection and reconnection - physical dismantling	$/request	$2,151.56
Complex disconnection	$/request	$786.69
Disconnection (and final read)	$/request	$94.51
Reconnection	$/request	$96.95
Reconnection - after hours	$/request	$760.49
Wasted visit fee	$/request	$332.76
Historical data requests	$/request	$183.74
Standing data requests	$/request	$61.24
Customer transfers	$/request	$244.98
Network tariff change request	$/request	$61.24
Installation of minor apparatus	$/request	$814.68
Special meter test	$/request	$575.48
Exchange or replace meter – three phase	$/request	$451.24
Exchange or replace meter – single phase	$/request	$389.11
Relocation of meter	$/request	$600.33
Remove meter	$/request	$600.33
General meter inspection	$/request	$277.29
Special meter read – no appointment	$/request	$64.08
Special meter read – appointment	$/request	$139.77
Meter program change	$/request	$326.98
Install modem on smart ready meter	$/request	$326.98
Prepayment vending charge	$/request	$0.65
Prepayment meter support charge	$/request	$144.66
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.

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.[16]

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.[17]

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[18], 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.

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'.[19]

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 network pricing proposal. **Table 14** demonstrates that the revenues we expect to recover from each tariff class are within the CPI adjusted efficient pricing bounds previously approved.

16 NT NER 6.18.5.
17 NT NER 6.18.5(a).
18 Power and Water, Revised Tariff Structure Statement – Explanatory Statement, November 2023.
19 NT NER 6.18.5(e).

Table 14 - Stand-alone and avoidable cost ($m, nominal $2025-26)

Revenue and cost measures	Tariff classes		
	LV <750MWh	LV >750MWh	HV
Stand-alone cost	619	80	91
Forecast 2025-26 tariff revenues	**142**	**19**	**15**
Avoidable cost	15	2	2
Compliant	**Yes**	**Yes**	**Yes**

Long run marginal costs (LRMC)

Under the NT NER, each tariff must be based on the long run marginal cost (**LRMC**) of serving those customers, with the method of calculation and its application determined regarding the costs and benefits of that method, the costs of meeting demand from those customers at peak network utilisation times, and customer location.[20]

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 service provider's estimates, and against previous estimates used in our 2019-24 network pricing distribution determination. **Table 15** sets out our TSS approved LRMC values for the current regulatory control period (2024-29), which have remained the same from the 2024-25 network pricing proposal.

Table 15 - 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.[21] 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 16** shows the diversified LRMC by tariff, compared to the relevant tariffs for 2024-25 and 2025-26.

[20] NT NER 6.18.5(f).

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

Table 16 - Diversified LRMC by tariff (nominal $2025-26)

Tariff	Anytime Energy Charge			Peak Energy Charge			On-Season Demand		
	Diversified LRMC by Tariff	2024-25	2025-26	Diversified LRMC by Tariff	2024-25	2025-26	Diversified LRMC by Tariff	2024-25	2025-26
	¢/kWh	¢/kWh	¢/kWh	¢/kWh	¢/kWh	¢/kWh	$/kVA	$/kVA	$/kVA
Tariff 1: Residential Accumulation Meter	0.50	6.04	7.45	-	-	-	-	-	-
Tariff 2: Non-Residential Accumulation	0.51	7.00	2.55	-	-	-	-	-	-
Tariff 3a: LV Smart Meter Residential	-	-	-	0.50	19.00	16.56	-	-	-
Tariff 3b: LV Smart Meter Non-Residential	-	-	-	0.50	25.00	22.08	-	-	-
Tariff 3c: LV Smart Meter	-	-	-	0.50	32.03	27.97	-	-	-
Tariff 4: Unmetered	0.52	9.83	15.02	-	-	-	-	-	-
Tariff 5: LV Majors	0.50	2.50	2.58	-	-	-	2.91	15.00	14.99
Tariff 6: HV Smart Meters	1.34	3.00	2.95	-	-	-	7.48	6.50	7.26

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 electricity distribution determination, and minimise distortions to efficient price signals.[22]

Overall, our tariffs are set to recover the TAR consistent with the AER's 2024-29 distribution 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 2 shows that residual cost shares by tariff, while **Figure 3** shows the residual cost recovery by tariff parameter (tariff components) covering 2025-26.

[22] NT NER 6.18.5(g).

Figure 2 - Residual cost recovery share by tariff (2025-26)

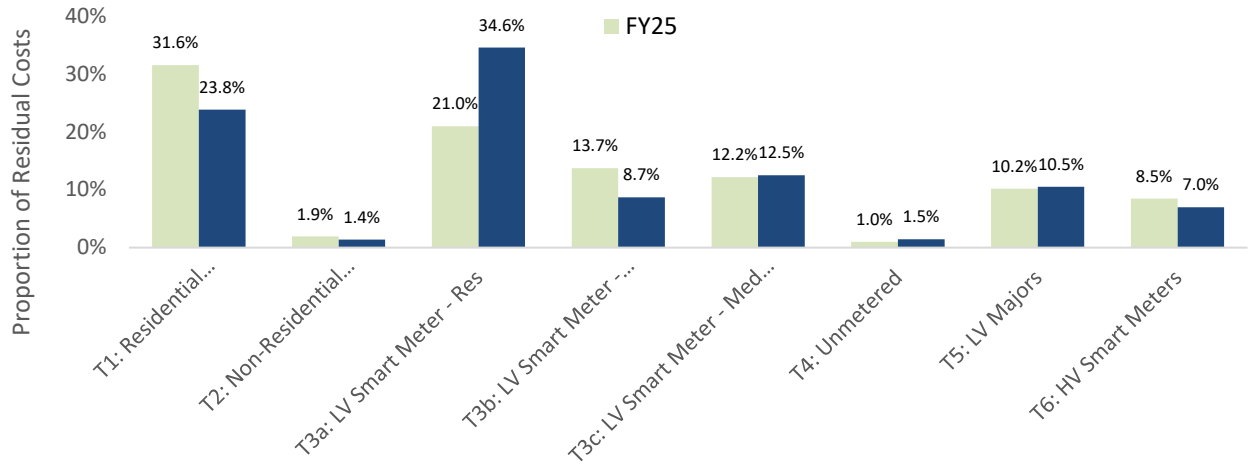
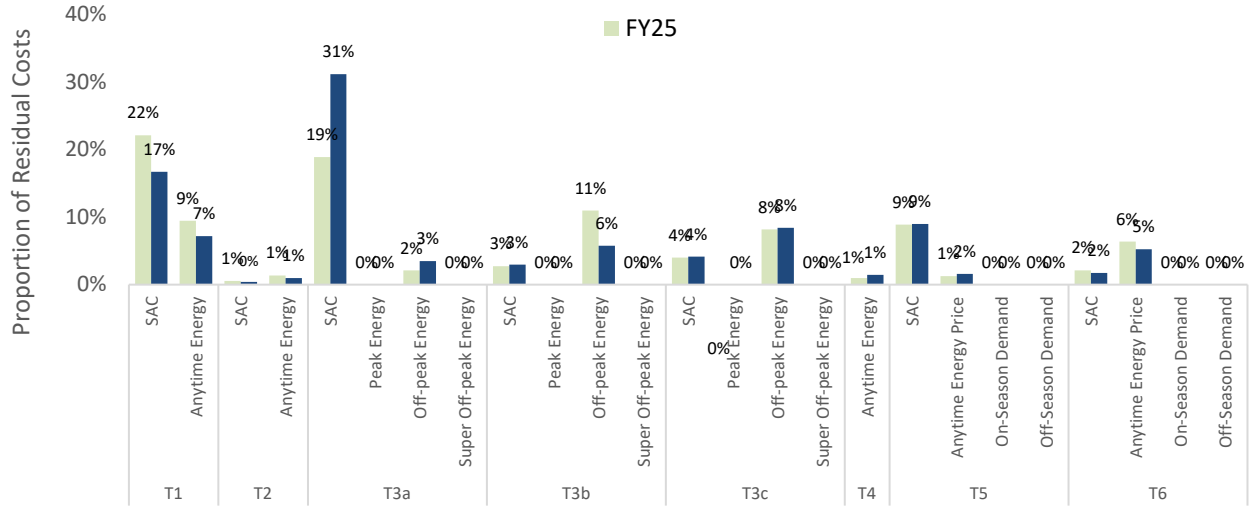


Figure 3 - Residual cost recovery share by tariff parameter (2025-26)



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. [23]

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.

[23] NT NER. 6.18.5(h).

Simple to understand

The pricing principles also require that tariff structures be reasonably capable of being understood by retail customers assigned to that tariff.[24]

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 three-tier time-of-use energy rates for the smart metered customer below 750MWh annually. Additionally, we have a seasonal peak demand charge for each major customer 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.

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.[25] 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% or CPI plus 2% after accounting for other adjustments allowed in the annual TAR formula.[26]

Appendix E demonstrates our compliance with the side constraint for each tariff class. As 2025-26 is the second year of the new regulatory control period side constraints do apply.

We have calculated the relevant side constraint to apply in 2025-26 in **Table 17**.

Table 17 - Calculation of side constraint for 2025-26

Component	Values
Inflation	2.42%
X-factor	-7.44%
Constraint factor	2.00%
Common base adjustment	98.62%
All adjustment factors	-9.05%
Quantities adjustment	-1.38%
Constraint	**1.64%**

[24] NT NER 6.18.5(i).

[25] 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.

[26] NT NER, 6.18.6(c).

Table 18 sets out the increased weighted average revenue from each tariff class which is consistent with the side-constraint formula.

Table 18 - Weighted expected revenue in 2024-25 and 2025-25 and percentage change

Tariff class	Expected Revenue 2024-25	Expected Revenue 2025-26	% change in revenue
LV <750MWh	$143,713	$142,424	-0.90%
LV >750MWh	$18,234	$18,532	1.64%
HV	$14,473	$14,521	0.33%

Variation during the year

The NT NER requires that a network pricing proposal sets out the nature of any variation or adjustment to the tariff that could occur during the regulatory year and the basis on which it could occur.[27] 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 occurs, Power and Water will actively engage with our stakeholders.

Tariff variation from 2024-25 to 2025-26

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 electricity distribution determination.

In this respect we note that our tariff classes, types and tariff structures have remained the same from the previous regulatory year.

Rounding

When reporting on compliance as part of the network pricing proposal process in 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 the AER's Final Determination Attachment 14: Appendix D.[28]

We have complied with these requirements.

[27] NT NER 6.18.2(b)(5).

[28] AER 2024-29 Final Determination Attachment 14: Appendix D.

Appendix A

SCS schedule

Appendix A – Indicative pricing schedule

Table 19 sets out our proposed TSS tariff charges for 2025-26 (**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 19 - Indicative price schedule for SCS (nominal $, excluding GST)

Charge	Basis of charging	Charge	Proposed	Indicative	Indicative	Indicative
		2024-25	2025-26	2026-27	2027-28	2028-29
Tariff 1: Residential						
SAC	$/day/NMI	2.000000	**2.792731**	2.466580	2.713767	2.681463
Anytime Energy Charge	$/kWh	0.060375	**0.074473**	0.066104	0.073765	0.078006
Tariff 2: Non-residential						
SAC	$/day/NMI	2.000000	**0.783652**	2.466580	2.713767	2.925233
Anytime Energy Charge	$/kWh	0.070000	**0.025530**	0.075971	0.079045	0.079469
Tariff 3a: LV Smart Meter Residential						
SAC	$/day/NMI	2.000000	**1.910751**	2.466580	2.713767	2.681463
Peak Energy Charge	$/kWh	0.190000	**0.165598**	0.197326	0.207233	0.214517
Off-Peak Energy Charge	$/kWh	0.050000	**0.042886**	0.059395	0.069078	0.074106
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	**2.335362**	2.959896	3.207179	3.412771
Peak Energy Charge	$/kWh	0.250000	**0.220798**	0.261457	0.266443	0.268045
Off-Peak Energy Charge	$/kWh	0.057500	**0.050953**	0.064674	0.069078	0.070206
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	**7.643002**	9.373003	9.621538	9.750776
Peak Energy Charge	$/kWh	0.320255	**0.279674**	0.328055	0.339685	0.353539
Off-Peak Energy Charge	$/kWh	0.080000	**0.084922**	0.104449	0.113485	0.134887
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	**0.150152**	0.157734	0.161483	0.171173
Tariff 5: LV Majors						
SAC	$/day/NMI	95.000000	**93.687057**	108.529508	113.484804	117.009307
Anytime Energy Charge	$/kWh	0.025000	**0.025764**	0.029599	0.032072	0.034128
On-Season Demand	$/kVA	15.000000	**14.989929**	16.772742	18.749663	19.501551
Off-Season Demand	$/kVA	2.200000	**2.810612**	3.946528	5.920946	6.825543
Tariff 6: HV Smart Meters						
SAC	$/day/NMI	110.000000	**104.396577**	118.395827	123.008811	126.166080
Anytime Energy Charge	$/kWh	0.030000	**0.029503**	0.034532	0.036903	0.038505
On-Season Demand	$/kVA	6.500000	**7.262371**	8.879687	10.824775	11.646100
Off-Season Demand	$/kVA	1.829185	**1.986658**	2.626582	3.957986	4.842836

Appendix B

ACS metering revised indicative pricing schedule

Appendix B – Indicative pricing schedule

Table 20 sets out our proposed price by meter type in 2025-26 (**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 20 - Indicative price schedule for ACS Metering services (nominal $, excluding GST)

Charge	Basis of charging	Charge	Proposed	Indicative	Indicative	Indicative
		2024-25	2025-26	2026-27	2027-28	2028-29
1 Phase Meters (including Prepayment)	$/year/meter	136.39	**139.70**	143.42	147.23	151.15
3 Phase Meters	$/year/meter	180.71	**185.09**	190.01	195.06	200.25
LV CT	$/year/meter	721.14	**738.63**	758.28	778.45	799.15
HV	$/year/meter	2488.06	**2,548.39**	2,616.18	2,685.76	2,757.19

Appendix C

ACS Quoted Services revised indicative pricing schedule

Appendix C – Indicative pricing schedule

Table 21 sets out our proposed price by ACS quoted service (labour only) in 2025-26 (**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 21 - Indicative price schedule for ACS quoted services (nominal $, excluding GST)

Service	Basis of charging	Charge	Proposed	Indicative	Indicative	Indicative
		2024-25	2025-26	2026-27	2027-28	2028-29
Internal – Tech	$/hour	239.27	**248.49**	257.54	266.91	276.95
Internal – Admin	$/hour	117.95	**122.50**	126.96	131.58	136.53
Internal – Comms	$/hour	239.27	**248.49**	257.54	266.91	276.95
Internal – Engineering	$/hour	262.10	**272.20**	282.11	292.37	303.36
Internal – Tech (A/H)	$/hour	303.45	**315.15**	326.62	338.50	351.23
Internal – Admin (A/H)	$/hour	206.41	**214.37**	222.17	230.25	238.91
Internal – Comms (A/H)	$/hour	303.45	**315.15**	326.62	338.50	351.23
Internal – Engineering (A/H)	$/hour	362.27	**376.23**	389.93	404.11	419.30

Appendix D

ACS Fee-based Services revised indicative pricing schedule

Appendix D – Indicative pricing schedule ACS

Table 22 sets out our proposed price by ACS fee-based service in 2025-26 (**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 22 - Indicative price schedule for ACS fee-based services (nominal $, excluding GST)

Charge	Basis of charging	Charge	Proposed	Indicative	Indicative	Indicative
		2024-25	2025-26	2026-27	2027-28	2028-29
Provision of 3 phase service	$/request	2622.03	**2723.09**	2822.23	2924.86	3034.83
Standard temporary builder's connection	$/request	1116.40	**1159.43**	1201.64	1245.34	1292.16
Class 1 & 2 PV service	$/request	178.61	**185.49**	192.24	199.23	206.72
Class 3 PV Assessment	$/request	2055.08	**2134.29**	2211.99	2292.43	2378.62
Temporary disconnection and reconnection - no dismantling	$/request	660.04	**685.48**	710.44	736.27	763.95
Temporary disconnection and reconnection - physical dismantling	$/request	2071.71	**2151.56**	2229.89	2310.98	2397.87
Complex disconnection	$/request	757.50	**786.69**	815.33	844.98	876.75
Disconnection (and final read)	$/request	91.00	**94.51**	97.95	101.51	105.33
Reconnection	$/request	93.35	**96.95**	100.48	104.13	108.05
Reconnection - after hours	$/request	732.27	**760.49**	788.18	816.84	847.55
Wasted visit fee	$/request	320.41	**332.76**	344.87	357.41	370.85
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	**183.74**	190.43	197.35	204.77
Standing data requests	$/request	58.97	**61.24**	63.47	65.78	68.25
Customer transfers	$/request	235.89	**244.98**	253.90	263.13	273.02
Network tariff change request	$/request	58.97	**61.24**	63.47	65.78	68.25
Installation of Minor Apparatus	$/request	784.45	**814.68**	844.34	875.04	907.94
Special meter test	$/request	554.12	**575.48**	596.43	618.12	641.36
Exchange or replace meter – three phase	$/request	434.49	**451.24**	467.67	484.68	502.90
Exchange or replace meter - single phase	$/request	374.67	**389.11**	403.28	417.94	433.65
Relocation of meter	$/request	578.05	**600.33**	622.19	644.82	669.06
Remove meter	$/request	578.05	**600.33**	622.19	644.82	669.06
General meter inspection	$/request	267.00	**277.29**	287.38	297.83	309.03
Special meter read - no appointment	$/request	61.70	**64.08**	66.41	68.82	71.41
Special meter read - appointment	$/request	134.58	**139.77**	144.86	150.13	155.77
Meter program change	$/request	314.85	**326.98**	338.88	351.20	364.40

Table 22 continued - Indicative price schedule for ACS fee-based services (nominal $, excluding GST)

Install modem on smart ready meter	$/request	314.85	**326.98**	338.88	351.20	364.40
Prepayment Vending Charge	$/request	0.63	**0.65**	0.67	0.69	0.72
Prepayment Meter Support Charge	$/request	139.29	**144.66**	149.93	155.38	161.22

Appendix E

SCS Pricing Model

Appendix E – SCS Pricing model

Please refer to separate excel workbook titled **PWC – 2025-26 annual SCS pricing model – 31 March 2025 – PUBLIC.**

Appendix F

ACS Pricing Model

Appendix F – ACS Pricing model

Please refer to separate excel workbook titled **PWC – 2025-26 annual ACS pricing model – 31 March 2025 – PUBLIC.**