

evoenergy

Network pricing proposal 2023/24

Australian Capital Territory electricity
distribution network

Fifth pricing proposal for the Regulatory
Control Period 2019–24

Submission to the Australian Energy Regulator

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Overview

This pricing proposal is submitted to the Australian Energy Regulator (AER) for review as required under Chapter 6 of the National Electricity Rules (the Rules). This document has been prepared in accordance with the AER's Final Decision for the 2019–24 regulatory control period, released on 30 April 2019.¹ The proposed changes to Evoenergy's network tariff levels on 1 July 2023, as set out in this Pricing Proposal, are consistent with the AER's Final Decision on Evoenergy's Revised Proposed Tariff Structure Statement (TSS).

The proposed network use of system (NUOS) charges for 2023/24 are, on average, 34.9 per cent lower in nominal terms than charges in 2022/23. The proposed NUOS charges for 2023/24 comprise the following components:

- The proposed distribution use of system (DUOS) charges which are 0.8 per cent higher (in nominal terms) than DUOS charges for 2022/23.
- The proposed transmission use of system (TUOS) charges² which are 18.2 per cent lower (in nominal terms) than the charges for 2022/23.
- The proposed charges for jurisdictional schemes (JS)³, reflecting ACT Government taxes and renewables policies, which are 81.9 per cent lower (in nominal terms) than the charges for 2022/23, largely due to a decrease in revenue required to meet Evoenergy's obligations under the ACT Government's Large-scale Feed-in Tariff (LFIT) scheme.
- The proposed metering capital and metering non-capital charges for 2023/24 which are proposed to increase by 7.83 per cent (nominal), in line with the consumer price index (CPI).

The proposed 2023/24 NUOS charges would decrease the electricity network (NUOS) bill for:

- an average residential customer consuming 7,500 kWh per annum on the Residential Basic (010) tariff by \$5.83 per week (excluding GST) or 34 per cent;
- an average LV Commercial customer consuming 30,000 kWh per annum on the General Network tariff (040) by \$29.71 per week (excluding GST) or 32 per cent; and
- an average HV commercial customer consuming 15,000 MWh per annum on the HV TOU Demand tariff (122) by \$9,350 per week (excluding GST) or 46 per cent.

The decrease in NUOS charges in 2023/24 is largely driven by a reduction in revenue amounts for the ACT LFIT, which is a jurisdictional scheme administered by Evoenergy, and a reduction in transmission prices compared to 2022/23. Since Evoenergy has historically recovered LFIT amounts through its consumption charges, the 2023/24 price decrease varies across residential, low voltage (LV) commercial and high voltage (HV) commercial customers based on differences in the proportion of customers' network bills that are made up of consumption charges.

¹ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, April 2019.

² Referred to in the Rules as Designated Pricing Proposal Charges, these charges include charges levied on Evoenergy by Transgrid, as well as transmission costs on Evoenergy's network within the ACT.

³ Jurisdictional schemes are expenses incurred by Evoenergy pursuant to ACT Government requirements.

1. Introduction

The AER is responsible for the economic regulation of distribution services provided by Evoenergy and requires Evoenergy to publish a pricing proposal that contains detailed information on the tariffs and charges to apply to Evoenergy's regulated network services from 1 July 2023 to 30 June 2024 (2023/24). The pricing proposal covers Evoenergy's Standard Control Services and Alternative Control Services (ACS), as classified in the AER's Final Decision Evoenergy Determination 2019–24 (Final Decision). A checklist of the regulatory requirements and where they are met in this document is provided as Attachment 2.

Standard Control Services are services that are central to the supply of electricity and are relied upon by most (if not all) customers. This service classification includes network services (e.g. construction, maintenance, and repair of the network), some connection services (e.g. small customer connections) and Type 7 metering services (i.e. unmetered connections such as traffic lights). Alternative Control Services include metering and ancillary network services specific to a customer.

This document should be read in conjunction with Evoenergy's Revised Proposed Tariff Structure Statement⁴ which sets out in detail how the tariff structures have been developed.

The structure of this document is outlined below.

- Section 2 sets out the calculation of Evoenergy's Total Allowable Revenue for 2023/24.
- Section 3 outlines the structure of Evoenergy's network tariffs.
- Section 4 presents Evoenergy's proposed network tariff levels for 2023/24.
- Section 5 outlines Evoenergy's proposed Alternative Control Service charges.
- Section 6 explains how Evoenergy's proposed network tariffs are consistent with the pricing principles in the Rules.
- Section 7 sets out Evoenergy's approach to forecasting electricity volumes for the purpose of pricing.
- Attachment 1 sets out the proposed 2023/24 NUOS tariffs including metering.
- Attachment 2 provides a compliance checklist.

⁴ Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Appendix 1.1 Revised Tariff Structure Statement – Explanatory Statement.

2. Total Allowable Revenue for 2023/24

This section presents the calculations of Evoenergy's Total Allowable Revenue (TAR) for DUOS and TUOS, the amounts to be recovered through Jurisdictional Scheme (JS) charges, as well as the price caps for Type 5 and Type 6 metering services.

2.1 DUOS

For the 2019–24 regulatory control period, Evoenergy's DUOS prices are regulated using a TAR revenue cap. This is a departure from the 2019–24 period when Evoenergy's distribution services were subject to an average revenue cap (i.e. revenue yield) form of control.

The following formula is used to determine Evoenergy's DUOS TAR.⁵

$$TAR_t \geq \sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_t^{ij} \quad i = 1, \dots, n \text{ and } j = 1, \dots, m \text{ and } t = 1, 2, \dots, 5$$

$$TAR_t = AAR_t + I_t + B_t + C_t + RV_t \quad t = 1, 2, \dots, 5$$

$$AAR_t = AR_t \times (1 + S_t) \quad t = 1$$

$$AAR_t = AAR_{t-1} \times (1 + \Delta CPI_t) \times (1 - X_t) \times (1 + S_t) \quad t = 2$$

$$AAR_t = AAR_{t-1} \times (1 + \Delta CPI_t) \times (1 - X_t) \div (1 + S_{t-1}) \div (1 + S_{t-2}) \quad t = 3$$

$$AAR_t = AAR_{t-1} \times (1 + \Delta CPI_t) \times (1 - X_t) \quad t = 4, 5$$

where:

TAR_t is the total allowable revenue in year t

p_t^{ij} is the price of component 'j' of tariff 'i' in year t

q_t^{ij} is the forecast quantity of component 'j' of tariff 'i' in year t

t is the regulatory year

AR_t is the annual smoothed revenue requirement in the PTRM for year t

AAR_t is the adjusted annual smoothed revenue requirement for year t

I_t is the sum of payments relating to STPIS version 2.0, demand management incentive scheme and innovation allowance adjustments in year t

B_t is the sum of annual adjustment factors for year t and includes the true up for any under or over recovery of actual revenue collected through DUoS charges

C_t is the sum of approved cost pass through amounts for year t . It also includes end of period adjustments in year t

S_t is the S factor for year t , relating to payments for the application of STPIS version 1.2 in the 2014 to 19 regulatory control period.

ΔCPI_t is the percentage change in ABS CPI from Dec qt $t - 2$ to Dec qt $t - 1$

X_t is the X – factor in year t , incorporating adjustments for the return on debt

RV_t is the remittal variance factor for the 2017–18 and 2018–19 regulatory years to be trueed up in the 2019–20 and 2020–21 pricing years

⁵ AER 2021, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, March 2021, p. 13-6 to 13-8.

2.1.1 Calculation of revenue cap for DUOS

To calculate the DUOS TAR for 2023/24, the inputs presented in Table 2.1 were applied to the formulae outlined above. The inputs were obtained from the following sources.

- The AER's Final Decision PTRM for distribution.⁶
- The AER's revised decision on the Service Target Performance Incentive Scheme (STPIS).⁷
- The incentive scheme payments and annual adjustment for 2023/24.

The resulting DUOS TAR for 2023/24 is \$144,647,743.

Table 2.1 DUOS Total Allowable Revenue 2023/24, \$ nominal

Item	2023/24 Value
Annual smoothed revenue requirement for 2022/23 (AAR_{t-1})	\$142,118,047
X factor for 2023/24	0.59%
CPI (December _{t-1} / December _{t-2})	7.83%
Adjusted annual smoothed revenue requirement for 2023/24 (AAR_t)	\$152,338,695
Sum of incentive scheme payments for 2023/24 (I_t)	-\$4,756,482
Sum of annual adjustment factors in 2023/24 (B_t)	-\$2,934,470
Sum of approved cost pass throughs for 2023/24 (C_t)	\$0
Remittal variance factor (RV_t)	\$0
Total allowable revenue in 2023/24 (TAR_t)	\$144,647,743

2.1.2 DUOS unders and overs account

To demonstrate compliance with the revenue cap for DUOS during the 2019–24 regulatory control period, Evoenergy reports on revenue amounts and adjustments for under and over recovery. As part of the pricing proposal for each regulatory year, Evoenergy provides the following amounts:

- the opening balance for each year;
- the interest accrued on the opening balance for each year, calculated at the annual interest rate;
- under/over recovery of revenue for the regulatory year;

⁶ AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Post-tax revenue model*, April 2019.

⁷ AER 2021, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, March 2021.

- interest on under/over recovery for the regulatory year, calculated at the semi-annual interest rate; and
- a summation of the above amounts to derive the closing balance for each year.

Evoenergy's proposed DUOS unders and overs account is presented below in Table 2.2.

Table 2.2 DUOS unders and overs account (\$ nominal)

Item	Year t-2 2021/22 Actual	Year t-1 2022/23 Estimate	Year t 2023/24 Forecast
(A) Total DUOS revenue =	\$147,785,802	\$142,443,733	\$144,647,743
+ Revenue from DUOS charges	\$147,785,802	\$142,499,841	\$144,647,743
- Unpaid network charges (RoLR)*	\$0	\$56,108	\$0
(B) Less TAR for regulatory year =			
+ Adjusted annual smoothed revenue (AAR_t)	\$137,829,867	\$142,118,047	\$152,338,695
+ DMIS carryover and DMIS amounts (I_t)	\$203,969	-\$1,249,854	-\$4,756,482
+ Annual adjustments (B_t)	\$0	\$0	\$0
+ Cost pass through amount (C_t)	\$0	\$0	\$0
+ Remittal variance amount (RV_t)	\$0	\$0	\$0
(C) Revenue deliberately under-recovered in year	\$0	\$0	\$0
(A – B + C) Under/over recovery of revenue for regulatory year	\$9,751,966	\$1,575,541	-\$2,934,470
DUOS unders and overs account			
Nominal WACC (per cent)	3.49%	6.03%	10.51%
Opening balance	-\$8,520,726	\$1,102,596	\$2,791,481
Interest on opening balance	-\$297,333	\$66,516	\$293,303
Under/over recovery of revenue for regulatory year	\$9,751,966	\$1,575,541	-\$2,934,470
Interest on under/over recovery for regulatory year	\$168,690	\$46,828	-\$150,314
Closing balance	\$1,102,596	\$2,791,481	\$0

* The unpaid network charges include two Retailer of Last Resort (RoLR) events in 2022/23 where Evoenergy did not receive payment for network charges. A disaggregation of the unpaid charges is not available across distribution charges, designated pricing proposal charges, and jurisdictional scheme charges. Therefore, the full amount of the unpaid charges has been included in Evoenergy's distribution revenue.

2.1.3 Audit requirement for DUOS unders and overs account

The AER’s Draft Decision for the 2019–24 regulatory control period includes a provision that the t-2 amounts included in the DUOS unders and overs account must be audited,⁸ which was unchanged in the AER’s Final Decision.⁹ For Evoenergy’s 2023/24 Pricing Proposal, the t-2 year to which the audit requirement applies is 2021/22. In subsequent correspondence, the AER advised that the audit requirement would be fulfilled if the amounts shown in the unders and overs account match information that was lodged as part of the Annual Reporting Regulatory Information Notice (RIN).

The DUOS revenue amount in the unders and overs account matches the amount shown in Evoenergy’s 2021/22 Annual RIN, as shown in Table 2.3.

Table 2.3 DUOS amounts 2021/22 (nominal)

	Unders and overs account	2021/22 Annual RIN	2021/22 RIN reference
Revenue from DUOS charges	\$147,785,802	\$147,785,802	Worksheet '8.1 Income', row 13

Source: Evoenergy, Annual Reporting RIN 2021/22, updated February 2023

2.1.4 Side constraint

Clause 6.18.6 of the Rules applies a side constraint to the expected weighted average revenue to be raised from Standard Control Services. The side constraint formula is set out in the AER’s Final decision as follows.¹⁰

⁸ AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-21.

⁹ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, March 2021, p. 13-5.

¹⁰ AER 2021, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, March 2021, p. 13-10 to 13-12.

$$\frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_t^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_t^{ij}} \leq (1 + \Delta CPI_t) \times (1 - X_t) \times (1 + 2\%) + I'_t + B'_t + C'_t$$

For year $t = 5$

where each tariff class as “n” tariffs, with each up to “m” components, and where:

p_t^{ij} is the proposed price for component ‘j’ of tariff ‘i’ for year t

p_{t-1}^{ij} is the price charged for component ‘j’ of tariff ‘i’ in year t-1

q_t^{ij} is the forecast quantity of component ‘j’ of tariff ‘i’ in year t

ΔCPI_t is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t-2 to the December quarter in year t-1, calculated using the following method:

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in regulatory year t-1
divided by

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in regulatory year t-2
minus one.

X_t is the X factor for each year of the 2019–24 regulatory control period as determined in the PTRM, and annually revised for the return on debt update in accordance with the rate of return instrument, applied for the relevant year. If $X > 0$, then X will be set equal to zero for the purposes of the side constraint formula.

S_t is the s-factor for regulatory year t relating to payments for the application of the STPIS version 1.2 in the 2014–19 regulatory control period.¹⁸ This s-factor will only apply in years $t = 1$ and 2, with new STPIS version 2.0 providing for a change in the application of STPIS payments from year $t = 3$ onwards.¹⁹ In the side constraints for year $t=3$, the permissible percentage will be calculated including the backing out of previous year s-factors, to reflect the same adjustments made to the adjusted smoothed revenue in that year.

I'_t is the annual percentage change from the sum of payments relating to:

- the STPIS version 2.0 (applicable from year $t = 3$ onwards (2021/22, 2022/23 and 2023/24)); and
- the demand management incentive scheme and innovation allowance adjustments in year t relating to:
 - the final carryover amount from the application of the old demand management innovation allowance (DMIA) from the 2014-19 distribution determination. This amount will be deducted from/added to allowed revenue in the 2020-21 pricing proposal.
 - approved demand management incentive scheme amounts from year t-2.

B'_t is the annual percentage change from the sum of annual adjustment factors for year t and includes the true-up for any under or over recovery of actual revenue collected through DUOS charges calculated using the method under the revenue cap formula

C'_t is the annual percentage change from the sum of approved cost pass through amounts (positive or negative) with respect to regulatory year t, as determined by the AER

Based on the above formula, the side constraint for 2023/24 is 4.689 per cent, as set out in Table 2.4.

Table 2.4 2023/24 Side constraint

Item	2023/24 value
Annual percentage change in CPI (ΔCPI_t)	7.832%
X-factor for 2023/24 (X_t)*	0.000%
STPIS adjustment (S_t)	0.000%
Incentive schemes (I_t)	-3.277%
Adjustment factor (B_t)	-2.022%
Cost pass throughs (C_t)	0.000%
DUOS permissible price change	2.000%
DUOS side constraint limitation	4.689%

* In 2023/24, $X > 0$ hence X is set to for zero for the purpose of the side constraint formula.

To demonstrate compliance with the side constraint formula, Table 2.5 sets out, for each tariff class related to Standard Control Services, the expected weighted average DUOS revenue for the regulatory year (2023/24) and the current year (2022/23), as required by clause 6.18.2(b)(4) of the Rules. As shown in Table 2.5, the proposed average DUOS price change for each of the three tariff classes is within the side constraint.

Table 2.5 Weighted average DUOS revenue by tariff class (nominal)

DUOS	2022/23 Notional DUOS Revenue (volumes t+1)	2023/24 Notional DUOS Revenue (volumes t)	% Change
Residential	\$67,007,294	\$67,215,917	0.311%
Low voltage commercial	\$68,825,598	\$68,251,094	-0.835%
High voltage	\$9,061,735	\$9,152,648	1.003%
Total	\$144,894,627	\$144,619,659	-0.190%

Notes:

The 2022/23 and 2023/24 notional DUOS revenues in this table are both calculated using 2023/24 forecast volumes. The 2022/23 and 2023/24 notional DUOS revenues in this table differ from tariff class revenues contained in Table 24 of the AER's standardised pricing model for Standard Control Services because the standardised pricing model table excludes tariff trial revenue. This does not affect Evoenergy's compliance with the side constraint.

2.2 Designated Pricing Proposal Charges

Evoenergy's Designated Pricing Proposal Charges (DPPC) charges reflect costs associated with transmission of electricity within the ACT as well as payments for the transmission of electricity from interstate. Total transmission charges for 2023/24 are the sum of:

- the annual smoothed revenue for prescribed (transmission) services;¹¹
- net transmission charges paid to transmission network service providers (TNSPs); and
- avoided Customer TUOS payments.

Clause 6.18.7(a) of the Rules allows Evoenergy to pass on to customers the charges incurred by Evoenergy for TUOS services. Clause 6.18.7(b) of the Rules states that the amount to be passed on must not exceed the estimated amount for TUOS charges for the relevant regulatory year adjusted for

¹¹ Prescribed (transmission) services include Evoenergy's Dual Function Assets.

under or over recovery in the previous regulatory year. Clause 6.18.7(c) of the Rules describes the method to be applied to determine the under or over recovery.

For the 2019–24 regulatory control period, Evoenergy’s revenue for prescribed (transmission) services is regulated using a revenue cap.¹² The 2023/24 revenue cap is \$30,160,522.

To determine net transmission charges for 2023/24, Transgrid requires information on Evoenergy’s smoothed revenue for prescribed (transmission) services, which Evoenergy provided to Transgrid in January 2023. Transgrid subsequently advised Evoenergy of the transfer payments. On this basis, the net transfer payments for 2023/24, including Queanbeyan transmission charges, are \$17,489,108.

The net transfer payment data provided by Transgrid has been combined with the regulated revenue from prescribed (transmission) services and avoided Customer TUOS payments¹³ of \$101,124 to calculate Evoenergy’s total DPPC related payments of \$47,750,755 in 2023/24.

The net transfer payments for 2023/24 are approximately \$9.65 million (35.6 per cent) lower than the payments for 2022/23 which has contributed to the reduction in Evoenergy’s TUOS payments for 2023/24.

2.2.1 DPPC unders and overs accounts

To demonstrate compliance with clause 6.18.7 of the Rules, Evoenergy is required to maintain a DPPC unders and overs account. Clause 6.18.2(6) of the Rules requires Evoenergy to provide information on this account as part of the pricing proposal.

The DPPC unders and overs account is set out in Table 2.6. The DPPC related payments for 2023/24 of \$47,750,755 are adjusted for the 2022/23 estimated closing balance of \$737,199 and interest to set the 2023/24 revenue from DPPC charges. Evoenergy has set the revenue from DPPC charges (which is \$46,975,794) to achieve a closing balance (for 2023/24) as close as possible to zero.

¹² AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-9.

¹³ From 1 July 2020, Evoenergy passes through avoided Customer TUOS charges only to Connection Applicants, in accordance with rule 5.3AA(h) of the National Electricity Rules.

Table 2.6 DPPC unders and overs account (\$ nominal)

Item	Year t-2 2021/22 Actual	Year t-1 2022/23 Estimate	Year t 2023/24 Forecast
(A) Revenue from DPPC charges	\$52,616,773	\$56,497,414	\$46,975,794
(B) Less DPPC related payments for regulatory year:	\$50,877,684	\$55,649,111	\$47,750,755
+ Prescribed (transmission) services	\$27,792,477	\$28,311,250	\$30,160,522
+ Charges to be paid to TNSP	\$23,023,594	\$27,141,391	\$17,489,108
+ Avoided TUOS payments	\$61,613	\$196,469	\$101,124
(A – B) Under/over recovery of revenue for regulatory year	\$1,739,089	\$848,304	-\$774,961
DPPC unders and overs account			
Nominal WACC (per cent)	3.49%	6.03%	10.51%
Opening balance	-\$1,833,744	-\$128,562	\$737,199
Interest on opening balance	-\$63,989	-\$7,756	\$77,458
Under/over recovery of revenue for regulatory year	\$1,739,089	\$848,304	-\$774,961
Interest on under/over recovery for regulatory year	\$30,083	\$25,213	-\$39,696
Closing balance	-\$128,562	\$737,199	\$0

2.2.2 Audit requirement for DPPC unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period includes a provision that the t-2 amounts included in the unders and overs account for DPPC must be audited,¹⁴ which was unchanged in the AER's Final Decision.¹⁵ For the 2023/24 Pricing Proposal, the t-2 year to which the audit requirement applies is 2021/22. In subsequent correspondence, the AER advised that the audit requirement would be fulfilled if the amounts shown in the unders and overs account match information that was lodged as part of the Annual Reporting Regulatory Information Notice (RIN).

¹⁴ AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-21.

¹⁵ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

The DPPC amounts in the unders and overs accounts match amounts shown in Evoenergy’s 2021/22 Annual RIN, as shown in Table 2.7.

Table 2.7 DPPC amounts 2021/22 (nominal)

	Unders and overs account	2021/22 Annual RIN	2021/22 RIN reference
Revenue from DPPC charges	\$52,616,773	\$52,616,773	Worksheet '8.1 Income', row 20
Prescribed (transmission) services	\$27,792,477	\$27,792,477	Worksheet '8.1 Income', row 27
Charges to be paid to TNSP	\$23,023,594	\$23,023,594	Worksheet '8.1 Income', row 27
Avoided TUOS payments	\$61,613	\$61,613	Worksheet '8.1 Income', row 28

Source: Evoenergy, Annual Reporting RIN 2021-22, updated February 2023.

2.3 Jurisdictional Scheme amounts

Jurisdictional Scheme amounts are those Evoenergy must pay pursuant to ACT Government requirements. The forecast Jurisdictional Scheme amounts to be included in Evoenergy’s pricing proposal for 2023/24 are:

- the Energy Industry Levy (EIL): \$1,646,610;
- the Utilities Network Facilities Tax (UNFT): \$9,746,320;
- the Feed-in Tariff (FiT) for small and medium schemes: \$15,920,658; and
- the Large-Scale Feed-in Tariff (LFIT): \$0.¹⁶

These amounts have been included in the jurisdictional scheme unders and overs accounts for 2023/24 presented in Section 2.3.3.

2.3.1 Calculation of jurisdictional scheme revenue amounts

The AER’s Draft Decision for the 2019–24 regulatory control period contains a requirement that Evoenergy must maintain an unders and overs account for jurisdictional schemes in its annual pricing proposal.¹⁷ This requirement was unchanged in the AER’s Final Decision.¹⁸

The unders and overs account records Evoenergy’s annual revenues and payments for jurisdictional schemes and maintains a record of any under or over recovery of revenue that must be reconciled in future years. The AER’s final determination requires Evoenergy to achieve a closing balance as close to zero as practicable in the unders and overs account in each forecast year (i.e. a full reconciliation of any under or over recovery).¹⁹

Table 2.8 in Section 2.3.3 presents the unders and overs account for jurisdictional schemes. The revenue for jurisdictional schemes is calculated to fully reconcile any under or over recovery from

¹⁶ As agreed with the AER, Evoenergy will pass-through the 2023/24 LFIT amount outside of the AER’s approved network charges (see Section 2.3.2). Therefore, no LFIT revenue amounts are included in Evoenergy’s regulated jurisdictional scheme charges for 2023/24.

¹⁷ AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.

¹⁸ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

¹⁹ Ibid.

previous years. To illustrate this, Table 2.8 in Section 2.3.3 shows a closing balance of zero in 2023/24.

The calculation of jurisdictional scheme amounts for the LFiT scheme in 2023/24 is different to prior years, and is described in the section below.

2.3.2 The ACT Large-scale Feed-in Tariff Scheme

Evoenergy is subject to a jurisdictional scheme for the ACT Government's Large-scale Feed-in Tariff (LFiT). The scheme operates under the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (the LFiT Act), which allows Evoenergy to pass on to electricity retailers its reasonable costs of making FiT support payments to large-scale renewable generators and administering the LFiT scheme.

Under the LFiT Act, Evoenergy is required to apply to the ACT Government for a determination of the reasonable costs that Evoenergy can recover for the upcoming financial year. In prior years, Evoenergy's annual pricing proposals have included the reasonable costs amounts in Evoenergy's jurisdictional scheme revenue for the relevant pricing year.

In December 2022, Evoenergy made an application to the ACT Government for the 2023/24 reasonable costs determination. In February 2023, the ACT Government notified Evoenergy that it has approved a reasonable costs amount of negative \$68,445,571 (payment to customers) for 2023/24.²⁰ This is the first time that Evoenergy has received a negative reasonable costs determination for the LFiT.

It follows that the LFiT reasonable costs amount for 2023/24:

- is not a cost to be recovered from ACT customers, as it has been in previous years; but rather
- is a benefit to be passed back to ACT customers.

In discussions with the AER, Evoenergy sought clarification on the appropriate treatment of the negative reasonable costs amount in Evoenergy's annual network prices. The AER has informed Evoenergy that the negative reasonable costs amount for 2023/24 does not meet the requirements of the Rules in relation to jurisdictional scheme amounts, and therefore cannot be included in Evoenergy's regulated network prices. Accordingly, Evoenergy has set the 2023/24 LFiT jurisdictional scheme amount to zero in this pricing proposal.

To navigate the imperative to return the benefit of negative LFiT back to ACT customers while complying with the requirements of the Rules, Evoenergy:

- has set the LFiT jurisdictional scheme amount equal to zero in its 2023/24 pricing proposal; and
- will apply a separate, downwards adjustment to the AER's approved network charges for 2023/24 – that is, Evoenergy intends to charge network prices that are below the AER's approved prices for 2023/24 in order to return the LFiT amount to ACT customers.

Where possible, Evoenergy will apply the 2023/24 reasonable costs amount as a negative adjustment to its energy consumption charges,²¹ consistent with the historical recovery of LFiT amounts through consumption-based network charges. Where it is not possible to apply the LFiT price reduction to consumption charges, Evoenergy may apply the reduction to maximum demand and/or capacity charges.²²

²⁰ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs of FiT Support Payments) Determination 2023 (ACT)*, Notifiable Instrument NI2023-207, available at <https://www.legislation.act.gov.au/ni/2023-207/>.

²¹ Energy consumption charges include charges payable for the consumption of electrical energy, such as charges that are levied on a per kWh or kVAh basis (in contrast to, for example, fixed supply charges).

²² Due to the materiality of the 2023/24 reasonable costs amount, applying the full amount to Evoenergy's consumption charges may result in undesirable pricing outcomes such as negative prices which can distort price signals to customers. To avoid these outcomes, it may be necessary to apply some of the reasonable costs amount to maximum demand and/or capacity charges.

Following the AER's approval of Evoenergy's network prices for 2023/24, Evoenergy will publish both the AER's approved prices and Evoenergy's adjusted prices on its website.

Evoenergy has engaged with the AER and the ACT Government on its proposed treatment of the 2023/24 reasonable costs amount and would be pleased to provide the AER with a copy of its adjusted prices.

Under and over recoveries for the Large-scale Feed-in Tariff

The LFiT scheme differs from Evoenergy's other jurisdictional schemes in a number of important ways. The ACT Government determines Evoenergy's reasonable costs in accordance with the ACT Government's Reasonable Costs Determination Methodology.²³ The methodology exhaustively provides for:

- the reconciliation of under and over-recoveries of FiT support payments and scheme administration costs in prior years;
- the calculation of interest on under and over-recoveries; and
- the option to reconcile repayments or recoveries over a period of up to five years.

These considerations are fully reflected in the ACT Government's Reasonable Costs Determination each year, which Evoenergy must then account for in its annual pricing proposal in a way that provides for no further adjustment for under or over-recoveries.

In prior years, Evoenergy's annual pricing proposals have included an unders and overs account for the LFiT which showed the revenue collected from customers, FiT support payments to/from generators, the calculation of under/over recovery amounts, and adjustments for any smoothing period to reconcile under/over recoveries as determined by the ACT Government.

Evoenergy and the AER have agreed that it is appropriate to adopt a simpler presentation of the unders/overs account in Evoenergy's annual pricing proposal going forward, whereby the LFiT reasonable costs amount is identified on an aggregated basis, as a single jurisdictional scheme payment amount (which reflects the ACT Government's reasonable costs determination).

Since the reasonable costs amount is inclusive of any adjustments for under/over recoveries, Evoenergy will no longer separately report its FiT support payments to/from generators in its annual pricing proposals. In addition, to avoid double counting of under/over recoveries, Evoenergy has included an adjustment line ('Miscellaneous Adjustment for LFiT') in the unders/overs account to remove LFiT under and over recoveries that are already captured in the reasonable costs amount.

The 2023/24 unders and overs account for jurisdictional schemes is shown in Section 2.3.3.

2.3.3 Jurisdictional scheme unders and overs account

To demonstrate compliance with clause 6.18.7A of the Rules, Evoenergy is required to maintain a Jurisdictional Scheme unders and overs account. Evoenergy is required to provide information on this account as part of its pricing proposal. The Jurisdictional Scheme unders and overs account is depicted in Table 2.8.

²³ *Electricity Feed-in (Large-scale Renewable Energy Generation) Reasonable Costs Methodology Determination 2018.*

Table 2.8 Jurisdictional schemes unders and overs account (nominal)

Item	Year t-2 2021/22 Actual	Year t-1 2022/23 Estimate	Year t 2023/24 Forecast
Jurisdictional scheme revenue	\$150,441,751	\$124,396,386	\$23,406,918
Jurisdictional Scheme related payments			
Large Scale FIT Reasonable Costs Determination amount	\$127,292,124	\$99,943,570	\$0*
Feed-in Tariffs (small and medium scale)	\$13,347,090	\$13,037,349	\$15,936,670
Feed-in Tariffs (small & medium scale) adjustment [^]	-\$16,012	-\$16,012	-\$16,012
UNFT	\$8,611,468	\$9,190,306	\$9,746,320
Energy Industry Levy	\$1,481,621	\$1,587,784	\$1,646,610
Total payments	\$150,716,291	\$123,742,997	\$27,313,589
Under/over recovery for FY	-\$274,541	\$653,389	-\$3,906,670
Annual rate of interest applicable to balances	3.49%	6.03%	10.51%
Semi-annual interest rate	1.73%	2.97%	5.12%
Opening balance	\$625,791	\$2,239,673	\$3,716,308
Interest on opening balance	\$21,837	\$135,113	\$390,475
Miscellaneous Adjustment for LFiT [#]	\$1,839,515	\$649,412	\$0
Under/over recovery for FY	-\$274,541	\$653,389	-\$3,906,670
Interest on under/over recovery for FY	\$27,071	\$38,722	-\$200,113
Total Closing Balance	\$2,239,673	\$3,716,308	\$0

Notes:

* Evoenergy has not included the negative 2023/24 LFiT reasonable costs amount in this pricing proposal (see Section 2.3.2). The negative amount will be applied by Evoenergy as an ex post adjustment to the AER's approved prices for 2023/24. Therefore, the 2023/24 payments for the Large-scale FiT have been set to zero.

[^] An audit revealed that some ACT customers on small and medium FiT schemes received payments from Evoenergy to which they were not entitled, starting in 2014/15. Evoenergy proposes to recover the cost of these over-payments from the ACT customer base, with adjustments for the WACC, rather than seeking repayment from particular ACT customers. Evoenergy intends to continue making payments to these customers until the premium FiT scheme ends. Therefore the adjustments will continue to feature in the under/overs account until the affected tariffs within the scheme end (2029, 2030 and 2031).

[#] The miscellaneous adjustment is necessary to avoid double-counting of LFiT under / over recoveries that are already captured in the reasonable costs determination amount. The adjustment is calculated as the difference between the reasonable costs amount and the actual/estimated jurisdictional scheme revenue attributable to the LFiT. The adjustment represents any under/over recovery of LFiT amounts due to actual demand varying from the forecast.

2.3.4 Audit requirement for jurisdictional scheme unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period includes a provision that the t-2 amounts included in the unders and overs account for Jurisdictional Schemes must be audited,²⁴ which was unchanged in the AER's Final Decision.²⁵ For Evoenergy's 2023/24 Pricing Proposal, the t-2 year to which the audit requirement applies is 2021/22. In subsequent correspondence with Evoenergy, the AER advised that the audit requirement would be fulfilled if the amounts shown in the under and overs account match information that was lodged as part of the Annual Reporting RIN.

The jurisdictional scheme amounts in the unders and overs accounts match amounts shown in Evoenergy's 2021/22 Annual RIN, as shown in Table 2.9. The LFiT jurisdictional scheme amount matches the amount contained in the ACT Government's 2021/22 reasonable cost determination.²⁶

Table 2.9 Jurisdictional scheme amounts 2021/22 (nominal)

Item	Unders and overs account	2021/22 Annual RIN or source value	2021/22 RIN reference or source
Jurisdictional scheme revenue	\$150,441,751	\$150,441,751	Worksheet '8.1 Income', row 18
Energy industry levy payments	\$1,481,621	\$1,481,621	Worksheet '7.10 Juris Scheme', row 11
UNFT payments	\$8,611,468	\$8,611,468	Worksheet '7.10 Juris Scheme', row 12
Feed-in tariffs (small and medium scale) payments	\$13,347,090	\$13,347,090	Worksheet '7.10 Juris Scheme', row 13
Feed-in tariffs (large scale) payments [^]	\$127,292,124	\$127,292,124	ACT Government, 2021/22 Reasonable Costs Determination

Source: Evoenergy, Annual Reporting RIN 2021-22, updated February 2023.

Notes:

[^] As described in Section 2.3.2, Evoenergy has modified the presentation of the LFiT in its 2023/24 pricing proposal. The LFiT payment amount shown in the unders and overs account now reflects the amount set in the relevant LFiT Reasonable Costs Determination (as shown in the table above). The value for the LFiT contained in the 2021/22 Annual RIN reflects the presentation from Evoenergy's previous pricing proposals and has not been updated to maintain consistency with pricing proposals from prior years.

2.4 Metering charges

Metering charges cover the costs associated with Evoenergy's provision of regulated Type 5 and Type 6 metering services. Residential and low voltage commercial customers connected before 1 December 2017 have a regulated Type 5 or Type 6 meter. These meters are subject to price cap regulation.

Evoenergy's metering capital and non-capital charges for 2023/24 are based on an X factor of zero, as set out in the AER's Final Decision Metering PTRM for the 2019–24 regulatory control period.²⁷ The AER's final decision on metering is to increase metering charges in 2023/24 in line with CPI.

²⁴ AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.

²⁵ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

²⁶ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs of FiT Support Payments) Determination 2021*, notifiable instrument NI2021-122 made under the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011*.

²⁷ AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Metering Post-tax revenue model*, April 2019.

3. Tariff classes and structure

Clause 6.18.2 of the Rules requires a description of the tariff classes²⁸ and tariffs that are to apply in 2023/24. For each tariff within a tariff class, the charging parameters²⁹ and the elements of service to which they relate must also be set out in this pricing proposal.

Evoenergy offers network tariffs in three tariff classes:

- Residential;
- Low voltage (LV) commercial; and
- High voltage (HV) commercial.

The Rules stipulate that tariff classes must be constituted with regard to the need to group customers together on an economically efficient basis and the need to avoid unnecessary transaction costs (clause 6.18.3(d) of the Rules). Evoenergy meets this requirement by grouping customers according to the type of connection (residential or commercial), and connection voltage (LV or HV). Customers within each class have similar load and connection characteristics. The relevant costs for each class can then be identified and reflected in the tariffs for each class.

Within each of the three tariff classes, Evoenergy has developed a suite of network tariffs that encourage efficient use of the network and provide customers with a price-signal about future network costs. Each tariff is based on the long-run marginal cost (LRMC) of the network (as per clause 6.18.5(f) of the Rules). The tariffs, charging parameters, and eligibility criteria for each tariff are shown in Table 3.3, Table 3.5, and Table 3.7.

Evoenergy's network tariffs comprise different combinations of the following charging parameters.³⁰

- **Fixed charges**—fixed charges are daily charges that does not vary with electricity consumption, demand, or capacity. These apply 'per customer' for residential customers and 'per connection point' for commercial customers.
- **Energy charges**—these apply to each unit of electricity consumed. Typically expressed in cents per kilowatt hour (cents/kWh), the rate may vary with the level of consumption (with higher rates applying above certain thresholds), or with the time-of-use (with lower rates applying outside of peak periods).
- **Maximum demand charges**—these are a charge per unit of maximum demand (in cents/kVA/day or cents/kW/day³¹). The maximum demand is the highest demand calculated coincident over a 30-minute clocked interval, starting on the hour or half hour, during the specified peak time within a billing period (generally per calendar month).
- **Capacity charges**—these are a charge per unit of maximum demand (in cents/kVA/day). The maximum demand is the highest demand recorded over a 30-minute clocked interval during the previous 13 months inclusive of the current billing month.

3.1 Subthreshold tariffs

In accordance with Rule 6.18.1C of the Rules, Evoenergy made a submission in February 2021 to notify the AER of its intention to trial two new sub-threshold tariffs in 2021/22 and 2022/23.³² On 25

²⁸ A tariff class is defined in chapter 10 of the *National Electricity Rules* as "a class of customers for one or more direct control services who are subject to a particular tariff or particular tariffs".

²⁹ Charging parameters are defined as "the constituent elements of a tariff" in chapter 10 of the Rules.

³⁰ Evoenergy is currently trialling a range of tariffs with other charging parameters, such as critical peak charges and rewards. These are described in Section 3.1.

³¹ cents/kVA/day refers to cents per kilovolt-ampere per day, and cents/kW/day refers to cents per kilowatt per day.

³² Evoenergy, *Sub-threshold tariff notification: Planned battery tariff trials 2021–22 to 2022–23*, February 2021.

February 2022, Evoenergy notified the AER of its intention to continue the trial of the sub-threshold tariffs in 2022/23 and 2023/24.³³

The objective of these trials is to allow Evoenergy to test and refine cost-reflective pricing options for customers with batteries, with a view to transitioning successful tariff trials to permanent tariff options in the 2024–29 regulatory control period. These tariff trials were designed to provide customers with more control over their network electricity bills, improve network utilisation, and enable efficient integration of distributed energy resources (DER) in the distribution network. The trials have provided valuable evidence to support Evoenergy's proposal to introduce new tariffs as part of its suite of electricity network tariffs for the next regulatory period (2024–29). The tariffs trials conducted in the current regulatory period are outlined below.

3.1.1 Large-scale battery tariffs

Given that a number of large-scale batteries are expected to be introduced to the ACT electricity network, Evoenergy is trialling multiple tariffs designed for large-scale batteries. The large-scale battery tariffs provide Evoenergy with an opportunity to test customer responses to highly cost reflective price signals. The trial is particularly important given that large-scale batteries generally respond to a range of price signals (including wholesale prices and Frequency Control Ancillary Services (FCAS)), and not only network price signals.

The tariff structure for the large-scale battery tariff comprises the following components.

- Peak demand charge
- Net consumption charge
- Export critical peak rebate/charge
- Capacity charge
- Avoided/incurred TUOS charge

To be eligible for the large-scale battery tariff, a customer must:

1. be an LV or HV commercial customer;³⁴
2. have a stand-alone grid-connected battery; and
3. have a minimum battery size of 200 kVA.

Customers on the large-scale battery tariff can opt-out to an eligible commercial tariff at any time in accordance with Evoenergy's current assignment policy.

Further details on the tariff trials were provided to the AER in the subthreshold notification provided by Evoenergy on 25 February 2022.

3.1.2 Residential battery tariff

Evoenergy designed a residential battery tariff trial for residential customers with controlled batteries and EVs, supported by modern renewable energy technologies. The objective of the tariff trial was to provide an opportunity for Evoenergy to test new network tariffs that could support the uptake of renewable technologies and energy storage systems by residential customers.

The residential battery trial tariff comprises the following tariff components.

- A fixed network access charge.
- An off-peak, shoulder and peak energy consumption charge, which applies at different times of the day.

³³ Evoenergy, *Sub-threshold tariff notification: Planned battery tariff trials 2021–22 to 2023–24*, February 2022.

³⁴ As defined under Evoenergy's Statement of Tariff Classes and Tariffs.

- A seasonal maximum demand charge based on the customer's highest 30-minute demand during peak times during a calendar month.
- A seasonal export charge.
- A critical peak export rebate.

Evoenergy engaged extensively with stakeholders on the residential battery tariff trial in preparation for the 2024–29 regulatory control period. Customer and retailer feedback indicated a strong preference for tariff simplicity, which did not match the novel but complex tariff structure of the residential battery tariff.

Consequently, Evoenergy will not continue the residential battery tariff into the 2024–29 regulatory period and does not anticipate having any customers on the residential battery tariff trial in 2023/24. Nevertheless, Evoenergy has incorporated the learnings from the residential battery tariff trial into its proposed tariffs for 2024–29, particularly stakeholder preferences for tariff structure simplicity.

3.1.3 Consumer engagement

Evoenergy has engaged with consumers and retailers on the subthreshold tariffs, including establishing a webpage dedicated to the tariff trials. The webpage includes a factsheet and presentation about the tariff trials, and provides contact details should customers have any questions. The tariff trials have also been promoted on social media.

In developing the tariff trials Evoenergy also sought feedback from its Energy Consumer Reference Council (ECRC)³⁵, provided presentations to members of the ACT community, and held discussions with some large-scale battery operators.

Evoenergy has also provided separate presentations to active retailers in the ACT to inform them of the tariff trials. Retailers were provided with factsheets and contact details of Evoenergy personnel should they require further information.

3.1.4 Alignment with Evoenergy's Tariff Structure Statement (TSS)

The tariff trials represent a continuation of Evoenergy's TSS strategy by allowing Evoenergy to future-proof its tariff structure so that it is ready to accommodate a growing number of customers with grid-connected batteries. These tariff trials were designed help customers manage their network bills, improve network utilisation, reduce long-term costs, and meet customers' expectations for a safe and reliable electricity distribution network.

The tariff trials are also aligned to Evoenergy's TSS through the pricing principles set out in the Rules which underpin both the TSS and the design of the trials.

3.1.5 Subthreshold tariff compliance with revenue threshold

Clause 6.18.1C of the Rules requires that subthreshold tariffs must satisfy both an individual and cumulative revenue threshold. Clause 11.141.8 of the Rules specifies the relevant thresholds for subthreshold tariffs and requires that Evoenergy's:

- forecast annual revenue for each tariff is no greater than 1 per cent of its annual revenue requirement (the individual threshold); and
- forecast annual revenue from all tariff trials is no greater than 5 per cent of the annual revenue requirement (the cumulative threshold).

³⁵ The ECRC is an independent forum of ACT representatives who meet regularly to provide feedback on Evoenergy's operations. More details available here: <https://www.evoenergy.com.au/consumer-engagement-program/energy-consumer-reference-council>

As shown in Table 3.1 and Table 3.2, Evoenergy’s subthreshold tariffs are forecast to be significantly below both the individual and cumulative thresholds for 2023/24.

Evoenergy will monitor customer numbers and volumes on the tariff trials. In the unlikely event that that the trials approach the revenue thresholds, Evoenergy will remove the registration form from its website to cap the number of customers registering for the trial. Evoenergy will also cease assigning new customers to the large-scale battery tariff if it believes doing so may result in a breach of the revenue thresholds.

Table 3.1 Compliance with revenue thresholds

Annual revenue requirement (AAR)	DUOS	NUOS
Indicative 2023/24 AAR	\$144,647,743	\$215,030,454
5% of AAR	\$7,232,387	\$10,751,523
1% of AAR	\$1,446,477	\$2,150,305

Table 3.2 Indicative revenues from subthreshold tariffs

Indicative revenue from subthreshold	DUOS	% of DUOS AAR	NUOS	% of NUOS AAR
027 Residential battery tariff	\$0	0%	\$0	0%
108 LV Large-scale battery (Res) tariff	\$11,188	0.01%	\$13,156	0.01%
109 LV Large-scale battery (Com) tariff	\$0	0%	\$0	0%
123 HV Large-scale battery (Res) tariff	\$212,376	0.15%	\$271,316	0.13%
124 HV Large-scale battery (Com) tariff	\$0	0%	\$0	0%
Total	\$223,564	0.15%	\$284,472	0.13%

Note: percentages may not add due to rounding.

3.2 Tariffs for residential customers

Residential tariffs are available to installations at private dwellings, excluding serviced apartments, but including:

- living quarters for members and staff of religious orders;
- living quarters on farms;
- charitable homes;
- retirement villages;
- residential sections of nursing homes and hospitals;
- churches, buildings or premises which are primarily used for public worship; and
- approved caravan sites.

This subsection describes the key features of Evoenergy’s existing key tariffs for residential customers.

Residential demand tariff

The residential demand tariff provides residential customers the opportunity to actively manage and control the size of the network component of their electricity bills by considering when and how they use electricity.³⁶

The demand tariff includes the following three tariff components.

- A fixed network access charge.
- An anytime energy consumption charge.
- A maximum demand charge based on the customer's highest 30-minute demand between 5pm and 8pm (AEST) each calendar month.

Since 1 December 2017, the residential demand tariff has been the default tariff for residential customers with a smart meter installed.

Residential TOU tariff

The residential TOU tariff provides an opportunity for customers with the necessary metering capability to respond to price signals and manage their network electricity bill.³⁷

The residential TOU tariff comprises the following tariff components.

- A fixed network access charge.
- An off-peak, shoulder and peak energy consumption charge applies at different times of the day.

Customers with a smart meter can opt-out of the residential demand tariff and into the residential TOU tariff once in a 12-month period.

Other residential tariffs

Customers on the Residential Demand or TOU tariffs can also opt-in to one of the off-peak tariffs (off-peak 1 or off-peak 3),³⁸ which apply to controlled loads to encourage electricity usage at off-peak times.

From 1 December 2017, the Residential Basic, Residential 5000, and Residential Heat Pump tariffs were closed to Evoenergy customers with a smart meter,³⁹ because these tariffs are not sufficiently cost-reflective. Customers currently assigned to these tariffs remain on them until they receive a smart meter. Evoenergy's assignment policy means these tariffs will become obsolete over time.

Evoenergy's residential network tariff structure is shown in Table 3.3.

³⁶ Assuming the retailer passes on the network tariff structure.

³⁷ Ibid.

³⁸ The off-peak (1) night tariff (060) is also available to LV commercial customers on eligible tariffs.

³⁹ Residential customers with a replacement smart meter can remain on their existing network tariff for up to 12 months after their smart meter is installed, however they can opt-in to the Residential TOU or demand tariffs earlier according to the assignment policy.

Table 3.3 Network tariff structure: residential

Tariff	Charging parameters	Explanation
Residential basic network (010)	<ul style="list-style-type: none"> Fixed charge (cents/day/customer) Energy for the first 60 kWh/day (cents/kWh) Energy above 60 kWh/day (cents/kWh) 	<p>This tariff is designed for residential customers who have large continuous (rather than time controlled) loads, and consume over 5,000 kWh per annum.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
(Residential time-of-use (TOU) network (015)	<ul style="list-style-type: none"> Fixed charge (cents/day/customer) Energy for the first 165 kWh/day (cents/kWh) Energy above 165 kWh (cents/kWh) 	<p>This tariff is only available to residential customers with a reverse cycle air conditioner.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
Residential 5000 network (020)	<ul style="list-style-type: none"> Fixed charge (cents/day/customer) Energy consumption charge (cents/kWh) Maximum demand charge (in billing period) (cents/kW/day): 5 pm to 8 pm every day. 	<p>This tariff is designed for residential customers who have large continuous (rather than time controlled) loads, and consume over 5,000 kWh per annum.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
Residential with heat pump (030)	<ul style="list-style-type: none"> Fixed charge (cents/day/customer) Energy for the first 165 kWh/day (cents/kWh) Energy above 165 kWh (cents/kWh) 	<p>This tariff is only available to residential customers with a reverse cycle air conditioner.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
Residential kW demand (025)	<ul style="list-style-type: none"> Fixed charge (cents/day/customer) Energy consumption charge (cents/kWh) 	<p>This tariff is available to residential customers from 1 December 2017 who have a Type 4 meter installed.</p>

	<ul style="list-style-type: none"> Maximum demand charge (in billing period) (cents/kW/day): 5 pm to 8 pm every day. <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charge varies neither with the level of consumption nor the time of day.</p> <p>The demand charge is based on a customer's highest demand (measured in kilowatts) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified Peak time (i.e. 5:00pm*, 5:30pm, 6:00pm, 6:30pm, 7:00pm, 7:30pm and 8:00pm) within the billing period (a calendar month).</p> <p>This tariff became Evoenergy's default tariff for residential customers with a Type 4 meter from 1 December 2017.</p>
<p>Off-peak (1) night network (060)</p>	<ul style="list-style-type: none"> Energy at controlled times (cents/kWh): between 10 pm and 7am <p>The Off-peak (1) night tariff is a supplementary tariff available only to consumers utilising a controlled load element, and (from 1 July 2019) taking all other energy on the Residential kW Demand, Residential TOU, Residential Basic, General Network, General TOU or LV commercial kW Demand network tariff.</p> <p>The Off-peak (1) night network energy charge relates to supply of network services at controlled times, for 6 to 8 hours per day between the hours of 10 pm and 7 am.</p> <p>This charge is applicable to permanent heat (or cold) storage; electric vehicle recharge; and CNG vehicle gas compression installations. The design and rating must be acceptable to Evoenergy. The installation must use most energy during the controlled times but may be boosted at the principal charge, or charges, at other times.</p>
<p>Off-peak (3) day and night network (070)</p>	<ul style="list-style-type: none"> Energy at controlled times (cents/kWh): between 10 pm and 7 am and 9 am and 5 pm <p>The Off-peak (3) day and night tariff is a supplementary tariff available only to consumers utilising a controlled load element, and taking all other energy on the Residential kW Demand, Residential TOU or Residential Basic network tariff.</p> <p>Up to 30 June 2019 LV Commercial customers were also permitted to be assigned to this tariff, but this option became unavailable from 1 July 2019.</p> <p>The Off-peak (3) day and night network energy charge relates to supply of network services at controlled times, for up to 13 hours per day between 10 pm and 7 am and again between 9 am and 5 pm.</p> <p>This charge is applicable to permanent heat (or cold) storage; electric vehicle recharge; and CNG vehicle gas compression installations. The design and rating must be acceptable to Evoenergy. The installation must use most energy during the controlled times but may be boosted at the principal charge, or charges, at other times.</p>
<p>Residential battery (027)</p>	<ul style="list-style-type: none"> Fixed charge (c/day/customer) Energy at max times (c/kWh): 7 am to 9 am and 5 pm to 8 pm every day Energy at mid times (c/kWh): 9 am to 11 <p>This tariff is being trialled in the current regulatory period, however, Evoenergy expects no customer volumes on this tariff in 2023/24 given customer and retailer feedback. This tariff is available to residential customers who have a Type 4 meter installed, and meet the eligibility requirements set by Evoenergy.**</p>

<p>am, 3 pm to 5 pm, and 8 pm to 10 pm every day</p> <ul style="list-style-type: none"> • Energy at economy times(c/kWh): 10 pm to 7 am every day • Energy at solar sponge times (c/kWh): 11 am to 3 pm every day • Seasonal maximum demand charge (in billing period) (c/kW/day) • Seasonal export charge (c/kWh) • Critical peak export rebate (c/kWh) 	<p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charges relate to the supply of network services at various times. A higher rate applies at max times to encourage users to shift their load to mid, solar sponge, or economy periods.</p> <p>The seasonal maximum demand charge is based on a customer’s highest demand (measured in kilowatts) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified peak time (i.e. 5:00pm, 5:30pm, 6:00pm, 6:30pm, 7:00pm, 7:30pm and 8:00pm) within the billing period (generally a calendar month). The maximum demand charge varies according to seasons.</p> <p>The seasonal export charge is levied on exports in excess of 3.75 kWh during any one-hour period between 11am – 3pm (AEST) every day. The export charge varies according to seasons.</p> <p>The critical peak export rebate provides customers who respond to a critical peak event with a credit on their network electricity bill. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak events (per financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will receive a rebate based on the level of electricity exported (measured in kWh) within the critical peak period.</p>
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* The first period starts at 17:00:01 and ends at 17:30:00 AEST.

** See Section 3.1.2 for eligibility requirements for the residential battery tariff trial.

3.2.1 Residential tariff assignment policy

The introduction of the Residential kW Demand tariff was designed to coincide with the introduction of Type 4 meters from 1 December 2017. Only customers with a Type 4 meter installed from 1 December 2017 are assigned, by default, to the kW Demand tariff.

New residential customers are currently assigned by default to the Residential kW Demand tariff, with the ability to opt-out to the Residential Time-of-Use (TOU) tariff.

Customers on the Residential kW Demand or TOU tariffs are also able to opt-in to one of the off-peak tariffs (off-peak 1 and off-peak 3). The off-peak tariffs (codes 060 and 070) apply to controlled loads to encourage electricity usage at off-peak times.

From 1 December 2017, the Residential Basic, Residential 5000, and Residential with Heat Pump tariffs were closed to new Evoenergy customers because these tariffs are not sufficiently cost reflective. Customers currently assigned to these tariffs remain on them until they change to a Type 4 meter. Evoenergy’s assignment policy means that because customers with a Type 4 meter are automatically assigned to the demand tariff (with a provision to opt out to TOU), the above three residential tariffs will eventually become obsolete. Table 3.4 outlines the residential tariff assignment policy.

Table 3.4 Residential tariff assignment policy

	Default	Opt-out	Opt-in
Residential (new connection or customer initiated)	Residential kW demand*	Residential Time-of-Use	
Residential: replacement meter	Residential kW demand tariff 12 months after Type 4 meter is installed	Residential Time-of-Use	Residential kW demand or Residential Time-of-Use tariff (any time after Type 4 meter is installed)

Note: Customers are ineligible to switch to one of these tariffs if they have been on the tariff in the previous 12 months.
 * If requested by retailers, under specific scenarios, Evoenergy currently offers to backdate a demand tariff to a TOU tariff once per site in a 12-month period. Evoenergy reverses and reissues the bill (NUOS) for no more than 120 calendar days for residential sites. This process applies to the Residential kW demand tariff.

As explained in the AER’s Draft Decision for 2019–24, customers who receive a Type 4 meter as a replacement for a Type 5 or 6 meter are to remain on their existing network tariff for 12 months before moving to a more cost-reflective network tariff.⁴⁰ Under this arrangement, customers with new connections or customer-initiated meter replacements will continue to be assigned to the cost-reflective Residential kW demand tariff when their Type 4 meter is installed (with the option to opt-out to the Residential TOU tariff). When a new meter is installed for any other reason, the shift to a more cost reflective tariff (i.e. the Residential kW demand tariff) will be delayed by 12 months. These customers are able to opt-in to more cost reflective residential tariffs within the first 12 months of their Type 4 meter installation. This change in requirements is reflected in Evoenergy’s Revised TSS, which was approved in the AER’s Final Decision.⁴¹

3.3 Tariffs for low voltage commercial customers

Evoenergy has developed a range of tariff options for LV commercial customers to meet their diverse needs. The LV commercial tariffs offered to new connections and customers with replacement meters are described below.

LV kW demand tariff

The LV kW demand is the default tariff available to LV commercial customers with a smart meter, and without a current transformer (CT) meter.⁴² The tariff gives LV commercial customers the opportunity to actively manage and control the size of the network component of their electricity bills by considering when and how they use electricity.

The LV kW demand tariff comprises the following tariff components.

- A fixed network access charge.
- An anytime energy consumption charge which varies with the level of consumption, but not the time of day.
- A maximum demand charge based on the customer’s highest 30-minute demand between 7am and 5pm (AEST) on weekdays, during the billing period.

General TOU tariff

The General TOU tariff provides an opportunity for customers with the necessary metering capability to respond to price signals⁴³ and manage their network electricity bill.

⁴⁰ AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18*, September 2018, p. 18-17 to 18-18.

⁴¹ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

⁴² CT meters are used to measure a proportion of the current passing through a connection. A multiplier is then applied estimate the total kWh. Connections to Evoenergy’s network that are rated at 100Amps or greater have CT meters.

⁴³ Assuming that the retailer passes on the network tariff structure.

The General TOU tariff comprises the following tariff components.

- A fixed network access charge.
- An off-peak, shoulder and peak energy consumption charge, which applies at different times of the day.

Customers with a smart meter can opt-out of the LV kW demand tariff and into the General TOU tariff once in a 12-month period.

kVA demand and capacity tariffs

The kVA demand tariff is the default tariff available to LV commercial customers with a smart meter and a CT meter installed. The kVA demand tariff comprises the following tariff components.

- A fixed network access charge.
- An off-peak, shoulder and peak energy consumption charge, which applies at different times of the day.
- A maximum demand charge based on the customer's highest 30-minute demand during peak business times during the billing period.

The kVA capacity tariff comprises the above components, and also has a capacity charge based on the customer's highest 30-minute demand during peak business times during the past 13 calendar months, including the current billing month.

Evoenergy's LV commercial network tariff structure is set out in Table 3.5.

Table 3.5 Network tariff structure: LV commercial

Tariff	Charging parameters	Explanation
General network (040)	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Energy for the first 330 kWh/day (cents/kWh) • Energy above 330 kWh/day (cents/kWh) 	<p>This tariff has been closed to new connections since 1 December 2017 and will become obsolete over time.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff may be used in conjunction with the off-peak (1) tariff (code 060).</p>
General TOU network (090)	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Energy at business times* (cents/kWh) • Energy at evening times* (cents/kWh) • Energy at off-peak times* (cents/kWh) 	<p>This tariff was the default tariff available to new LV commercial customers until 30 November 2017. It is now available for all LV commercial customers as an opt-out option.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>The energy charges relate to supply of energy at different times, with a lower rate in off-peak times reflecting the availability of capacity and encouraging consumers to shift their load from 'business' to 'off-peak times' to utilise the available capacity.</p>

<p>LV TOU kVA demand network (101)</p>	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Maximum demand (in billing period) (cents/kVA/day) • Energy at business times* (cents/kWh) • Energy at evening times* (cents/kWh) • Energy at off-peak times* (cents/kWh) 	<p>This tariff is the default tariff available to LV commercial customers who have a Type 4 meter installed as well as a current transformer (CT) meter.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>The maximum demand charge is based on the customer's highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).</p> <p>The energy charges relate to supply of energy at different times, with a lower rate in off-peak times, reflecting the availability of capacity and encouraging consumers to shift their load from business to off-peak times to utilise the available capacity.</p>
<p>LV TOU capacity network (103)</p>	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (max demand in last year) (cents/kVA/day) • Energy at business times* (cents/kWh) • Energy at evening times* (cents/kWh) • Energy at off-peak times* (cents/kWh) 	<p>This tariff is available to customers with an interval meter and a current transformer (CT) meter installed.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>The maximum demand charge is based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).</p> <p>The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of energy at different times, with a lower rate in off-peak times, reflecting the availability of capacity and encouraging consumers to shift their load from business to off-peak times to utilise the available capacity.</p>
<p>LV kW Demand network (106)</p>	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Energy charge (cents/kWh) • Maximum demand (in billing period) (cents/kW/day) 	<p>This tariff is the default tariff available to new LV commercial customers from 1 December 2017 who have a Type 4 meter installed without a CT meter.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>The energy charge varies with the level of consumption but not the time of day.</p> <p>The maximum demand charge is based on the customer's highest demand (measured in kW) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).</p>

<p>Large scale battery – residential area (108)</p>	<ul style="list-style-type: none"> • Net energy (cents/kWh) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Critical peak export rebate (cents/kVAh) • Critical peak export charge (cents/kVAh) 	<p>This tariff is continuing to be trialled in 2023/24. This tariff is available to commercial customers who meet the eligibility requirements set by Evoenergy.***</p> <p>The net energy charge is levied on the electricity imported minus electricity exported (measured in kWh) by the large scale battery.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified residential area peak demand period (i.e. 5:00pm, 5:30pm, 6:00pm, 6:30pm, 7:00pm, 7:30pm, 8:00pm), within the billing period (generally a calendar month).</p> <p>The capacity charge is based on a customer’s maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The critical peak export rebate provides customers who respond to a critical peak event with a credit on their network electricity bill. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak rebate events (per financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will receive a rebate based on the level of electricity exported (measured in kVAh) within the critical peak period.</p> <p>The critical peak export charge will apply when customers export during a critical peak event. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak charge events (per financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will pay the critical peak export charge based on the level of electricity exported (measured in kVAh) within the critical peak period.</p>
<p>Large scale battery – commercial area (109)</p>	<ul style="list-style-type: none"> • Net energy (cents/kWh) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Critical peak export rebate (cents/kVAh) 	<p>This tariff is continuing to be trialled in 2023/24. This tariff is available to commercial customers who meet the eligibility requirements set by Evoenergy.***</p> <p>The net energy charge is levied on the electricity imported minus electricity exported (measured in kWh) by the large-scale battery.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified commercial area peak demand period (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).</p> <p>The capacity charge is based on a customer’s maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The critical peak export rebate provides customers who respond to a critical peak event with a credit on their network electricity bill. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak rebate events (per</p>

		<p>financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will receive a rebate based on the level of electricity exported (measured in kVAh) within the critical peak period.</p> <p>Evoenergy has set the critical peak export charge to zero for large-scale batteries located in commercial areas because there is no imbalance between demand and exports during the middle of the day in commercial areas, unlike residential areas.</p>
Streetlighting (080)	<ul style="list-style-type: none"> • Network access charge (cents/day/customer) • Energy at any time (cents/kWh) 	<p>This tariff applies to the night-time lighting of streets and public ways and places.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charge varies with the level of consumption but not the time of day.</p>
Small unmetered loads (135)	<ul style="list-style-type: none"> • Network access charge (cents/day/customer) • Energy at any time (cents/kWh) 	<p>This tariff applies to eligible installations as determined by Evoenergy, including:</p> <ul style="list-style-type: none"> • telephone boxes; • telecommunication devices; and • other, as determined by the National Metrology Coordinator. <p>Energy charges are calculated based on the assessed rating of the load and the charge period.</p>

All times refer to Australian Eastern Standard Time (AEST).

* Business times are between 7 am and 5 pm Australian Eastern Standard Time on weekdays. Evening times are between 5 pm and 10 pm Australian Eastern Standard Time on weekdays. Off-peak times are all other times.

** The first period starts at 07:00:01 and ends at 07:30:00 AEST.

*** See Section 3.1.1 for eligibility requirements for the large-scale battery tariff trial.

3.3.1 Low voltage commercial tariff assignment policy

Evoenergy implemented refinements to the LV commercial tariff assignment policy from 1 July 2019. Specifically, customers with current transformer (CT) meters are assigned by default to the LV kVA TOU demand tariff, while customers without a CT meter (i.e. with a whole current meter) meter are assigned by default to the LV kW demand tariff. Both customer types (those with and without CT meters) have cost reflective opt-out options, as shown in Table 3.6 below.

The LV kW demand tariff is designed for smaller commercial customers (i.e. customers who generally do not have CT meters) who share common assets. These customers tend to have 'peakier' loads than large commercial customers. The LV kW demand tariff is better suited to small commercial customers.

LV commercial customers without Type 4 meters will remain on their existing tariff until their meter is changed to a Type 4 meter. The General Network tariff closed to new connections from 1 December 2017 and will eventually become obsolete as customers receive Type 4 meters and are placed onto more cost-reflective tariffs.

The exception to the above assignment policy is for small unmetered loads (code 135) and streetlighting (code 080). These tariffs do not vary with usage, or load profile, and therefore there is no need to transition these loads onto a demand tariff.

For completeness, Table 3.6 shows Evoenergy’s LV commercial tariff assignment policy.

Table 3.6 Commercial tariff assignment policy

	Default	Opt-out
LV commercial without a CT meter	LV kW Demand*	<ul style="list-style-type: none"> • LV kVA TOU Demand • LV kVA TOU Capacity • General TOU
LV commercial with a CT meter	LV kVA TOU Demand	<ul style="list-style-type: none"> • LV TOU kVA Capacity • General TOU
HV commercial	HV TOU Demand (code 122)	Not applicable (mandatory default)

Notes: From 1 July 2019, LV commercial customers with a replacement meter remain on their existing network tariff until 12 months after their smart meter is installed, however they can opt-in to a cost reflective LV commercial tariff according to the assignment policy shown in the table above. Customers are ineligible to switch to one of these tariffs if they have been on the tariff in the previous 12 months.

*If requested by retailers, under specific scenarios, Evoenergy currently offers to backdate a demand tariff to a TOU tariff once per site in a 12-month period. Evoenergy reverses and reissues the bill (NUOS) for no more than 40 calendar days for commercial sites. This process applies to the LV kW demand tariff.

As explained in the AER’s Draft Decision for 2019–24, customers who receive a Type 4 meter as a replacement for a Type 5 or 6 meter are to remain on their existing network tariff for 12 months before moving to a more cost-reflective network tariff.⁴⁴ Under this arrangement, customers with new connections or customer-initiated meter replacements will continue to be assigned to cost-reflective tariffs when their Type 4 meter is installed (with the option to opt-out, as per Table 3.6). When a new meter is installed for any other reason, the shift to a more cost reflective tariff (i.e. the default tariff option listed in Table 3.6) will be delayed by 12 months. This is reflected in Evoenergy’s Revised TSS, which was approved in the AER’s Final Decision.⁴⁵

As per Evoenergy’s Revised TSS, which was approved by the AER in its Final Decision,⁴⁶ the Off-peak (3) tariff (code 070) became obsolete to new commercial connections from 1 July 2019.

3.4 Tariffs for high voltage commercial customers

This subsection describes the features of Evoenergy’s existing tariffs for HV commercial customers.

HV commercial demand tariff

To qualify for the HV commercial demand network tariffs, consumers must take their energy at high voltage (nominal voltage not less than 11 kV) and make a capital contribution towards their connection assets and transformers. HV commercial consumers have the option of owning and operating their own HV assets. There are three HV commercial tariffs, each with the same structure, which comprises the following tariff components.

- A fixed network access charge per connection point.
- An off-peak, shoulder and peak energy consumption charge, which applies at different times of the day.

⁴⁴ AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18*, September 2018, p. 18-17 to 18-18.

⁴⁵ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

⁴⁶ Ibid.

- A maximum demand charge based on the customer’s highest 30-minute demand during peak business times during the billing period.
- A capacity charge based on the customer’s highest 30-minute maximum demand during peak business times during the last 13 months, including the billing month.

Evoenergy’s HV commercial network tariff structure is shown in Table 3.7.

Table 3.7 Network tariff structure: HV commercial

Tariff	Charging parameters	Explanation
HV TOU Demand Network (111)	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Energy at business times* (cents/kWh) • Energy at evening times* (cents/kWh) • Energy at off-peak times* (cents/kWh) 	<p>This tariff is appropriate for large customers taking supply at high voltage with a LV network owned and maintained by Evoenergy.</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (a calendar month).</p> <p>The capacity charge is based on a customer’s maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of network services at different times, with a lower rate in off-peak times, reflecting the relatively low costs of off-peak supply, and thereby providing incentives for customers to switch their utilisation of the network to off-peak periods.</p> <p>This tariff closed to new connections on 1 July 2019.</p>
HV TOU Demand Network – Customer LV (121)	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Energy at business times* (cents/kWh) • Energy at evening times* (cents/kWh) • Energy at off-peak times* (cents/kWh) 	<p>This network tariff is appropriate for large customers taking supply at high voltage where the customer owns and is fully responsible for their own LV network.</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (a calendar month).</p> <p>The capacity charge is based on a customer’s maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of network services at different times, with a lower rate in off-peak times, reflecting the relatively low costs of off-peak supply, and thereby providing incentives for customers to switch their utilisation of the network to off-peak periods.</p> <p>This tariff closed to new connections on 1 July 2019.</p>

<p>HV TOU Demand Network – Customer HV and LV (122)</p>	<ul style="list-style-type: none"> • Network access charge (cents/day/connection point) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Energy at business times* (cents/kWh) • Energy at evening times* (cents/kWh) • Energy at off-peak times* (cents/kWh) 	<p>This network tariff is appropriate for large customers taking supply at high voltage where the customer owns and is fully responsible for their own LV network and where the customer owns and is responsible for their HV assets (including transformers and switch gear).</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (a calendar month).</p> <p>The capacity charge is based on a customer’s maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of network services at different times, with a lower rate in off-peak times, reflecting the relatively low costs of off-peak supply, and thereby providing incentives for customers to switch their utilisation of the network to off-peak periods.</p>
<p>Large scale battery – residential area (123)</p>	<ul style="list-style-type: none"> • Net energy (cents/kWh) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Critical peak export rebate (cents/kVAh) • Critical peak export charge (cents/kVAh) 	<p>This tariff is continuing to be trialled in 2023/24. This tariff is available to commercial customers who meet the eligibility requirements set by Evoenergy.***</p> <p>The net energy charge is levied on the electricity imported minus electricity exported (measured in kWh) by the large scale battery.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified residential area peak demand period (i.e. 5:00pm, 5:30pm, 6:00pm, 6:30pm, 7:00pm, 7:30pm, 8:00pm), within the billing period (generally a calendar month).</p> <p>The capacity charge is based on a customer’s maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The critical peak export rebate provides customers who respond to a critical peak event with a credit on their network electricity bill. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak rebate events (per financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will receive a rebate based on the level of electricity exported (measured in kVAh) within the critical peak period.</p> <p>The critical peak export charge will apply when customers export during a critical peak event. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak charge events (per financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will pay the critical peak export charge based on the level</p>

		of electricity exported (measured in kVAh) within the critical peak period.
<p>Large scale battery – commercial area (124)</p> <ul style="list-style-type: none"> • Net energy (cents/kWh) • Maximum demand (in billing period) (cents/kVA/day) • Capacity (maximum demand in past year) (cents/kVA/day) • Critical peak export rebate (cents/kVAh) 		<p>This tariff is continuing to be trialled in 2023/24. This tariff is available to commercial customers who meet the eligibility requirements set by Evoenergy.**</p> <p>The net energy charge is levied on the electricity imported minus electricity exported (measured in kWh) by the large-scale battery.</p> <p>The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified commercial area peak demand period (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).</p> <p>The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The critical peak export rebate provides customers who respond to a critical peak event with a credit on their network electricity bill. Customers on this tariff will be notified (by Evoenergy) of up to six critical peak rebate events (per financial year) up to 48 hours before the event commences. The maximum duration of each critical peak event is three hours. Customers who export during the critical peak event will receive a rebate based on the level of electricity exported (measured in kVAh) within the critical peak period.</p> <p>Evoenergy has set the critical peak export charge to zero for large-scale batteries located in commercial areas because there is no imbalance between demand and exports during the middle of the day in commercial areas, unlike residential areas.</p>

All times refer to Australian Eastern Standard Time (AEST).

* Business times are between 7 am and 5 pm AEST on weekdays. Evening times are between 5 pm and 10 pm AEST on weekdays. Off-peak times are all other times.

** The first period starts at 07:00:01 and ends at 07:30:00 AEST.

*** See Section 3.1.1 for eligibility requirements for the large scale battery tariff trial.

3.4.1 High voltage commercial tariff assignment policy

As per Evoenergy's Revised TSS, which was approved by the AER in its Final Decision,⁴⁷ all new HV commercial customers are assigned by default to tariff 122 (HV TOU Demand Network – Customer HV and LV) from 1 July 2019. On this tariff, the customer owns and is responsible for LV and HV assets at their premises that are beyond the connection point to the network.

From 1 July 2019, tariff 111 and tariff 121 were closed to new connections. Existing customers assigned to tariffs 111 and 121 can remain on these tariffs or switch to tariff 122 following consultation with Evoenergy.

⁴⁷ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

4. Evoenergy's NUOS tariffs for 2023/24

This section sets out Evoenergy's proposed network prices for 2023/24.

Table 4.2 sets out Evoenergy's proposed 2023/24 network prices. This table includes the forecast revenue to be recovered from subthreshold tariffs (tariff trials) in 2023/24. The implementation of these subthreshold tariffs is supported by the Australian Energy Market Commission's (AEMC) final rule determination on the *National Electricity Amendment (Access, Pricing and Incentive Arrangements for Distributed Energy Resources)*, which amended clause 6.1.4 of the Rules,⁴⁸ to allow DNSPs to charge for exports (under an opt-in arrangement until 1 July 2025).

4.1 DUOS tariffs

Evoenergy's proposed DUOS prices for 2023/24 are shown in Table 4.2. These prices would result in the recovery of \$144,619,659 based on forecast customer numbers, demand and energy consumption quantities for 2023/24.

The sum of the DUOS forecast revenue from all the tariffs is less than the TAR (see Section 2.1) as required under the revenue cap formula. The difference between the forecast DUOS revenue and the TAR is due to rounding of tariff levels to ensure compliance. This is shown below.

Total forecast 2023/24 DUOS revenue ≤ DUOS TAR

\$144,619,659 ≤ \$144,647,743

4.2 TUOS tariffs

Evoenergy's proposed TUOS prices for 2023/24 are shown in Table 4.2. These prices would result in the recovery of \$46,933,940 based on forecast customer numbers, demand and energy consumption quantities for 2023/24.

The sum of the TUOS revenue from all the tariffs is less than the total TUOS charges for 2023/24 adjusted for unders and overs (see Section 2.2). This is shown below.

Total forecast 2023/24 TUOS revenue ≤ Total TUOS charges adjusted for unders/overs

\$46,933,940 ≤ \$46,975,794

4.3 Jurisdictional Scheme tariffs

Evoenergy's proposed JS prices for 2023/24 are shown in Table 4.2. These prices would result in the recovery of \$23,404,165 based on forecast customers, demand and energy consumption quantities for the 2023/24 financial year.

The sum of the JS revenue from all the tariffs is less than the total JS charges for 2022/23 adjusted for unders and overs (see section 2.3). This is shown below.

⁴⁸ <https://www.aemc.gov.au/rule-changes/network-planning-and-access-distributed-energy-resources>

Total forecast 2022/23 JS revenue \leq JS charges adjusted for unders/overs

\$23,404,165 \leq \$23,406,918

4.4 NUOS tariffs

Evoenergy’s proposed NUOS prices for 2023/24 (excluding metering) are the sum of the proposed prices for DUOS, TUOS and JS. Table 4.1 presents the weighted average NUOS by tariff class for 2022/23 (with t+1 volumes) and 2023/24.

Table 4.1 Weighted average NUOS by tariff class

Tariff classes	2022/23 Notional NUOS Revenue (volumes t+1)	2023/24 Notional NUOS Revenue (volumes t)
Residential	\$146,108,329	\$96,663,842
Commercial Low Voltage	\$156,944,756	\$100,521,394
Commercial High Voltage	\$31,786,305	\$17,772,529
Total	\$334,839,391	\$214,957,764

The NUOS revenue amounts are calculated using the proposed prices and forecast customer numbers, consumption, and demand. These prices and revenues are presented in Table 4.2.⁴⁹

4.5 Comparison of proposed NUOS tariffs

Section 4.5.1 provides an explanation of the difference between the proposed 2023/24 NUOS prices and the 2022/23 NUOS prices, as per Clause 6.18.2(8) of the Rules. Section 4.5.2 provides an explanation for the difference between the proposed 2023/24 NUOS prices and the indicative 2023/24 NUOS prices set out in Evoenergy’s 2022/23 pricing proposal, as required under Clause 6.18.2(7A) of the Rules.

4.5.1 Proposed 2023/24 NUOS prices compared to 2022/23 NUOS prices

The proposed NUOS charges for 2023/24 are, on average, 34.9 per cent lower in nominal terms than the charges in 2022/23, reflecting a decrease in the total NUOS revenue requirement between 2022/23 and 2023/24. This is principally driven by a decrease in the revenue required to meet Evoenergy’s obligations under the ACT Government’s Large-scale Feed-in Tariff scheme (see Section 2.3), and a reduction in transmission payments for 2023/24 (see Section 2.2).

This annual change in the components of NUOS is set out below.

- The proposed 2023/24 DUOS charges are 0.8 per cent higher (in nominal terms) than DUOS charges for 2022/23.
- The proposed 2023/24 TUOS charges are 18.2 per cent lower (in nominal terms) than TUOS charges for 2022/23.
- The proposed 2023/24 JS charges are 81.9 per cent lower (in nominal terms) than the charges for 2022/23.

⁴⁹ Attachment 1 contains a table showing all 2023/24 NUOS tariff charges including metering charges.

Table 4.3 compares Evoenergy’s proposed 2023/24 NUOS tariffs with actual NUOS tariffs for 2022/23. The first two columns of the table show the 2022/23 and 2023/24 NUOS charges, and the third and fourth columns calculate the difference in units and percentage terms.

4.5.2 Proposed 2023/24 NUOS prices compared to indicative 2023/24 NUOS prices

The difference between the 2023/24 NUOS tariffs in the TSS indicative pricing schedule and the proposed 2023/24 NUOS tariffs is driven by several factors:

- The final DUOS, TUOS and JS revenue requirements for 2023/24, and CPI, are different from the forecast revenue requirements used in the indicative pricing schedule.
- The volume forecast has been updated to reflect the latest available data.

In particular, the change in NUOS charges for 2023/24 is largely driven by a material reduction in revenue amounts for the ACT Government’s Large-scale Feed-in Tariff scheme. This is explained in Section 2.3 of this pricing proposal. In addition, there has been a material reduction in TUOS revenue compared from 2022/23 to 2023/24, as explained in Section 2.2.

Table 4.3 compares Evoenergy’s proposed 2023/24 NUOS tariffs to the indicative NUOS charges for 2023/24, as set out in Evoenergy’s 2022/23 annual pricing proposal (see the last two columns of Table 4.3).

Table 4.2 Proposed 2023/24 prices and revenue, excluding metering (nominal)

Description	Units	2023/24 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
Residential Tariffs										
010 Residential Basic Network										
Network access charge	cents/day	84,969	27.810	\$8,648,485	0.000	\$0	1.301	\$404,591	29.111	\$9,053,077
Energy at any time	cents/kWh	550,547,498	4.133	\$22,754,128	1.610	\$8,863,815	0.703	\$3,870,349	6.446	\$35,488,292
015 Residential TOU Network										
Network access charge	cents/day	36,230	27.810	\$3,687,648	0.000	\$0	1.301	\$172,515	29.111	\$3,860,162
Energy consumption at max times	cents/kWh	52,679,426	8.282	\$4,362,910	3.221	\$1,696,804	1.097	\$577,893	12.600	\$6,637,608
Energy consumption at mid times	cents/kWh	87,479,078	2.819	\$2,466,035	1.206	\$1,054,998	0.692	\$605,355	4.717	\$4,126,388
Energy consumption at economy times	cents/kWh	61,259,538	1.381	\$845,994	0.591	\$362,044	0.339	\$207,670	2.311	\$1,415,708
020 Residential 5000 Network										
Network access charge	cents/day	2,580	51.315	\$484,613	0.000	\$0	1.301	\$12,286	52.616	\$496,900
Energy consumption for the first 60 kWh per day	cents/kWh	20,980,846	2.742	\$575,295	1.556	\$326,462	0.713	\$149,593	5.011	\$1,051,350
Energy consumption above 60 kWh per day	cents/kWh	693,301	3.527	\$24,453	2.001	\$13,873	0.917	\$6,358	6.445	\$44,683
025 Residential Demand Network										
Network access charge	cents/day	67,615	27.853	\$6,892,798	0.000	\$0	1.258	\$311,318	29.111	\$7,204,116
Energy consumption	cents/kWh	395,134,699	1.186	\$4,686,298	0.689	\$2,722,478	0.465	\$1,837,376	2.340	\$9,246,152
Peak period maximum demand	c/kW/day	288,892	9.564	\$10,112,448	3.024	\$3,197,411	0.868	\$917,776	13.456	\$14,227,635
027 Residential Battery Network										
Network access charge	cents/day	-	27.855	\$0	0.000	\$0	1.256	\$0	29.111	\$0

Energy consumption at max times	cents/kWh	-	3.034	\$0	1.417	\$0	6.078	\$0	10.529	\$0
Energy consumption at mid times	cents/kWh	-	1.025	\$0	0.612	\$0	5.179	\$0	6.816	\$0
Energy consumption at economy times	cents/kWh	-	0.501	\$0	0.300	\$0	2.553	\$0	3.354	\$0
Energy consumption during solar sponge times	cents/kWh	-	0.250	\$0	0.150	\$0	1.276	\$0	1.676	\$0
Peak period maximum demand: high season	c/kW/day	-	9.685	\$0	5.668	\$0	0.000	\$0	15.353	\$0
Peak period maximum demand: low season	c/kW/day	-	7.412	\$0	2.834	\$0	0.000	\$0	10.246	\$0
Critical Peak Export Rebate	cents/kWh	-	-195.647	\$0	0.000	\$0	0.000	\$0	-195.647	\$0
Export Threshold Charge : high season	cents/kWh	-	2.367	\$0	0.000	\$0	0.000	\$0	2.367	\$0
Export Threshold Charge : low season	cents/kWh	-	1.552	\$0	0.000	\$0	0.000	\$0	1.552	\$0
030 Residential with Heat Pump Network										
Network access charge	cents/day	2,782	98.650	\$1,004,470	0.000	\$0	1.300	\$13,237	99.950	\$1,017,707
Energy consumption for the first 165 kWh per day	cents/kWh	35,804,337	1.168	\$418,195	1.494	\$534,917	0.730	\$261,372	3.392	\$1,214,483
Energy consumption above 165 kWh per day	cents/kWh	545,075	2.219	\$12,095	2.839	\$15,475	1.388	\$7,566	6.446	\$35,136
060 Off-Peak (1) Night Network										
Energy at controlled times	cents/kWh	10,443,209	0.229	\$23,915	0.702	\$73,311	0.776	\$81,039	1.707	\$178,266
070 Off-Peak (3) Day & Night Network										
Energy at controlled times	cents/kWh	61,930,203	0.349	\$216,136	1.081	\$669,465	0.776	\$480,578	2.206	\$1,366,180
LV Commercial Tariffs										
040 General Network										
Network access charge	cents/day	8,277	51.937	\$1,573,452	0.000	\$0	1.301	\$39,414	53.238	\$1,612,866
Energy consumption for	cents/kWh	115,020,882	7.614	\$8,757,690	2.000	\$2,300,418	0.735	\$845,403	10.349	\$11,903,511

the first 330 kWh per day										
Energy consumption above 330 kWh per day	cents/kWh	4,620,747	9.890	\$456,992	2.598	\$120,047	0.955	\$44,128	13.443	\$621,167
135 Small Unmetered Loads Network										
Network access charge	cents/day	27	41.990	\$4,149	0.000	\$0	1.301	\$129	43.291	\$4,278
Energy consumption	cents/kWh	4,547,163	8.378	\$380,961	1.805	\$82,076	0.774	\$35,195	10.957	\$498,233
080 Streetlighting Network										
Network access charge	cents/day	13	52.265	\$2,487	0.000	\$0	1.300	\$62	53.565	\$2,549
Energy consumption	cents/kWh	24,605,247	4.787	\$1,177,853	1.514	\$372,523	0.776	\$190,937	7.077	\$1,741,313
090 General TOU Network										
Network access charge	cents/day	2,722	51.937	\$517,458	0.000	\$0	1.301	\$12,962	53.238	\$530,420
Energy consumption at business times	cents/kWh	40,876,635	10.836	\$4,429,392	4.007	\$1,637,927	1.147	\$468,855	15.990	\$6,536,174
Energy consumption at evening times	cents/kWh	19,418,689	6.213	\$1,206,483	0.585	\$113,599	0.887	\$172,244	7.685	\$1,492,326
Energy consumption at off-peak times	cents/kWh	49,541,230	2.809	\$1,391,613	0.265	\$131,284	0.401	\$198,660	3.475	\$1,721,558
101 LV TOU kVA Demand Network										
Network access charge per connection point	cents/day	1,528	58.518	\$327,328	0.000	\$0	1.300	\$7,272	59.818	\$334,600
Maximum demand charge	c/kVA/day	131,574	24.285	\$11,694,666	9.833	\$4,735,172	0.118	\$56,824	34.236	\$16,486,662
Energy consumption at business times	cents/kWh	244,788,996	3.538	\$8,660,635	1.269	\$3,106,372	1.288	\$3,152,882	6.095	\$14,919,889
Energy consumption at evening times	cents/kWh	99,359,933	1.952	\$1,939,506	0.700	\$695,520	0.711	\$706,449	3.363	\$3,341,475
Energy consumption at off-peak times	cents/kWh	321,379,382	1.063	\$3,416,263	0.381	\$1,224,455	0.387	\$1,243,738	1.831	\$5,884,456
103 LV TOU Capacity Network										
Network access charge per connection point	cents/day	111	58.518	\$23,780	0.000	\$0	1.300	\$528	59.818	\$24,308
Maximum demand charge	c/kVA/day	13,431	12.221	\$600,760	3.209	\$157,748	0.000	\$0	15.430	\$758,508

Capacity charge	c/kVA/day	15,972	12.221	\$714,404	3.209	\$187,589	0.000	\$0	15.430	\$901,992
Energy consumption at business times	cents/kWh	27,620,521	2.971	\$820,606	1.738	\$480,045	1.339	\$369,839	6.048	\$1,670,489
Energy consumption at evening times	cents/kWh	11,955,970	1.640	\$196,078	0.959	\$114,658	0.739	\$88,355	3.338	\$399,090
Energy consumption at off-peak times	cents/kWh	40,419,362	0.892	\$360,541	0.522	\$210,989	0.402	\$162,486	1.816	\$734,016
106 LV Demand Network										
Network access charge	cents/day	4,701	51.937	\$893,648	0.000	\$0	1.301	\$22,386	53.238	\$916,034
Energy consumption	cents/kWh	318,109,541	3.005	\$9,559,192	0.597	\$1,899,114	0.757	\$2,408,089	4.359	\$13,866,395
Peak period maximum demand	c/kW/day	111,432	22.396	\$9,133,970	10.868	\$4,432,398	0.097	\$39,560	33.361	\$13,605,929
108 LV Stand-Alone Battery Network (residential)										
Capacity charge	c/kVA/day	250	2.425	\$2,219	0.374	\$342	0.000	\$0	2.799	\$2,561
Net energy consumption charge	cents/kWh	31,034	0.000	\$0	0.000	\$0	0.776	\$241	0.776	\$241
Peak period maximum demand: high season	c/kVA/day	86	25.580	\$4,030	3.950	\$622	0.000	\$0	29.530	\$4,652
Peak period maximum demand: low season	c/kVA/day	131	22.302	\$5,346	3.444	\$826	0.000	\$0	25.746	\$6,172
Critical Peak Export Rebate	cents/kWh	502	-140.804	-\$707	-21.742	-\$109	0.000	\$0	-162.546	-\$816
Critical Peak Export Charge	cents/kWh	100	297.667	\$299	45.964	\$46	0.000	\$0	343.631	\$345
109 LV Stand-Alone Battery Network (commercial)										
Capacity charge	c/kVA/day	0	14.880	\$0	3.410	\$0	0.000	\$0	18.290	\$0
Net energy consumption charge	cents/kWh	0	0.000	\$0	0.000	\$0	0.776	\$0	0.776	\$0
Peak period maximum demand: high season	c/kVA/day	0	13.542	\$0	3.103	\$0	0.000	\$0	16.645	\$0
Peak period maximum demand: low season	c/kVA/day	0	11.285	\$0	2.586	\$0	0.000	\$0	13.871	\$0
Critical Peak Export Rebate	cents/kWh	0	-132.241	\$0	-30.305	\$0	0.000	\$0	-162.546	\$0
Critical Peak Export Charge	cents/kWh	0	0.000	\$0	0.000	\$0	0.000	\$0	0.000	\$0

HV Commercial Tariffs										
111 HV TOU Demand Network										
Network access charge per connection point	\$/day		20.990		0.000		0.875		21.865	
Maximum demand charge	c/kVA/day		10.152		4.302		0.000		14.454	
Capacity charge	c/kVA/day		10.152		4.302		0.000		14.454	
Energy consumption at business times	cents/kWh		1.578		1.152		1.254		3.984	
Energy consumption at evening times	cents/kWh		0.896		0.654		0.712		2.262	
Energy consumption at off-peak times	cents/kWh		0.522		0.381		0.415		1.318	
121 HV TOU Demand Network – Customer LV										
Network access charge per connection point	\$/day	21	20.990	\$161,329	0.000	\$0	0.875	\$6,725	21.865	\$168,054
Maximum demand charge	c/kVA/day	52,398	7.707	\$1,478,027	6.747	\$1,293,921	0.000	\$0	14.454	\$2,771,948
Capacity charge	c/kVA/day	70,333	7.707	\$1,983,918	6.747	\$1,736,797	0.000	\$0	14.454	\$3,720,716
Energy consumption at business times	cents/kWh	108,096,174	1.633	\$1,765,211	0.409	\$442,113	1.238	\$1,338,231	3.280	\$3,545,555
Energy consumption at evening times	cents/kWh	43,806,824	0.966	\$423,174	0.242	\$106,013	0.732	\$320,666	1.940	\$849,852
Energy consumption at off-peak times	cents/kWh	144,559,051	0.581	\$839,888	0.145	\$209,611	0.440	\$636,060	1.166	\$1,685,559
122 HV TOU Demand Network – Customer HV and LV										
Network access charge per connection point	\$/day	18	20.990	\$138,282	0.000	\$0	0.875	\$5,765	21.865	\$144,047
Maximum demand charge	c/kVA/day	18,713	6.534	\$447,519	6.874	\$470,806	0.000	\$0	13.408	\$918,325
Capacity charge	c/kVA/day	23,618	6.534	\$564,820	6.874	\$594,211	0.000	\$0	13.408	\$1,159,031
Energy consumption at business times	cents/kWh	35,531,578	1.410	\$500,995	0.582	\$206,794	1.288	\$457,647	3.280	\$1,165,436
Energy consumption at evening times	cents/kWh	16,564,180	0.834	\$138,145	0.344	\$56,981	0.762	\$126,219	1.940	\$321,345

Energy consumption at off-peak times	cents/kWh	58,052,030	0.501	\$290,841	0.207	\$120,168	0.458	\$265,878	1.166	\$676,887
123 HV Stand-alone battery network (residential) with export										
Capacity charge	c/kVA/day	7,835	2.223	\$63,747	0.569	\$16,317	0.000	\$0	2.792	\$80,064
Net energy consumption charge	c/kVA/day	595,087	0.000	\$0	0.000	\$0	0.776	\$4,618	0.776	\$4,618
Peak period maximum demand: high season	c/kVA/day	2,683	15.928	\$78,195	4.073	\$19,995	0.000	\$0	20.001	\$98,190
Peak period maximum demand: low season	c/kVA/day	4,082	13.273	\$99,150	3.394	\$25,353	0.000	\$0	16.667	\$124,503
Critical Peak Export Rebate	cents/kWh	22,184	-129.443	-\$28,716	-33.102	-\$7,343	0.000	\$0	-162.545	-\$36,059
Critical Peak Export Charge	cents/kWh	-	68.961	\$0	17.635	\$0	0.000	\$0	86.596	\$0
124 HV Stand-alone battery network (commercial) with export										
Capacity charge	c/kVA/day	0	7.352	0	2.001	0	0.000	0	9.353	0
Net energy consumption charge	c/kVA/day	0	0.000	0	0.000	0	0.776	0	0.776	0
Peak period maximum demand: high season	c/kVA/day	0	10.408	0	2.832	0	0.000	0	13.240	0
Peak period maximum demand: low season	c/kVA/day	0	8.673	0	2.360	0	0.000	0	11.033	0
Critical Peak Export Rebate	cents/kWh	0	-127.775	0	-34.771	0	0.000	0	-162.546	0
Critical Peak Export Charge	cents/kWh	0	0.000	0	0.000	0	0.000	0	0.000	0
Total forecast revenue				\$144,619,659		\$46,933,940		\$23,404,165		\$214,957,764

* Volumes in the "Network access charge" rows refer to customer numbers. Volumes in the energy consumption rows are energy consumption in kWh units. Volumes in the maximum demand and capacity charge rows are demand volumes measured in kW or kVA units (as per "Units" column).

Table 4.3 Proposed 2023/24 NUOS tariffs, 2022/23 actual NUOS tariffs and indicative 2023/24 NUOS tariffs, excluding metering (nominal)

Description	Unit	NUOS actual 2022/23	NUOS proposed 2023/24	Change (units)	Change (%)	NUOS indicative 2023/24	Change proposed 23/24 from indicative 23/24 (%)
Residential tariffs							
010 Residential Basic Network							
Network access charge	cents/day	29.111	29.111	0.000	0%	29.995	-3%
Energy consumption	cents/kWh	10.494	6.446	-4.048	-39%	10.492	-39%
015 Residential TOU Network							
Network access charge	cents/day	29.111	29.111	0.000	0%	29.996	-3%
Energy at max times	cents/kWh	17.511	12.600	-4.911	-28%	17.551	-28%
Energy at mid times	cents/kWh	9.306	4.717	-4.589	-49%	9.242	-49%
Energy at economy times	cents/kWh	4.560	2.311	-2.249	-49%	4.528	-49%
020 Residential 5000 Network							
Network access charge	cents/day	52.616	52.616	0.000	0%	54.214	-3%
Energy for the first 60 kWh per day	cents/kWh	8.947	5.011	-3.936	-44%	9.039	-45%
Energy above 60 kWh per day	cents/kWh	10.494	6.445	-4.049	-39%	10.824	-40%
025 Residential Demand Network							
Network access charge	cents/day	29.111	29.111	0.000	0%	29.996	-3%
Energy consumption	cents/kWh	4.560	2.340	-2.220	-49%	4.281	-45%
Peak period maximum demand	cents/kW/day	19.344	13.456	-5.888	-30%	20.586	-35%
027 Residential Battery Network							
Network access charge	cents/day	29.11	29.11	0.00	0%	-	-
Energy consumption at max times	cents/kWh	10.53	10.53	0.00	0%	-	-
Energy consumption at mid times	cents/kWh	6.82	6.82	0.00	0%	-	-
Energy consumption at economy times	cents/kWh	3.35	3.35	0.00	0%	-	-
Energy consumption during solar sponge times	cents/kWh	1.68	1.68	0.00	0%	-	-
Peak period maximum demand: high season	cents/kW/day	15.35	15.35	0.00	0%	-	-

Peak period maximum demand: low season	cents/kW/day	10.25	10.25	0.00	0%	-	-
Critical Peak Export Rebate	cents/kWh	-195.65	-195.65	0.00	0%	-	-
Export Threshold Charge : high season	cents/kWh	2.37	2.37	0.00	0%	-	-
Export Threshold Charge : low season	cents/kWh	1.55	1.55	0.00	0%	-	-
030 Residential with Heat Pump Network							
Network access charge	cents/day	99.950	99.950	0.000	0%	102.988	-3%
Energy for the first 165 kWh per day	cents/kWh	7.174	3.392	-3.782	-53%	7.451	-54%
Energy above 165 kWh per day	cents/kWh	10.494	6.446	-4.048	-39%	11.654	-45%
060 Off-Peak (1) Night Network							
Energy consumption	cents/kWh	3.640	1.707	-1.933	-53%	4.746	-64%
070 Off-Peak (3) Day & Night Network							
Energy consumption	cents/kWh	5.031	2.206	-2.825	-56%	5.927	-63%
LV Commercial tariffs							
040 General Network							
Network access charge	cents/day	53.238	53.238	0.000	0%	54.856	-3%
Energy for the first 330 kWh per day	cents/kWh	15.450	10.349	-5.101	-33%	14.621	-29%
Energy above 330 kWh per day	cents/kWh	20.069	13.443	-6.626	-33%	18.992	-29%
135 Small Unmetered Loads Network							
Network access charge	cents/day	43.291	43.291	0.000	0%	44.606	-3%
Energy consumption	cents/kWh	15.592	10.957	-4.635	-30%	14.984	-27%
080 Streetlighting Network							
Network access charge	cents/day	53.565	53.565	0.000	0%	55.194	-3%
Energy consumption	cents/kWh	10.951	7.077	-3.874	-35%	11.060	-36%
090 General TOU Network							
Network access charge	cents/day	53.238	53.238	0.000	0%	54.856	-3%
Energy at business times	cents/kWh	22.968	15.990	-6.978	-30%	21.918	-27%
Energy at evening times	cents/kWh	12.449	7.685	-4.764	-38%	12.647	-39%
Energy at off-peak times	cents/kWh	5.629	3.475	-2.154	-38%	5.719	-39%
101 LV TOU kVA Demand Network							

Network access per connection point	cents/day	59.818	59.818	0.000	0%	61.637	-3%
Maximum demand charge	c/kVA/day	47.084	34.236	-12.848	-27%	46.531	-26%
Energy at business times	cents/kWh	11.001	6.095	-4.906	-45%	11.425	-47%
Energy at evening times	cents/kWh	6.070	3.363	-2.707	-45%	6.306	-47%
Energy at off-peak times	cents/kWh	3.304	1.831	-1.473	-45%	3.432	-47%
103 LV TOU Capacity Network							
Network access per connection point	cents/day	59.818	59.818	0.000	0%	61.637	-3%
Maximum demand charge	c/kVA/day	21.222	15.430	-5.792	-27%	21.076	-27%
Capacity charge	c/kVA/day	21.222	15.430	-5.792	-27%	21.076	-27%
Energy at business times	cents/kWh	11.056	6.048	-5.008	-45%	11.702	-48%
Energy at evening times	cents/kWh	6.101	3.338	-2.763	-45%	6.457	-48%
Energy at off-peak times	cents/kWh	3.320	1.816	-1.504	-45%	3.514	-48%
106 LV Demand Network							
Network access charge	cents/day	53.238	53.238	0.000	0%	54.856	-3%
Energy consumption	cents/kWh	7.327	4.359	-2.968	-41%	7.136	-39%
Peak period maximum demand	cents/kW/day	48.635	33.361	-15.274	-31%	47.816	-30%
108 LV Stand-Alone Battery Network (residential)							
Capacity charge	c/kVA/day	2.799	2.799	0.000	0%	-	-
Net energy consumption charge	cents/kWh	4.100	0.776	-3.324	-81%	-	-
Peak period maximum demand: high season	c/kVA/day	43.050	29.530	-13.520	-31%	-	-
Peak period maximum demand: low season	c/kVA/day	37.532	25.746	-11.786	-31%	-	-
Critical Peak Export Rebate	cents/kVAh	-159.336	-162.545	-3.209	2%	-	-
Critical Peak Export Charge	cents/kVAh	119.023	343.630	224.607	189%	-	-
109 LV Stand-Alone Battery Network (commercial)							
Capacity charge	c/kVA/day	18.290	18.290	0.000	0%	-	-
Net energy consumption charge	cents/kWh	4.100	0.776	-3.324	-81%	-	-
Peak period maximum demand: high season	c/kVA/day	21.710	16.645	-5.065	-23%	-	-
Peak period maximum demand: low season	c/kVA/day	16.191	13.871	-2.320	-14%	-	-

Critical Peak Export Rebate	cents/kVAh	-159.336	-162.546	-3.210	2%	-	-
Critical Peak Export Charge	cents/kVAh	119.023	0.000	-119.023	-100%	-	-
HV Commercial tariffs							
111 HV TOU Demand Network							
Network access per connection point	cents/day	2186.500	2186.500	0.000	0%	2252.800	-3%
Maximum demand charge	c/kVA/day	18.340	14.454	-3.886	-21%	18.620	-22%
Capacity charge	c/kVA/day	18.340	14.454	-3.886	-21%	18.620	-22%
Energy at business times	cents/kWh	8.668	3.984	-4.684	-54%	9.281	-57%
Energy at evening times	cents/kWh	4.924	2.262	-2.662	-54%	5.273	-57%
Energy at off-peak times	cents/kWh	2.866	1.318	-1.548	-54%	3.069	-57%
121 HV TOU Demand Network – Customer LV							
Network access per connection point	cents/day	2186.500	2186.500	0.000	0%	2252.800	-3%
Maximum demand charge	c/kVA/day	18.339	14.454	-3.885	-21%	18.620	-22%
Capacity charge	c/kVA/day	18.339	14.454	-3.885	-21%	18.620	-22%
Energy at business times	cents/kWh	7.794	3.280	-4.514	-58%	8.507	-61%
Energy at evening times	cents/kWh	4.610	1.940	-2.670	-58%	5.032	-61%
Energy at off-peak times	cents/kWh	2.771	1.166	-1.605	-58%	3.025	-61%
122 HV TOU Demand Network – Customer HV and LV							
Network access per connection point	cents/day	2186.500	2186.500	0.000	0%	2252.800	-3%
Maximum demand charge	c/kVA/day	16.954	13.408	-3.546	-21%	18.477	-27%
Capacity charge	c/kVA/day	16.954	13.408	-3.546	-21%	18.477	-27%
Energy at business times	cents/kWh	7.794	3.280	-4.514	-58%	8.507	-61%
Energy at evening times	cents/kWh	4.609	1.940	-2.669	-58%	5.031	-61%
Energy at off-peak times	cents/kWh	2.772	1.166	-1.606	-58%	3.025	-61%
123 HV Stand-Alone Battery Network (residential)							
Capacity charge	c/kVA/day	2.792	2.792	0.000	0%	-	-
Net energy consumption	cents/kWh	3.638	0.776	-2.862	-79%	-	-
Peak period maximum demand: high season	c/kVA/day	28.131	20.001	-8.130	-29%	-	-
Peak period maximum demand: low season	c/kVA/day	20.731	16.667	-4.064	-20%	-	-

Critical peak export rebate	cents/kVAh	-80.307	-162.545	-82.238	102%	-	-
Critical peak export charge	cents/kVAh	119.023	86.596	-32.427	-27%	-	-
124 HV Stand-Alone Battery Network (commercial)							
Capacity charge	c/kVA/day	9.353	9.353	0.000	0%	-	-
Net energy consumption	cents/kWh	3.638	0.776	-2.862	-79%	-	-
Peak period maximum demand: high season	c/kVA/day	19.123	13.240	-5.883	-31%	-	-
Peak period maximum demand: low season	c/kVA/day	11.724	11.033	-0.691	-6%	-	-
Critical peak export rebate	cents/kVAh	-80.307	-162.546	-82.239	102%	-	-
Critical peak export charge	cents/kVAh	119.023	0.000	-119.023	-100%	-	-

Note: 'Change' columns may be affected by rounding

4.6 Standard Control Services – connections

The prices of Evoenergy’s Standard Control connection service charges are set out in Table 4.4. Information on the nature of these services can be found in Evoenergy’s Connection Policy.⁵⁰

Table 4.4 Standard control services connection charges, 2023/24

Code	Description	Unit	GST exclusive price	GST inclusive price
Residential Estate Subdivision Services (per block)				
580	LV commercial without a CT meter	per block	\$0.00	\$0.00
581	LV commercial with a CT meter	per block	\$2,109.04	\$2,319.94
582	HV commercial	per block	\$2,763.17	\$3,039.49
Upstream augmentation (per kVA of capacity)				
585	HV Feeder	\$/kVA	\$45.68	\$50.25
586	Distribution substation	\$/kVA	\$26.44	\$29.08

Note: The 2023/24 prices were calculated by applying CPI of 7.83% and an X factor of -0.87% (consistent with the Final Decision⁵¹) to 2022/23 prices.

⁵⁰ Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Attachment 2: Connection policy, November 2018.

⁵¹ AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Metering Post-tax revenue model*, April 2019.

5. Alternative control services

Evoenergy's Alternative Control Services comprise Type 5 and Type 6 metering services, ancillary services and quoted services. The proposed metering capital and metering non-capital charges for 2023/24 are proposed to increase by 7.83 per cent (nominal), in line with the CPI.

5.1 Type 5 and Type 6 metering charges

There are two types of Evoenergy metering service charges, as set out in the AER's Final Decision for the 2019–24 regulatory control period:⁵²

- A capital cost component that is applied to customers who were connected prior to 1 July 2015.
- A non-capital cost component that is applied to customers connected prior to 1 July 2015 and to those with new connections from 1 July 2015 that have paid in full for their meters. This charge continues to apply until a customer's meter is replaced with an unregulated Type 4 meter (from 1 December 2017).

Both charges are a fixed charge in cents per day – the charge does not vary with electricity consumption or demand.

For meters installed before 1 July 2015, Evoenergy paid upfront for the capital costs of the meters which were then added to the Regulated Asset Base and recovered gradually, over the life of the meter, through annual charges. These charges will continue until the value of Evoenergy's metering Regulated Asset Base falls to a value of zero.

The capital cost of regulated meters installed between 1 July 2015 and 31 March 2018⁵³ was paid by customers upon installation, and as a result these customers do not pay ongoing metering capital charges to Evoenergy. Evoenergy and retailers are able to identify, through the network billing system, which customers have paid for their meters upfront and are therefore not liable for the metering capital charge.

Non-capital charges are paid by all customers with a regulated Type 5 or Type 6 meter. Non-capital charges cover ongoing operational costs such as meter reading and data processing.

In accordance with the Metering Rule Change,⁵⁴ Type 4 meters became the standard electricity meter in the ACT for new connections and meter replacements from 1 December 2017.⁵⁵ From 1 December 2017, no new network connections with an unregulated Type 4 meter pay metering capital charges to Evoenergy. These customers instead pay unregulated Metering Co-ordinator charges to their retailer.

The AER set caps for the annual metering capital and non-capital charges in its Final Decision for the 2019–24 regulatory control period.⁵⁶ Attachment 1 contains a table showing all 2023/24 NUOS tariff charges including metering charges.

5.1.1 Metering non-capital charges for 2023/24

Evoenergy recovers metering non-capital charges from all customers with a Type 5 or Type 6 meter installed. A schedule of these fees is set out in Table 5.1. Evoenergy's schedule of metering non-

⁵² AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-22

⁵³ The final day Evoenergy was permitted to install meters under transitional arrangements.

⁵⁴ AEMC 2015, *National Electricity Amendment (Expanding competition in metering and related services) Rule 2015*, 26 November 2015

⁵⁵ Evoenergy were permitted to continue installing Type 5 and Type 6 meters until 31 March 2018, at premises where a service order had been received prior to 1 December 2017

⁵⁶ AER 2019, *Evoenergy 2019–24 – Final Decision – Ancillary services cost build-up*, April 2019

capital charges comprises five separate charges. The charge applied to a customer depends on whether they have a basic or interval meter, and whether the meter is read monthly or quarterly.

Table 5.1 Metering non-capital charges, 2023/24

Code	Description	Unit	GST exclusive price	GST inclusive price
MP1	Quarterly metering non-capital rate	cents/day/NMI	5.08	5.59
MP2	Monthly non-interval metering non-capital rate	cents/day/NMI	8.90	9.79
MP3	Monthly interval metering non-capital rate	cents/day/NMI	8.90	9.79
MP4	Monthly manually-read interval metering non-capital rate	cents/day/NMI	72.11	79.32
MP6	Quarterly manually-read interval metering non-capital rate	cents/day/NMI	20.52	22.57

5.1.2 Metering capital charges for 2023/24

Evoenergy recovers metering capital charges from customers with a Type 5 or Type 6 meter installed before 1 July 2015. A schedule of these fees is set out in Table 5.2. Evoenergy's schedule of metering capital charges comprises four separate charges. The charge applied to a customer depends on whether they have a basic or interval meter, and whether the meter is read monthly or quarterly.

Table 5.2 Metering capital charges, 2023/24

Code	Description	Unit	GST exclusive price	GST inclusive price
MP7	Quarterly manually-read interval metering capital rate	cents/day/NMI	10.34	11.37
MP8	Monthly non-interval metering capital rate	cents/day/NMI	18.08	19.89
MP9	Monthly multi-register non-interval metering capital rate	cents/day/NMI	18.08	19.89
MP10	Monthly manually-read interval metering capital rate	cents/day/NMI	145.93	160.52

The application of metering charges for different types of customers is shown in Table 5.3.

Table 5.3 Application of metering charges

Type of customer	Pays Evoenergy ongoing metering capital charge	Paid Evoenergy upfront metering capital charge	Metering capital charge excluded from tariff	Pays Evoenergy ongoing metering non-capital charge
<ul style="list-style-type: none"> • Meter installed before 1/7/15 • Meter replaced (in accordance with law) between 1/7/15 and 1/12/17 • Evoenergy continues to provide metering services 	Yes	No	No	Yes
<ul style="list-style-type: none"> • Meter installed before 1/7/15 • Customer requested new meter (e.g., for PV system) • Evoenergy installed new meter (before 1/12/17) • Evoenergy continues to provide metering services 	Yes	Yes	No	Yes
<ul style="list-style-type: none"> • Meter installed before 1/7/15 • Customer requested new meter (e.g., for PV system) • Evoenergy installed new meter (before 1/12/17) • Customer switches to another metering provider after 1/12/17 	Yes	Yes	No	No
<ul style="list-style-type: none"> • Meter is replaced (in accordance with law) between 1/7/15 and 1/12/17 by Responsible Person • Meter is replaced (in accordance with law) after 1/12/17 by Metering Coordinator • Evoenergy does not provide metering services 	Yes	Yes	No	No
<ul style="list-style-type: none"> • New meter (not a replacement) installed between 1/7/15 and 1/12/17 • Evoenergy continues to provide metering services 	No	Yes	Yes	Yes
<ul style="list-style-type: none"> • Meter installed before 1/7/15 • Meter is replaced (in accordance with law) after 1/12/17 by Metering Coordinator • Evoenergy does not provide metering services after meter is replaced 	Yes	No	No	No
<ul style="list-style-type: none"> • New connection between 1/7/15 and 1/12/17 • Meter is replaced (in accordance with the law) after 1/12/17 by Metering Coordinator (not Evoenergy) • Evoenergy does not provide metering services after meter is replaced 	No	Yes	Yes	No
<ul style="list-style-type: none"> • New connection from 1/12/17 • Evoenergy does not install the new meter • Evoenergy does not provide metering services 	No	No	Yes	No

The small unmetered loads tariff does not include metering charges because Evoenergy has not connected meters to these loads. In addition, the off-peak network tariffs do not include metering charges because the metering charges are associated with the customer’s primary tariff, not the supplementary off-peak tariff. High-voltage network tariffs also exclude metering charges because Evoenergy has not provided manually read meters to these customers – these customers are required to use remotely read (Types 1-4) meters.

5.2 Ancillary service charges

There are two types of ancillary network services – fee-based services and quoted services. Each of these are explained in the sections below.

5.2.1 Fee-based services

Charges for fee-based services are typically set by the AER to reflect the cost of providing the service. Table 5.4 shows the price cap charges for fee-based services in 2023/24. These prices have been set in accordance with the corrected 2019/20 fee-based services⁵⁷ and the X-factor in the AER’s Final Decision.⁵⁸

Due to rounding, there may be some discrepancies between the historically approved ACS prices and those presented in the ACS pricing model.

⁵⁷ As per correspondence with AER, the corrected 2019/20 ACS charges have been used as a basis for calculating the 2023/24 ACS charges.

⁵⁸ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, p 15-13 to 15-20.

Table 5.4 Fee-based ancillary service charges, 2023/24

Code	Description	Unit	GST exclusive price	GST inclusive price
Premise re-energisation - Existing network connection				
501	Re-energise premise – Business Hours	per visit	\$93.09	\$102.40
502	Re-energise premise – After Hours	per visit	\$116.24	\$127.86
Premise De-energisation – Existing Network Connection				
503	De-energise premise – Business Hours	per visit	\$93.09	\$102.40
505	De-energise premise for debt non-payment	per visit	\$186.19	\$204.81
Meter investigations				
504	Meter Test (Whole Current) – Business Hours	per test	\$372.38	\$409.62
510	Meter Test (CT/VT) – Business Hours	per test	\$558.72	\$614.59
Special meter services				
506	Special meter read	per read	\$40.28	\$44.31
Power of Choice services				
515	Move, remove, inspect or reconfigure meter	per movement, inspection or re-configure	\$186.19	\$204.81
516	Establish temporary/permanent supply	per establishment	\$139.63	\$153.59
517	Faults investigation (meter malfunction)	per investigation	\$139.63	\$153.59
518	Faults investigation (meter bypassed)	per investigation	\$186.19	\$204.81
519	Faults investigation (customer's side of network boundary)	per investigation	\$93.09	\$102.40
Temporary Network Connections				
520	Temporary Builders' Supply – Overhead (Business Hours)	per installation	\$605.18	\$665.70
522	Temporary Builders' Supply – Underground (Business Hours)	per installation	\$1,163.75	\$1,280.13
New Network Connections				
523	New Underground Service Connection – Greenfield	per installation	\$0.00	\$0.00
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	\$885.28	\$973.81
527	New Underground Service Connection – Brownfield from Front	per installation	\$1,443.03	\$1,587.33
528	New Underground Service Connection – Brownfield from Rear	per installation	\$1,443.03	\$1,587.33

Code	Description	Unit	GST exclusive price	GST inclusive price
Network Connection Alterations and Additions				
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	\$744.75	\$819.23
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	\$1,489.52	\$1,638.47
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	\$744.75	\$819.23
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	\$791.36	\$870.50
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	\$558.56	\$614.42
546	Underground Service Upgrade – Service Cable Replacement Required	per installation	\$1,443.03	\$1,587.33
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	\$1,443.03	\$1,587.33
548	Install surface mounted point of entry (POE) box	per installation	\$683.46	\$751.81
549	Overhead Service Temporary Disconnect Reconnect same day (Business Hours)	per installation	\$1,117.13	\$1,228.84
Temporary De-energisation				
560	LV temporary network infrastructure de-energisation (Business Hours)	per occurrence	\$744.75	\$819.23
561	HV temporary network infrastructure de-energisation (Business Hours)	per occurrence	\$744.75	\$819.23
Supply Abolishment / Removal				
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	\$558.56	\$614.42
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	\$1,396.41	\$1,536.05
Miscellaneous Customer Initiated Services				
564	Install & Remove Tiger Tails – Establishment (Business Hours)	per installation	\$1,395.49	\$1,535.04
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	\$2,148.02	\$2,362.82
566	Install & Remove Warning Flags – Installation (Business Hours)	per installation	\$1,395.49	\$1,535.04
567	Install & Remove Warning Flags – Per span (Business Hours)	per installation	\$1,859.37	\$2,045.31
Operational & Maintenance Fees - Export Only Embedded Generation Installations up to 5MW				
568	Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%
569	Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%
Connection Enquiry Processing - Embedded Generation Installations*				
570	Embedded Generation Connection Enquiry – Class 1 (Commercial)	per installation	\$512.02	\$563.22
596	Embedded Generation Connection Enquiry – Class 2	per installation	\$640.00	\$704.00

Code	Description	Unit	GST exclusive price	GST inclusive price
597	Embedded Generation Connection Enquiry – Class 3	per installation	\$768.01	\$844.81
598	Embedded Generation Connection Enquiry – Class 4	per installation	\$896.01	\$985.61
599	Embedded Generation Connection Enquiry – Class 5	per installation	\$1,024.01	\$1,126.41
600	Embedded Generation Connection Enquiry – Class 6	per installation	\$1,152.02	\$1,267.22
Network Design & Investigation / Analysis Services - Embedded Generation Installations†				
574	Embedded Generation Network Technical Study - Class 1 (Commercial)	per installation	\$2,048.03	\$2,252.83
575	Embedded Generation Network Technical Study - Class 2	per installation	\$4,096.05	\$4,505.66
576	Embedded Generation Network Technical Study - Class 3	per installation	\$8,192.12	\$9,011.33
577	Embedded Generation Network Technical Study - Class 4	per installation	\$12,288.17	\$13,516.99
578	Embedded Generation Network Technical Study - Class 5	per installation	\$16,384.22	\$18,022.64
579	Embedded Generation - Network Technical Study - Class 6	per installation	\$20,480.28	\$22,528.31
Contract Administration, Commissioning and Testing - Embedded Generation Installations up to 5MW				
669	Embedded Generation - Connection Contract Establishment - Class 1 (Commercial) to Class 6	per establishment	\$4,096.05	\$4,505.66
Provision of Data for Network Technical Study - Embedded Generation Installations over 5MW				
670	Embedded Generator Network Technical Study - Embedded Generation over 5MW	per provision	\$20,480.28	\$22,528.31
Rescheduled Site Visits				
590	Rescheduled Site Visit – One Person	per site visit	\$186.19	\$204.81
591	Rescheduled Site Visit – Service Team	per site visit	\$800.98	\$881.08
Trenching charges				
592	Trenching - first 2 meters	per visit	\$664.91	\$731.40
593	Trenching - subsequent meters	per meter	\$154.62	\$170.08
Boring charges				
594	Under footpath	per occurrence	\$1,206.12	\$1,326.73
595	Under driveway	per occurrence	\$1,438.09	\$1,581.90
Cable Testing				
603	Spiking/Cable Testing (Business Hours) - Evoenergy network cables only	per test	\$1,095.52	\$1,205.07
604	Spiking/Cable Testing (After Hours) - Evoenergy network cables only	per test	\$1,409.84	\$1,550.82

Code	Description	Unit	GST exclusive price	GST inclusive price
Testing of Substation HV/LV Earthing or Soil Resistivity				
605	Substation HV/LV Earthing/Soil Resistivity Testing (Business Hours)	per test	\$1,291.96	\$1,421.16
606	Substation HV/LV Earthing/Soil Resistivity Testing (After Hours)	per test	\$1,684.89	\$1,853.38
Termination of Consumer Mains - up to 50mm² Al or Cu - Note 1				
607	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	\$1,519.68	\$1,671.65
608	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	\$1,912.57	\$2,103.83
Termination of Consumer Mains - Above 50mm² Cu or Al - Note 1				
609	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	\$1,912.57	\$2,103.83
610	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	\$2,462.66	\$2,708.93
611	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (Business Hours)	per termination	\$2,305.49	\$2,536.04
612	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (After Hours)	per termination	\$3,012.75	\$3,314.03
613	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (Business Hours)	per termination	\$2,698.42	\$2,968.26
614	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (After Hours)	per termination	\$3,562.83	\$3,919.11
615	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (Business Hours)	per termination	\$2,894.87	\$3,184.36
616	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (After Hours)	per termination	\$3,837.87	\$4,221.66
LV Underground Network Disconnection (permanent disconnection of existing network)				
617	Including Capping/Abandoning - Underground (Business Hours)	per disconnection or per visit	\$2,109.04	\$2,319.94
618	Including Capping/Abandoning - Underground (After Hours)	per disconnection or per visit	\$2,737.71	\$3,011.48
Consumer Mains Disconnection at Evoenergy Network Asset such as Point of Entry/Substation				
619	Temporary or Permanent Consumer Mains as a Separate Request (Business Hours)	per disconnection or per visit	\$2,109.04	\$2,319.94
620	Temporary or Permanent Consumer Mains as a Separate Request (After Hours)	per disconnection or per visit	\$2,737.71	\$3,011.48
Substation Supervised Access				
621	1- 4 (Business Hours)	per visit per substation	\$1,333.66	\$1,467.03
622	1- 4 (After Hours)	per visit per substation	\$1,726.58	\$1,899.24
623	4- 8 (Business Hours)	per visit per substation	\$2,119.49	\$2,331.44
624	4- 8 (After Hours)	per visit per substation	\$2,826.75	\$3,109.43

Code	Description	Unit	GST exclusive price	GST inclusive price
Temporary De-energisation/Isolation of Overhead LV Network				
625	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,681.91	\$1,850.10
626	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,153.42	\$2,368.76
Temporary De-energisation/Isolation of Overhead HV Network – Note 2				
627	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$3,029.40	\$3,332.34
628	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$3,815.24	\$4,196.76
Temporary De-energisation/Isolation of Underground/Overhead SLCC supply – Note 3				
629	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$744.30	\$818.73
630	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$901.47	\$991.62
Temporary De-energisation/Isolation of Underground HV Or LV Network – Note 3				
631	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,485.46	\$1,634.01
632	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,878.38	\$2,066.22
Temporary De-energisation/Isolation of Underground HV Network – Note 4				
633	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,074.84	\$2,282.32
634	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,703.50	\$2,973.85
Temporary Pole Support Work - Using Lifter/Borer – Note 5				
635	Business Hours Work	Per pole support per day as well as per visit	\$4,286.78	\$4,715.46
636	After Hours Work	Per pole support per day as well as per visit	\$4,999.38	\$5,499.32
Temporary Pole Support Work - Using Concrete Blocks – Note 5				
637	Business Hours Work	per Pole per Installation as well as per visit	\$3,291.76	\$3,620.94
638	After Hours Work	per Pole per Installation as well as per visit	\$3,768.62	\$4,145.48
Pole Stay Replacement				
639	With Standard Stay -Business Hours	per pole stay	\$4,766.49	\$5,243.14
640	With Standard Stay -After Hours	per pole stay	\$5,869.52	\$6,456.47
641	With Side Walk Stay -Business Hours	per pole stay	\$5,617.50	\$6,179.25
642	With Side Walk Stay -After Hours	per pole stay	\$6,736.20	\$7,409.82

Code	Description	Unit	GST exclusive price	GST inclusive price
LVABC Replacement				
643	1 Span- Business Hours	per installation	\$11,048.14	\$12,152.95
644	1 Span - After Hours	per installation	\$14,191.47	\$15,610.62
645	2 Span- Business Hours	per installation	\$16,444.56	\$18,089.02
646	2 Span - After Hours	per installation	\$20,923.81	\$23,016.19
647	3 Span- Business Hours	per installation	\$21,691.33	\$23,860.46
648	3 Span - After Hours	per installation	\$27,427.89	\$30,170.68
649	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - Business Hours	per installation	\$1,479.76	\$1,627.74
650	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - After Hours	per installation	\$1,867.31	\$2,054.04
651	Installation of LV Fuse Switch Disconnecter for LVABC Replacement Work- Business Hours	per installation	\$1,701.64	\$1,871.80
652	Installation of LV Fuse Switch Disconnecter for LVABC Replacement Work- After Hours	per installation	\$2,089.18	\$2,298.10
653	Installation of LV termination cross- arm for LVABC Replacement Work - Business Hours	per installation	\$1,721.40	\$1,893.54
654	Installation of LV termination cross- arm for LVABC Replacement Work - After Hours	per installation	\$2,153.62	\$2,368.98
655	Installation of LV double strain cross -arm for LVABC Replacement Work - Business Hours	per installation	\$1,974.52	\$2,171.97
656	Installation of LV double strain cross -arm for LVABC Replacement Work - After Hours	per installation	\$2,637.10	\$2,900.81
657	1 Way 630A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - Business Hours	per installation	\$907.14	\$997.85
658	1 Way 630A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - After Hours	per installation	\$985.72	\$1,084.29
659	1 Way 1000A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - Business Hours	per installation	\$1,037.74	\$1,141.51
660	1 Way 1000A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - After Hours	per installation	\$1,116.32	\$1,227.95
661	1 Way 1250A Jean Muller Installation for consumer mains termination work - Business Hours	per installation	\$4,867.84	\$5,354.62
662	1 Way 1250A Jean Muller Installation for consumer mains termination work - After Hours	per installation	\$4,985.72	\$5,484.29
663	1 Way Weber POE Kit Installation for consumer mains termination work- Business Hours	per installation	\$2,961.76	\$3,257.94
664	1 Way Weber POE Kit Installation for consumer mains termination work- After Hours	per installation	\$3,040.35	\$3,344.39
665	3 Way Weber POE Kit Installation for consumer mains termination work - Business Hours	per installation	\$3,864.65	\$4,251.12
666	3 Way Weber POE Kit Installation for consumer mains termination work - After Hours	per installation	\$3,943.25	\$4,337.58
667	Holec Fuse Kit Installation for Termination of Consumer Mains - Business Hours	per installation	\$344.95	\$379.45
668	Holec Fuse Kit Installation for Termination of Consumer Mains - After Hours	per installation	\$423.54	\$465.89

Code	Description	Unit	GST exclusive price	GST inclusive price
New Services introduced from 1 July 2022				
571	Complex Micro Embedded Generation Connection Enquiry – Class 1 (Residential)		\$255.99	\$281.59
559	Installation of Possum Guard on overhead service cable		\$959.19	\$1,055.11

Notes to Table 5.4

- * These charges also apply where Evoenergy responds to a customer initiated call-out and determines that the premises is energised at the connection point.
- 1 Includes termination of temporary supply consumer mains. Crimp Lugs to be supplied by Customer/Applicant. Charges includes disconnection of existing temporary customer mains if present.
- 2 Includes establishment of temporary earthing to overhead network and includes plant as required.
- 3 Excludes the type of work done by a Supply and Installation officer. Excludes streetlight controller isolation work by a Connection and Installation (C & I) Officer or Services and Installation (S & I) Officer.
- 4 Includes insulation testing of isolated HV cable prior re-energisation.
- 5 Includes plant operator as required, however temporary network isolation charges apply separately.
- 6 Codes 571 and 559 are new ACS codes introduced in 2022/23.

Following submission of the Revised Regulatory Proposal in November 2018, Evoenergy identified two of the proposed ancillary service charges had been assigned a billing code that conflicted with a service already assigned in the billing system. Specifically, in the Revised Regulatory Proposal, Evoenergy assigned the following codes.

- 601 – Contract Administration, Commissioning and Testing – Embedded Generation Installations up to 5MW
- 602 – Provision of Data for Network Technical Study – Embedded Generation Installations over 5MW

This was an error, as codes 601 and 602 are used in the billing system as tariff codes for customers assigned to the ACT Government’s now-closed Premium FiT arrangements. As a result, Evoenergy has re-assigned the above services to codes 669 and 670, respectively, as shown in Table 5.5.

Table 5.5 Change to codes for Embedded Generation

Code description	Code assignment – Revised Regulatory Proposal	Code assignment – 2023/24 Pricing Proposal
Contract Administration, Commissioning and Testing - Embedded Generation Installations up to 5MW	601	669
Provision of Data for Network Technical Study - Embedded Generation Installations over 5MW	602	670

5.2.2 Quoted services

Charges for quoted services are based on the estimated time taken to perform the service. The AER’s Draft Decision sets out the formula for quoted services,⁵⁹ which was unchanged in the AER’s Final Decision:⁶⁰

$$\text{Price} = \text{Labour} + \text{Contractor Services} + \text{Materials}$$

The labour component is based on the AER’s Final Decision maximum raw labour rates⁶¹ for 2023/24. The 2023/24 rates are set out in Table 5.6.

⁵⁹ AER 2018, *Draft Decision Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-17 (accepted in the AER’s Final Decision).

⁶⁰ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

⁶¹ AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 15 Alternative control services, April 2019, p. 15-20.

Table 5.6 Maximum allowable labour rates (including on-costs and overheads, excluding GST)

Evoenergy labour category	AER labour category	AER maximum allowable 2023/24 hourly rates*
Office support service delivery	Admin	\$131.89
Electrical apprentice	Field Worker	\$177.38
Electrical worker	Technician	\$186.19
Electrical worker - labourer	Field Worker	\$177.54
Project officer design section	Engineer	\$223.18
Senior technical officer/engineer design section	Senior Engineer	\$255.99

*As per the AER's Final Decision, "Consistent with Marsden Jacob's recommendations, we have applied an overhead rate of 61 per cent, which is equivalent to the overhead rate that Evoenergy usually applies. Per Marsden Jacob's recommendations, an additional \$20 vehicle allowance has been applied as an overhead to the Field Worker labour category."⁶²

The components of the quoted services formula are set out on pages 13-17 and 13-18 of the AER's Draft Decision, which was accepted in the AER's Final Decision. These components are set out below.

- **Labour component** – consists of all labour costs directly incurred in the provision of the service which may include labour on-costs, fleet on-costs and overheads.
- **Contractor services** – includes all costs associated with the use of external labour including overheads and any direct costs incurred.
- **Materials** – includes the cost of materials directly incurred in the provision of the service, material storage and logistics on-costs and overheads.⁶³

6. System strength charges

The Rules require distribution businesses to pass through system strength charges that are billed by the System Strength Service Provider. Transgrid is the System Strength Service Provider for Evoenergy's distribution network. In accordance with Rule 6.20.3A, Evoenergy will bill Distribution Network Users on a pass through basis so that the amount, structure, and timing of the amount billed replicates as far as is reasonably practicable the amount, structure and timing of the corresponding system strength charge billed to Evoenergy by the System Strength Service Provider, Transgrid.

Evoenergy will issue a bill for system strength charges to the relevant Distribution Network User that will identify the relevant system strength connection point and provide other information required by the Distribution Network User to verify the charge.

Evoenergy is not expecting any system strength charges on its network in 2023/24.

⁶² AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-20

⁶³ AER 2018, *Draft Decision Evoenergy Distribution Determination 2019 to 2024, Attachment 13*, September 2018, p. 13-17 to 13-18 (accepted in the AER's Final Decision).

7. Pricing principles

This section sets out the way in which tariffs have been set to ensure they comply with each of the pricing principles in the Rules.⁶⁴

7.1 Tariffs to be based on long run marginal cost

Clause 6.18.5(f) of the Rules states that each tariff must be based on the long run marginal cost (LRMC) of the network service. The purpose of the LRMC requirement is to ensure that prices provide a signal to customers about the forward-looking costs of meeting additional demand on the network, or savings from reduced demand.

To be compliant with Clause 6.18.5(f) of the Rules, all network tariffs are based on the LRMC of providing electricity network services. Evoenergy's approach to estimating LRMC is set out in its TSS.⁶⁵

7.2 There are no cross-subsidies between tariff classes

The Rules include a pricing principle that is designed to avoid cross subsidies between different tariff classes (e.g. residential and LV commercial customers). This principle requires the revenues recovered from each tariff class to be between the avoidable cost of not providing the service and the stand-alone cost of providing the service to the relevant customers. This safeguards against cross-subsidies between tariff classes, consistent with clause 6.18.5(e) of the Rules. The existing side constraint, which limits annual price movements within a tariff class, is also retained.

The results for avoidable and stand-alone costs are shown in Table 6.1. The avoidable cost reflects the LRMC of each tariff, while the stand-alone cost reflects the LRMC of the tariff plus all common costs. The table also shows that average 2023/24 DUOS revenue for each tariff class lies within the range established by avoidable costs and standalone costs. The amount of revenue recovered in each tariff class is therefore compliant with the requirement in clause 6.18.5(e) of the Rules.

Table 6.1 Avoidable and stand-alone cost

Tariff classes	Avoidable cost	DUOS charges	Stand-alone costs
Residential	\$18,891,108	\$67,215,917	\$134,600,610
Commercial Low Voltage	\$9,311,093	\$68,251,094	\$125,020,595
Commercial High Voltage	\$736,040	\$9,152,648	\$116,445,542

7.3 Tariffs recover total efficient costs

The revenue to be recovered from each network tariff must recover the network business' total efficient costs of providing network services in a way that minimises distortions to price signals and encourages efficient use of the network.

This principle has three parts:

- 1) to enable the recovery of total efficient costs;
- 2) that the revenue from each tariff reflects the total efficient cost of providing services to those consumers; and

⁶⁴ National Electricity Rules, Clause 6.18.5

⁶⁵ Evoenergy, *Revised Regulatory Proposal 2019–24*, Attachment 1: Revised Proposed Tariff Structure Statement, November 2018, p. 31.

- 3) that revenue is recovered in a way that minimises distortions to consumers' usage decisions, consistent with clause 6.18.5(g) of the Rules.

Each year, Evoenergy will adjust the price levels, consistent with the approach outlined in its revised TSS, such that the expected revenue from all tariffs is in accordance with the AER's distribution determination. Evoenergy will also ensure that tariffs reflect the total efficient costs of serving each consumer assigned to each tariff by basing tariffs on LRMC.

7.4 Consideration of customer impacts

Tariffs are to be developed in line with a customer impact principle that requires network businesses to consider the impact on customers of changes in network prices and to develop pricing structures that are able to be understood by customers. This principle is embodied in clause 6.18.5(h) of the Rules.

Evoenergy has considered the customer impacts of its 2023/24 network tariffs to determine how to allocate residual costs, and continue supporting the transition of customers to cost-reflective prices over time. Evoenergy has carefully considered consumer impacts in developing the network tariffs for 2023/24.

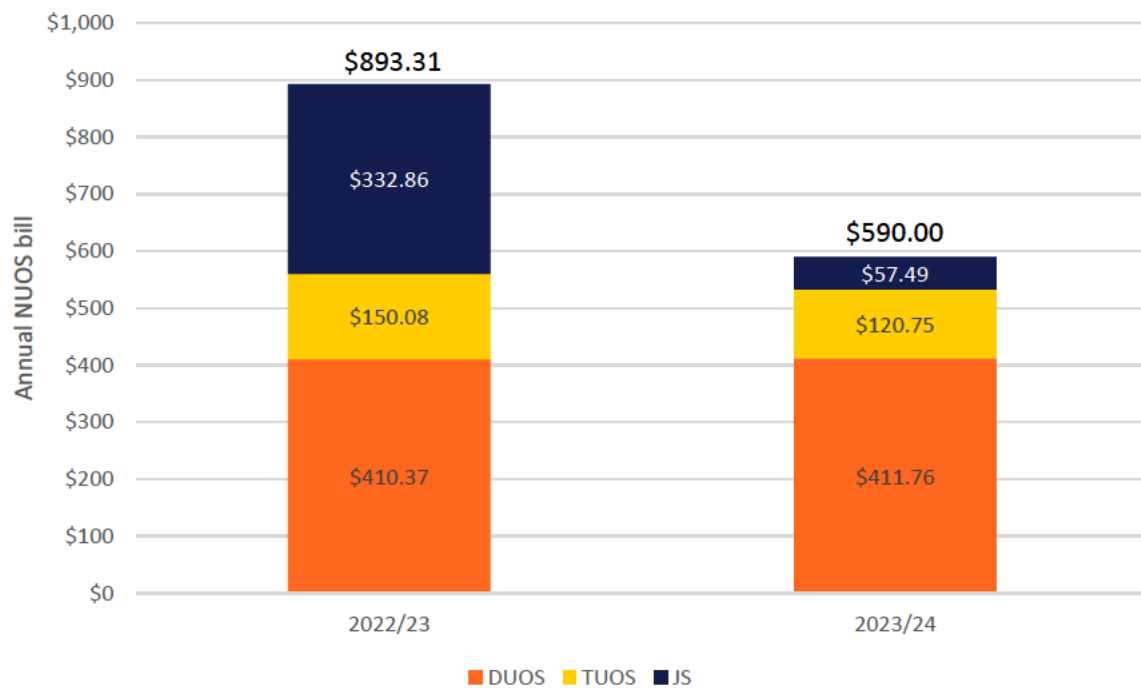
The proposed 2023/24 NUOS charges would decrease the electricity network (NUOS) bill for:

- an average residential customer consuming 7,500 kWh per annum on the Residential Basic tariff (010) by \$5.83 per week (excluding GST) or 34 per cent;
- an average LV Commercial customer consuming 30,000 kWh per annum on the General Network tariff (040) by \$29.71 per week (excluding GST) or 32 per cent; and
- an average HV commercial customer consuming 15,000 MWh per annum on the HV TOU Demand tariff (122) by \$9,350 per week (excluding GST) or 46 per cent.

The decrease in NUOS charges in 2023/24 is largely driven by a reduction in revenue amounts for the ACT Government's LFiT scheme, and a reduction in transmission prices compared to 2022/23. Since Evoenergy has historically recovered LFiT amounts through its consumption charges, the 2023/24 price decrease varies across residential, LV commercial and HV commercial customers based on differences in the proportion of customers' network bills that are made up of consumption charges.

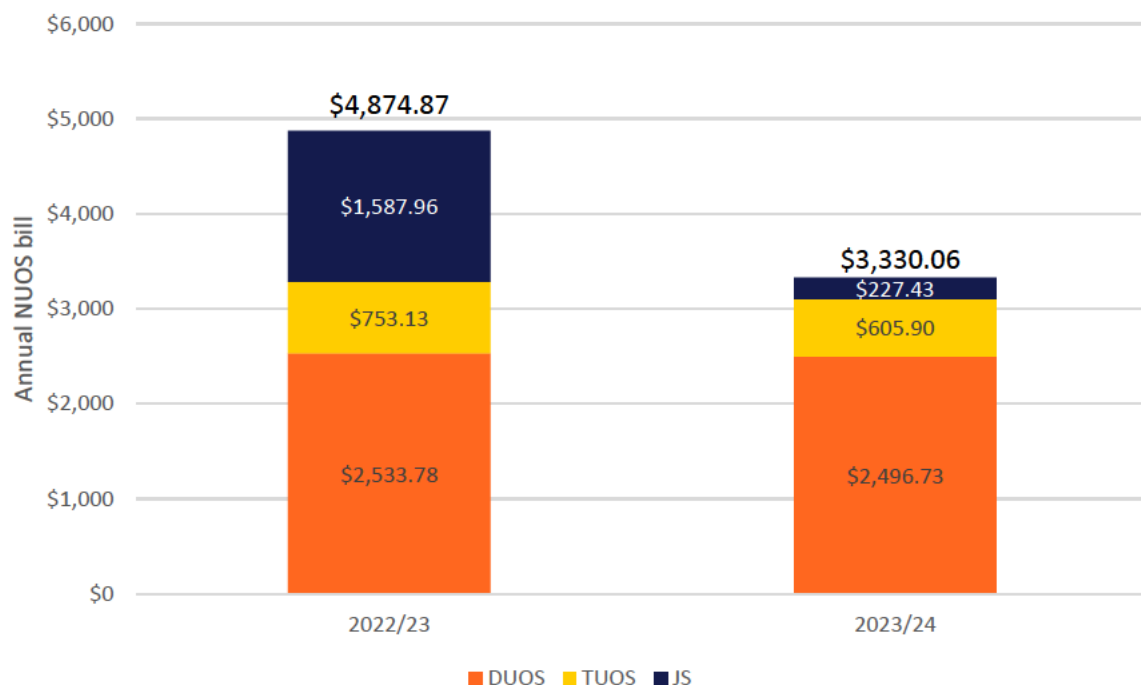
The annual NUOS bill impacts for the average residential and LV commercial consumer are presented in Figure 6.1 and Figure 6.2, respectively.

Figure 6.1 Indicative annual NUOS bill impacts for a residential customer



Network bill impacts are based on a residential customer using 7,500 kWh per annum on Evoenergy’s Residential Basic tariff.

Figure 6.2 Indicative annual NUOS bill impacts for a LV commercial customer



Network bill impacts are based on a LV commercial customer using 30,000 kWh per annum on Evoenergy’s General Network tariff.

7.5 Capable of being understood

Evoenergy has designed tariffs to ensure that they are reasonably capable of being understood by customers, in accordance with clause 6.18.5(i) of the Rules. As part of this, Evoenergy has developed information and educational material on its website to help customers understand the kW demand tariffs⁶⁶ introduced in December 2017.

Over time, as many network businesses across Australia move towards more cost-reflective tariff structures, customer familiarity and therefore understanding of cost-reflective tariffs will improve. This will include a greater understanding of the drivers of network costs and how network prices reflect these costs.

7.6 Tariffs comply with jurisdictional obligations

Clause 6.18.5(j) of the Rules requires that network tariffs must comply with any jurisdictional pricing obligations imposed by state or territory governments. If network businesses need to depart from the above principles to meet jurisdictional pricing obligations, they must do so transparently and only to the minimum extent necessary. To comply with ACT Government requirements, Evoenergy recovers the cost of jurisdictional schemes in its NUOS tariffs.

As explained in Section 2.3.2, one of Evoenergy's jurisdictional obligations relates to the ACT Government's Large-scale Feed-in Tariff (LFIT) scheme, which operates under the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (ACT). The payments that Evoenergy makes and receives under the LFIT scheme are exposed to movements in the electricity spot market, which is subject to significant volatility. This can lead to material under and over recoveries that must be reconciled in future years. The ACT Government takes into account actual and expected spot price movements when determining the revenue that Evoenergy can recover from customers or return to customers in a given year. These revenue amounts have had significant variance in recent years, which has contributed to material changes in Evoenergy's network tariffs.

In preparing this pricing proposal, Evoenergy has engaged with the AER and the ACT Government on the expected impacts of the LFIT scheme on Evoenergy's prices in 2023/24. Section 2.3 provides further detail on the revenues and payments for the LFIT scheme and how Evoenergy will treat these in 2023/24.

⁶⁶ <https://www.evoenergy.com.au/residents/pricing-and-tariffs/peak-demand-tariffs>

8. Demand forecasting methodology

Evoenergy uses forecasts of customer numbers, energy consumption and demand to set its annual network prices. This ensures that prices are set such that, based on the forecast demand, Evoenergy recovers no more than its revenue allowance in each regulatory year.

Evoenergy's demand forecasts are determined at an individual tariff level using monthly data, which are then aggregated to provide an annual forecast for each tariff. The forecasts are generated using a purpose-built model⁶⁷ which combines historical data with econometric techniques and forecasts of independent variables.

Evoenergy's demand forecasting approach is described below.

8.1 Customer number forecast

Evoenergy forecasts aggregate customer numbers for the residential and LV commercial tariff classes using ACT population forecasts (sourced from the Australian Government Centre for Population) and the historical relationship between customer numbers and population.

Customer number forecasts at the tariff class level are then disaggregated into forecasts for individual tariffs based on recent trends. For example, an individual tariff with historically higher growth will be assigned a greater share of the total tariff class forecast, compared to a tariff which has seen relatively flat growth, or a decline in growth.⁶⁸

Given the relatively small number of HV commercial customers, Evoenergy makes customer-specific forecasts based on information about upcoming HV connections. Similarly, for unmetered and streetlighting customers, connections are forecast on a bottom-up basis using information available to Evoenergy about expected future changes in connections.

For each tariff, the average of the monthly forecast customer numbers over a financial year is used to determine the annual forecast.

8.2 Energy consumption forecast

Monthly energy consumption in the ACT follows a highly seasonal pattern, which is significantly influenced by changes in temperature throughout the year. For the residential and LV commercial classes, underlying energy consumption per customer is forecast using a range of variables including:

- weather data (heating degree days and cooling degree days);
- the number of weekdays per month; and
- a COVID-19 dummy variable.

The energy consumption forecast is generated using a seasonal auto-regressive integrated moving average (ARIMA) model.⁶⁹ Forecasts for consumption per customer are combined with customer number forecasts to provide the total consumption for residential and LV commercial customers.

This forecast is then adjusted for the expected uptake of behind-the-meter energy generation (primarily solar PV) and electric vehicles to determine the final energy consumption forecast for residential and LV commercial customers.

Similar to the customer forecast, tariff class level energy forecasts are disaggregated to the individual tariff level based on recent trends. For both residential and LV commercial, consumption per customer

⁶⁷ This demand forecasting model was used for the first time in Evoenergy's 2022/23 network pricing proposal.

⁶⁸ For example, tariffs which are closed to new customers will, over time, exhibit a decline as customers are gradually re-assigned to cost-reflective tariffs (e.g. when they receive a smart meter).

⁶⁹ ARIMA regression analysis involves a forecasting equation which consists of lags of the dependent variable and the forecasting errors.

in a given month is based on the average of the same month in the three prior years. When combined with monthly customer number forecasts at the tariff level, this yields initial consumption forecasts for individual tariffs. These initial tariff-level forecasts are then scaled to reconcile with the tariff class level forecast for energy consumption.

For HV commercial tariffs, consumption is forecast as the sum of the consumption of existing and forecast new connections. Consumption for existing connections is forecast based on the average consumption from the same month over the past three years. Consumption for new connections is forecast using information provided to Evoenergy by HV customers.

Unmetered and streetlighting consumption are forecast based on the average consumption from the same month for the past three years.

For each tariff, the monthly energy consumption forecast is summed over a financial year to calculate the forecast annual consumption.

8.3 Demand forecast

Some tariffs contain a demand component (measured in kW or kVA) which has historically displayed both seasonal and trend characteristics, including a strong correlation to energy consumption. Peak demand is forecast as the product of forecast energy consumption (explained above) and the forecast ratio of peak demand to consumption (the 'underlying demand ratio') which is based on historical data. The sum of each tariffs' monthly demand over a financial year provides the total annual demand.

8.4 Top-down review

Annual customer, consumption and demand forecasts are compared against historical data to identify significant variances and ensure that any material changes are justified. Where indicated, Evoenergy makes adjustments to the forecasts to account for 'out of model' variables and once-off shocks. Generally, the tariff-level forecasts generated by the model need little adjustment. However, in some cases it is necessary to make minor adjustments to the forecasts – for example due to the recent volatility in consumption as a result of the COVID-19 pandemic.

Attachment 1: 2023/24 NUOS tariffs charges

Table A.1 provides Evoenergy’s proposed charges for 2023/24 including metering capital and non-capital charges. Table 4.2 (in Section 4) sets out the proposed 2023/24 prices and forecast revenue for each NUOS component: DUOS, TUOS, and JS. Table A.1 extends upon Table 4.2 by adding proposed metering capital and non-capital charges to the NUOS charges.

Table A.1 2023/24 NUOS tariff charges, including metering (nominal)

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Residential Tariffs					
010 Residential Basic Network					
Network access charge	cents/day	29.111	10.340	5.080	44.531
Energy at any time	cents/kWh	6.446			6.446
011 Residential Basic Network XMC*					
Network access charge	cents/day	29.111		5.080	34.191
Energy at any time	cents/kWh	6.446			6.446
015 Residential TOU Network					
Network access charge	cents/day	29.111	10.340	5.080	44.531
Energy consumption at max times	cents/kWh	12.600			12.600
Energy consumption at mid times	cents/kWh	4.717			4.717
Energy consumption at economy times	cents/kWh	2.311			2.311
016 Residential TOU Network XMC					
Network access charge	cents/day	29.111		5.080	34.191
Energy consumption at max times	cents/kWh	12.600			12.600
Energy consumption at mid times	cents/kWh	4.717			4.717
Energy consumption at economy times	cents/kWh	2.311			2.311
020 Residential 5000 Network					
Network access charge	cents/day	52.616	10.340	5.080	68.036
Energy consumption for the first 60 kWh per day	cents/kWh	5.011			5.011
Energy consumption above 60 kWh per day	cents/kWh	6.445			6.445
021 Residential 5000 Network XMC					
Network access charge	cents/day	52.616		5.080	57.696
Energy consumption for the first 60 kWh per day	cents/kWh	5.011			5.011
Energy consumption above 60 kWh per day	cents/kWh	6.445			6.445
025 Residential Demand Network					
Network access charge	cents/day	29.111	10.340		39.451
Energy consumption	cents/kWh	2.340			2.340
Peak period maximum demand	cents/kW/day	13.456			13.456
026 Residential Demand Network XMC					
Network access charge	cents/day	29.111			29.111
Energy consumption	cents/kWh	2.340			2.340
Peak period maximum demand	cents/kW/day	13.456			13.456
027 Residential Battery Network					
Network access charge	cents/day	29.111	10.34		39.451
Energy consumption at max times	cents/kWh	10.529			10.529
Energy consumption at mid times	cents/kWh	6.816			6.816

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Energy consumption at economy times	cents/kWh	3.354			3.354
Energy consumption at solar sponge times	cents/kWh	1.676			1.676
Peak period maximum demand: high season	cents/kW/day	15.353			15.353
Peak period maximum demand: low season	cents/kW/day	10.246			10.246
Critical peak export rebate	cents/kWh	-195.647			-195.647
Export threshold charge: high season	cents/kWh	2.367			2.367
Export threshold charge: low season	cents/kWh	1.552			1.552
028 Residential Battery Network XMC					
Network access charge	cents/day	29.111			29.111
Energy consumption at max times	cents/kWh	10.529			10.529
Energy consumption at mid times	cents/kWh	6.816			6.816
Energy consumption at economy times	cents/kWh	3.354			3.354
Energy consumption at solar sponge times	cents/kWh	1.676			1.676
Peak period maximum demand: high season	cents/kW/day	15.353			15.353
Peak period maximum demand: low season	cents/kW/day	10.246			10.246
Critical peak export rebate	cents/kWh	-195.647			-195.647
Export threshold charge: high season	cents/kWh	2.367			2.367
Export threshold charge: low season	cents/kWh	1.552			1.552
030 Residential with Heat Pump Network					
Network access charge	cents/day	99.950	10.340	5.080	115.370
Energy consumption for the first 165 kWh per day	cents/kWh	3.392			3.392
Energy consumption above 165 kWh per day	cents/kWh	6.446			6.446
031 Residential with Heat Pump Network XMC					
Network access charge	cents/day	99.950		5.080	105.030
Energy consumption for the first 165 kWh per day	cents/kWh	3.392			3.392
Energy consumption above 165 kWh per day	cents/kWh	6.446			6.446
060 Off-Peak (1) Night Network					
Energy at controlled times	cents/kWh	1.707			1.707
070 Off-Peak (3) Day & Night Network					
Energy at controlled times	cents/kWh	2.206			2.206
LV Commercial Tariffs					
040 General Network					
Network access charge	cents/day	53.238	18.080	8.900	80.218
Energy consumption for the first 330 kWh per day	cents/kWh	10.349			10.349
Energy consumption above 330 kWh per day	cents/kWh	13.443			13.443
041 General Network XMC					
Network access charge	cents/day	53.238		8.900	62.138
Energy consumption for the first 330 kWh per day	cents/kWh	10.349			10.349
Energy consumption above 330 kWh per day	cents/kWh	13.443			13.443
135 Small Unmetered Loads Network					
Network access charge	cents/day	43.291			43.291
Energy consumption	cents/kWh	10.957			10.957
080 Streetlighting Network					
Network access charge	cents/day	53.565	18.080	8.900	80.545

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Energy consumption	cents/kWh	7.077			7.077
081 Streetlighting Network XMC					
Network access charge	cents/day	53.565		8.900	62.465
Energy consumption	cents/kWh	7.077			7.077
090 General TOU Network					
Network access charge	cents/day	53.238	18.080	8.900	80.218
Energy consumption at business times	cents/kWh	15.990			15.990
Energy consumption at evening times	cents/kWh	7.685			7.685
Energy consumption at off-peak times	cents/kWh	3.475			3.475
091 General TOU Network XMC					
Network access charge	cents/day	53.238		8.900	62.138
Energy consumption at business times	cents/kWh	15.990			15.990
Energy consumption at evening times	cents/kWh	7.685			7.685
Energy consumption at off-peak times	cents/kWh	3.475			3.475
101 LV TOU kVA Demand Network					
Network access charge per connection point	cents/day	59.818	145.930	72.110	277.858
Maximum demand charge	cents/kVA/day	34.236			34.236
Energy consumption at business times	cents/kWh	6.095			6.095
Energy consumption at evening times	cents/kWh	3.363			3.363
Energy consumption at off-peak times	cents/kWh	1.831			1.831
103 LV TOU Capacity Network					
Network access charge per connection point	cents/day	59.818	145.930	72.110	277.858
Maximum demand charge	cents/kVA/day	15.430			15.430
Capacity charge	cents/kVA/day	15.430			15.430
Energy consumption at business times	cents/kWh	6.048			6.048
Energy consumption at evening times	cents/kWh	3.338			3.338
Energy consumption at off-peak times	cents/kWh	1.816			1.816
104 LV TOU kVA Demand Network XMC					
Network access charge per connection point	cents/day	59.818		72.110	131.928
Maximum demand charge	cents/kVA/day	34.236			34.236
Energy consumption at business times	cents/kWh	6.095			6.095
Energy consumption at evening times	cents/kWh	3.363			3.363
Energy consumption at off-peak times	cents/kWh	1.831			1.831
105 LV TOU Capacity Network XMC					
Network access charge per connection point	cents/day	59.818		72.110	131.928
Maximum demand charge	cents/kVA/day	15.430			15.430
Capacity charge	cents/kVA/day	15.430			15.430
Energy consumption at business times	cents/kWh	6.048			6.048
Energy consumption at evening times	cents/kWh	3.338			3.338
Energy consumption at off-peak times	cents/kWh	1.816			1.816
106 LV Demand Network					
Network access charge	cents/day	53.238	18.080		71.318
Energy consumption	cents/kWh	4.359			4.359
Peak period maximum demand	cents/kW/day	33.361			33.361
107 LV Demand Network XMC					

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Network access charge	cents/day	53.238			53.238
Energy consumption	cents/kWh	4.359			4.359
Peak period maximum demand	cents/kW/day	33.361			33.361
108 LV Stand-Alone Battery Network (residential)					
Capacity charge	cents/kVA/day	2.799			2.799
Net energy consumption	cents/kWh	0.776			0.776
Peak period maximum demand: high season	cents/kVA/day	29.530			29.530
Peak period maximum demand: low season	cents/kVA/day	25.746			25.746
Critical peak export rebate	cents/kVAh	-162.545			-162.545
Critical peak export charge	cents/kVAh	343.630			343.630
109 LV Stand-Alone Battery Network (commercial)					
Capacity charge	cents/kVA/day	18.290			18.290
Net energy consumption	cents/kWh	0.776			0.776
Peak period maximum demand: high season	cents/kVA/day	16.645			16.645
Peak period maximum demand: low season	cents/kVA/day	13.871			13.871
Critical peak export rebate	cents/kVAh	-162.546			-162.546
Critical peak export charge	cents/kVAh	0.000			0.000
HV Commercial Tariffs					
111 HV TOU Demand Network					
Network access charge per connection point	\$/day	21.865			21.865
Maximum demand charge	cents/kVA/day	14.454			14.454
Capacity charge	cents/kVA/day	14.454			14.454
Energy consumption at business times	cents/kWh	3.984			3.984
Energy consumption at evening times	cents/kWh	2.262			2.262
Energy consumption at off-peak times	cents/kWh	1.318			1.318
121 HV TOU Demand Network – Customer LV					
Network access charge per connection point	\$/day	21.865			21.865
Maximum demand charge	cents/kVA/day	14.454			14.454
Capacity charge	cents/kVA/day	14.454			14.454
Energy consumption at business times	cents/kWh	3.280			3.280
Energy consumption at evening times	cents/kWh	1.940			1.940
Energy consumption at off-peak times	cents/kWh	1.166			1.166
122 HV TOU Demand Network – Customer HV and LV					
Network access charge per connection point	\$/day	21.865			21.865
Maximum demand charge	cents/kVA/day	13.408			13.408
Capacity charge	cents/kVA/day	13.408			13.408
Energy consumption at business times	cents/kWh	3.280			3.280
Energy consumption at evening times	cents/kWh	1.940			1.940
Energy consumption at off-peak times	cents/kWh	1.166			1.166
123 HV Stand-Alone Battery Network (residential)					
Capacity charge	cents/kVA/day	2.792			2.792
Net energy consumption	cents/kWh	0.776			0.776
Peak period maximum demand: high season	cents/kVA/day	20.001			20.001
Peak period maximum demand: low season	cents/kVA/day	16.667			16.667

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Critical peak export rebate	cents/kVAh	-162.545			-162.545
Critical peak export charge	cents/kVAh	86.596			86.596
124 HV Stand-Alone Battery Network (commercial)					
Capacity charge	cents/kVA/day	9.353			9.353
Net energy consumption	cents/kWh	0.776			0.776
Peak period maximum demand: high season	cents/kVA/day	13.240			13.240
Peak period maximum demand: low season	cents/kVA/day	11.033			11.033
Critical peak export rebate	cents/kVAh	-162.546			-162.546
Critical peak export charge	cents/kVAh	0.000			0.000

*XMC tariffs exclude metering capital charges

Attachment 2: Compliance with regulatory requirements

Table A.2 Compliance Table

Requirement	Coverage in this document
6.18.2 Pricing proposals	
(b) A pricing proposal must:	
(1) [Deleted];	
(2) set out the proposed tariffs for each tariff class that is specified in the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period;	The proposed tariffs for each tariff class are presented in Table 4.1 and A.1.
(3) set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates;	Table 3.3, Table 3.5, and Table 3.7 set out each charging parameter and the element of service to which it relates.
(4) set out, for each tariff class related to standard control services, the expected weighted average revenue for the relevant regulatory year and also for the current regulatory year;	Table 2.5 sets out the weighted average DUOS revenue for each tariff class in 2023/23 and 2023/24.
(5) set out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur;	Evoenergy does not propose any variations or adjustments to the existing tariffs during 2023/24 other than those set out in this Pricing Proposal. Evoenergy does intend to continue its subthreshold tariffs during 2023/24, as set out in Section 3.1.
(6) set out how designated pricing proposal charges are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year;	An explanation of how TUOS charges are passed on to customers, and adjustments for over/under recovery of TUOS costs in 2023/24, is contained in Section 2.2.
(6A) set out how jurisdictional scheme amounts for each approved jurisdictional scheme are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts;	Section 2.3 addresses the requirements for jurisdictional scheme amounts.
(6B) describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria;	An explanation of amendments to Jurisdictional Schemes is contained in Section 2.3.
(6C) set out how system strength charges for system strength connection points on its network are to be passed through as described in clause 6.20.3A	Section 6
(7) demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period;	Sections 2 and 3 provide an explanation of the way in which 2023/24 network pricing is consistent with the Rules and the TSS.
(7A) demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them; and	Section 4.5.2 shows and explains the variation between the proposed 2023/24 charges and the indicative 2023/24 charges set out in the Revised TSS.
(8) describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.	The nature and extent of the change in network tariffs is outlined in Section 4.5.2.

