

# Network pricing proposal 2021/22

Australian Capital Territory electricity distribution network

Third pricing proposal for the Regulatory Control Period 2019–24

Submission to the Australian Energy Regulator

April 2021



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# Glossary

<b>Term</b>	<b>Definition</b>
<b>ACT</b>	Australian Capital Territory
<b>AEMC</b>	Australian Energy Market Commission
<b>AER</b>	Australian Energy Regulator
<b>c</b>	cents
<b>CNG</b>	Compressed Natural Gas
<b>CPI</b>	Consumer Price Index
<b>CT</b>	Current Transformer
<b>Cu</b>	Copper
<b>DER</b>	Distributed Energy Resources
<b>DPPC</b>	Designated Pricing Proposal Charges
<b>DUOS</b>	Distribution Use of System
<b>FCAS</b>	Frequency Control Ancillary Services
<b>FiT</b>	Feed-in Tariff
<b>GST</b>	Goods and Services Tax
<b>HV</b>	High Voltage
<b>JS</b>	Jurisdictional Schemes
<b>kVA</b>	kilovolt-ampere
<b>kW</b>	kilowatt
<b>kWh</b>	kilowatt hour
<b>LRMC</b>	Long Run Marginal Cost
<b>LV</b>	Low Voltage
<b>LVABC</b>	Low Voltage Aluminum Bundled Conductors
<b>m</b>	million
<b>mm</b>	millimetre
<b>MW</b>	megawatt
<b>NMI</b>	National Metering Identifier
<b>NUOS</b>	Network Use of System
<b>POE</b>	Point Of Entry
<b>PTRM</b>	Post Tax Revenue Model
<b>PV</b>	photovoltaic
<b>SLCC</b>	Streetlight Control Cubicle
<b>TAR</b>	Total allowable revenue
<b>TNSP</b>	Transmission network service provider
<b>TOU</b>	Time of Use
<b>TSS</b>	Tariff Structure Statement
<b>TUOS</b>	Transmission Use of System
<b>VT</b>	Voltage Transformer
<b>XMC</b>	Excludes Metering Charge

## Overview

This pricing proposal is submitted to the Australian Energy Regulator (AER) for review as required under Chapter 6 of the National Electricity Rules (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.<sup>1</sup> The proposed changes to Evoenergy's network tariff levels on 1 July 2021, 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 2021/22 are, on average, 41.3 per cent higher in nominal terms than charges in 2020/21.<sup>2</sup> The proposed NUOS charges for 2021/22 are comprised of the following components.

- The proposed distribution use of system (DUOS) charges are 5.7 per cent higher (in nominal terms) than DUOS charges for 2020/21.
- The proposed transmission use of system (TUOS) charges<sup>3</sup> are 17.0 per cent higher (in nominal terms) than the charges for 2020/21.
- The proposed charges for jurisdictional schemes (JS)<sup>4</sup>, reflecting ACT Government taxes and renewables policies, are 133.4 per cent higher (in nominal terms) than the charges for 2020/21.

Evoenergy also provides regulated metering services to residential and small business customers in the ACT. The proposed metering capital and metering non-capital charges for 2021/22 are proposed to increase by one per cent (nominal), in line with the CPI.

Evoenergy estimates that the proposed 2021/22 network and metering charges will increase the electricity network bill for an average residential customer, consuming 7,500 kWh per annum on the Residential Basic tariff, by \$5 per week (excluding GST)—a real increase of 36 per cent (37 per cent in nominal terms).

Evoenergy estimates that the proposed 2021/22 network and metering charges will increase the electricity network bill for an average low voltage commercial customer, consuming 30,000 kWh per annum on the General Network tariff, by \$32 per week (excluding GST)—a real increase of 41 per cent (42 per cent in nominal terms).

Evoenergy estimates that the proposed 2021/22 network charges will increase the electricity network bill for an average high voltage commercial customer, consuming 15,000 MWh per annum on the 122 HV tariff, by approximately \$7,300 per week (excluding GST)—a real increase of 45 per cent (46 per cent in nominal terms).

The difference in price increases between residential, LV commercial and HV commercial customers is due to the uniform allocation of jurisdictional scheme charges across tariffs.

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<sup>1</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, April 2019.

<sup>2</sup> This is calculated by comparing the forecast NUOS revenue in 2021/22 against estimated NUOS revenue in 2020/21. Both revenue estimates are calculated using 2021/22 forecast volumes.

<sup>3</sup> Referred to in the Rules as Designated Pricing Proposal Charges, they include charges levied on Evoenergy by TransGrid, as well as transmission costs on Evoenergy's network within the ACT.

<sup>4</sup> Jurisdictional schemes are expenses incurred by Evoenergy pursuant to ACT Government requirements, such as the large-scale feed-in tariff.

# 1. Introduction

The AER is responsible for the economic regulation of distribution services provided by Evoenergy and requires us to publish a pricing proposal that contains detailed information on the tariffs and charges to apply to our regulated network services from 1 July 2021 to 30 June 2022 (2021/22). The pricing proposal covers Evoenergy's Standard Control Services and Alternative Control Services, 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 3.

Standard Control Services are services that are central to the electricity supply and therefore 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 Statement<sup>5</sup> as it 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 2021/22.
- Section 3 outlines the structure of Evoenergy's network tariffs.
- Section 4 presents Evoenergy's proposed network tariff levels for 2021/22.
- 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 2021/22 NUOS tariffs including metering.
- Attachment 2 set out indicative NUOS tariffs for future years.
- Attachment 3 provides a compliance checklist.

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<sup>5</sup> Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Appendix 1.1 Revised Tariff Structure Statement – Explanatory Statement.



## 2. Total Allowable Revenue for 2021/22

This section presents the calculations of Evoenergy's Total Allowable Revenue (TAR) for DUOS and TUOS, the legislated amount to be recovered through 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 2014–19 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.<sup>6</sup>

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

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

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

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

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

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

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 applicaiton of STPIS verion 1.2 in the 2014 to 19 regulatory control period.

$\Delta CPI_t$  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 trued up in the 2019– 20 and 2020– 21 pricing years

<sup>6</sup> 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 2021/22, the inputs presented in Table 2.1 were applied to the formula outlined above. The inputs were obtained from the following sources.

- The AER's Final Decision PTRM for distribution.<sup>7</sup>
- The AER's revised decision on the Service Target Performance Incentive Scheme (STPIS).<sup>8</sup>
- The incentive scheme payments and annual adjustment for 2021/22.

The resulting DUOS TAR for 2021/22 is \$146,859,510.

**Table 2.1 DUOS Total Allowable Revenue 2021/22, \$ nominal**

Item	2021/22 Value
Annual smoothed revenue requirement for 2019/20 ( $AAR_{t-1}$ )	\$136,517,670
X factor for 2021/22	-0.09%
CPI (December <sub>t-1</sub> / December <sub>t-1</sub> )	0.86%
STPIS for 2019/20 ( $S_{t-2}$ )	0.975%
STPIS for 2020/21 ( $S_{t-1}$ )	-0.975%
Adjusted annual smoothed revenue requirement for 2021/22 ( $AAR_t$ )	\$137,829,867
Sum of incentive scheme payments for 2021/22 ( $I_t$ )	\$203,969
Sum of annual adjustment factors in 2021/22 ( $B_t$ )	\$8,825,673
Sum of approved cost pass throughs for 2021/22 ( $C_t$ )	\$0
Remittal variance factor ( $RV_t$ )	\$0
<b>Total allowable revenue in 2021/22 (<math>TAR_t</math>)</b>	<b>\$146,859,510</b>

### 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 will report on revenue amounts and adjust 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;
- 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.

<sup>7</sup> AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Post-tax revenue model*, April 2019.

<sup>8</sup> AER 2021, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, March 2021.

Evoenergy's proposed DUOS unders and overs account is presented below in Table 2.2. Since 2021/22 is the third year in which Evoenergy operates under a DUOS revenue cap, the table includes an 'actual', 'estimate' and 'forecast' column for the first time.

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

Item	Year t-2 2019/20 Actual	Year t-1 2020/21 Estimate	Year t 2021/22 Forecast
<b>(A) Revenue from DUOS charges</b>	\$132,014,675	\$139,721,657	\$146,859,356
<b>(B) Less TAR for regulatory year =</b>			
+ Adjusted annual smoothed revenue (AAR <sub>t</sub> )	\$134,776,432	\$136,517,670	\$137,829,867
+ DMIS carryover and DMIS amounts (I <sub>t</sub> )	\$0	-\$162,345	\$203,969
+ Annual adjustments (B <sub>t</sub> )	\$0	\$0	\$0
+ Cost pass through amount* (C <sub>t</sub> )	\$4,418,195	\$4,627,418	\$0
+ Remittal variance amount** (RV <sub>t</sub> )	-\$247,915	-\$48,864	\$0
<b>(C) Revenue deliberately under-recovered in year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>(A – B + C) Under/over recovery of revenue for regulatory year</b>	<b>-\$6,932,037</b>	<b>-\$1,212,222</b>	<b>\$8,825,520</b>
<b>DUOS unders and overs account</b>			
Nominal WACC (per cent)	4.87%	4.74%	3.49%
Opening balance	\$0	-\$7,098,845	-\$8,675,603
Interest on opening balance	\$0	-\$336,165	-\$302,737
Under/over recovery of revenue for regulatory year	-\$6,932,037	-\$1,212,222	\$8,825,520
Interest on under/over recovery for regulatory year	-\$166,808	-\$28,370	\$152,664
<b>Closing balance</b>	<b>-\$7,098,845</b>	<b>-\$8,675,603</b>	<b>-\$156</b>

\*Consistent with the AER's determinations, the total cost pass through amounts were spread across two years (2019/20 and 2020/21).

\*\*The 'remittal variance amount' is the variance between the actual and forecast revenue for the 2017/18 and 2018/19 regulatory years. These variations reflect the amount that should have been included in the 2019-24 period through the remittal process but were not known at the time of the AER Final Decision.<sup>9</sup>

### 2.1.3 Audit requirement for DPPC unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period included a provision that the t-2 amounts included in the DUOS unders and overs account must be audited,<sup>10</sup> which was unchanged in the Final Decision.<sup>11</sup> For our 2021/22 Pricing Proposal, the t-2 year to which the audit requirement applies is 2019/20. In subsequent correspondence, the AER advised that the audit requirement would be fulfilled if the amounts shown in the

<sup>9</sup> AER 2018, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, April 2019, p. 13-8.

<sup>10</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-21.

<sup>11</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

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 amounts shown in Evoenergy's 2019/20 Annual RIN, as shown in Table 2.3.

**Table 2.3 DUOS amounts 2019/20 (nominal)**

	Unders and overs account	2019/20 Annual RIN	2019/20 RIN reference
Revenue from DUOS charges	\$132,014,675	\$132,014,675	Worksheet '8.1 Income', row 13

### 2.1.4 Side constraint

Clause 6.18.6 of the Rules applies a side constraint on 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.<sup>12</sup>

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

For year  $t = 3$

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

$\Delta CPI_t$  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.*

*For example, for 2021-22, year t-2 is the December quarter 2019 and year t-1 is the December quarter 2020.*

$X_t$  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.

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

- the STPIS version 2.0 (applicable from year  $t = 3$  onwards)
- the demand management incentive scheme and innovation allowance adjustments in year t

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

$B_t^i$  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

$C_t^i$  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 2021/22 is 6.27 per cent, as set out in Table 2.4.

**Table 2.4 2021/22 Side constraint**

Item	2021/22 value
Annual percentage change in CPI ( $\Delta CPI_t$ )	0.861%
X-factor for 2021/22 ( $X_t$ )	-0.090%
Incentive schemes ( $I_t$ )	0.264%
Adjustment factor ( $B_t$ )	6.352%
Cost pass throughs ( $C_t$ )	-3.330%
DUOS permissible price change	2.000%
<b>DUOS side constraint limitation</b>	<b>6.265%</b>

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 (2021/22) and the current year (2020/21), as required by clause 6.18.2(b)(4) of the Rules. As shown in Table 2.5, the proposed average DUOS price increase for each of the three tariff classes is within the side constraint.

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

DUOS	2020/21 Notional DUOS Revenue (volumes t+1)	2021/22 Notional DUOS Revenue (volumes t)	% Change
Residential	\$64,489,292	\$67,911,747	5.307%
Low voltage commercial	\$65,710,653	\$69,664,672	6.017%
High Voltage	\$8,751,699	\$9,282,937	6.070%
<b>Total</b>	<b>\$138,951,644</b>	<b>\$146,859,356</b>	<b>5.691%</b>

**Note:** The 2020/21 and 2021/22 notional DUOS revenues in this table are both calculated using 2021/22 forecast volumes.

## 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 2021/22 are the sum of:

- the annual smoothed revenue for prescribed (transmission) services;<sup>13</sup>

<sup>13</sup> Prescribed (transmission) services include Evoenergy's Dual Function Assets.

- net transmission charges paid to transmission network service providers (TNSPs); and
- avoided Customer TUOS payments.

Clause 6.18.7(a) of the Rules allows us to pass on to customers the charges incurred by us 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 the TUOS charges for the relevant regulatory year adjusted for 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.<sup>14</sup> The 2021/22 revenue cap is \$27,637,334.

To determine net transmission charges for 2021/22, TransGrid required information on Evoenergy’s smoothed revenue for prescribed (transmission) services by early February 2021. TransGrid subsequently advised us of the transfer payments. On this basis, the net transfer payments, including Queanbeyan transmission charges, for 2021/22 were \$22,774,559.

The net transfer payment provided by TransGrid has been combined with the regulated revenue from prescribed (transmission) services and avoided Customer TUOS payments<sup>15</sup> (\$91,167) to calculate Evoenergy’s total DPPC related payments of \$50,503,061 in 2021/22.

### **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 2021/22 of \$50,503,061 is adjusted for the 2020/21 closing balance of -\$1,819,032 and interest to set the 2021/22 revenue from DPPC charges. We have set the revenue from DPPC charges (which is \$52,426,804) to achieve a closing balance (for 2021/22) as close as possible to zero.

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<sup>14</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-9.

<sup>15</sup> 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 accounts (\$ nominal)**

	Year t-2 2019/20 Actual	Year t-1 2020/21 Estimate	Year t 2021/22 Forecast
<b>(A) Revenue from DPPC charges</b>	<b>\$39,173,946</b>	<b>\$44,901,946</b>	<b>\$52,425,862</b>
<b>(B) Less DPPC related payments for regulatory year:</b>	<b>\$42,482,669</b>	<b>\$43,686,651</b>	<b>\$50,503,061</b>
+ Prescribed (transmission) services	\$27,104,242	\$27,555,340	\$27,637,334
+ Charges to be paid to TNSP	\$14,970,915	\$16,040,145	\$22,774,559
+ Avoided TUOS payments	\$407,513	\$91,167	\$91,167
<b>(A – B) Under/over recovery of revenue for regulatory year</b>	<b>-\$3,308,723</b>	<b>\$1,215,295</b>	<b>\$1,922,801</b>
<b>DPPC unders and overs account</b>			
Nominal WACC (per cent)	4.87%	4.74%	3.49%
Opening balance	\$376,948	-\$2,993,035	-\$1,891,032
Interest on opening balance	\$18,360	-\$141,735	-\$65,988
Under/over recovery of revenue for regulatory year	-\$3,308,723	\$1,215,295	\$1,922,801
Interest on under/over recovery for regulatory year	-\$79,619	\$28,442	\$33,261
<b>Closing balance</b>	<b>-\$2,993,035</b>	<b>-\$1,891,032</b>	<b>-\$958</b>

### 2.2.2 Audit requirement for DPPC unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period included a provision that the t-2 amounts included in the unders and overs account for DPPC must be audited,<sup>16</sup> which was unchanged in the Final Decision.<sup>17</sup> For our 2021/22 Pricing Proposal, the t-2 year to which the audit requirement applies is 2019/20. 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 DPPC amounts in the unders and overs accounts match amounts shown in Evoenergy's 2019/20 Annual RIN, as shown in Table 2.7.

<sup>16</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-21.

<sup>17</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.



**Table 2.7 DPPC amounts 2019/20 (nominal)**

	Unders and overs account	2019/20 Annual RIN	2019/20 RIN reference
Revenue from DPPC charges	\$39,173,946	\$39,173,946	Worksheet '8.1 Income', row 19
Prescribed (transmission) services	\$27,104,242	\$27,104,242	Worksheet '8.1 Income', row 25
Charges to be paid to TNSP	\$14,970,915	\$14,970,915	Worksheet '8.1 Income', row 25
Avoided TUOS payments	\$407,513	\$407,513	Worksheet '8.1 Income', row 26

Source: Evoenergy, Annual Reporting RIN 2019/20, submitted to AER on 2 November 2020.

## 2.3 Jurisdictional Scheme amounts

Jurisdictional Scheme amounts are those Evoenergy must pay pursuant to ACT Government requirements. The forecast Jurisdictional Scheme payments in 2021/22 are:

- the Energy Industry Levy (EIL): \$1.3 m;
- the Utilities Network Facilities Tax (UNFT): \$8.7 m;
- the Feed-in Tariff (FiT) for small and medium schemes: \$15.6 m; and
- the Feed-in Tariff for large schemes (FiT L): \$127.3 m.

These amounts have been included in the jurisdictional scheme unders and overs accounts for 2021/22 presented in Section 2.3.2.

### 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.<sup>18</sup> This requirement was unchanged in the Final Decision.<sup>19</sup> 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).<sup>20</sup>

Legislative changes enacted in the ACT relating to the large scale FiT and administration costs allow the ACT Government to determine the costs Evoenergy can recover under the scheme. The changes also allow any under or over recovery of the scheme to be reconciled ('smoothed') over a period of up to five years.<sup>21</sup> When this occurs, Evoenergy's closing balance for the scheme may differ from zero in some regulatory years.

<sup>18</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.

<sup>19</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

<sup>20</sup> *Ibid.*

<sup>21</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) Reasonable Costs Methodology Determination 2018 (ACT)*, Notifiable Instrument NI2018-130



To demonstrate its compliance with both the AER and ACT Government's requirements, Evoenergy has separated the unders and overs accounts for:

- the large scale FiT and administration costs; and
- other jurisdictional scheme amounts.

The revenue amounts for these schemes are then combined to determine our total revenue requirement for jurisdictional schemes.

The sub-sections below explain how the revenue amounts are determined for the respective schemes.

### **Revenue for the large-scale FiT**

In December each year, Evoenergy is required to apply to the ACT Government for a determination of the reasonable costs that Evoenergy can recover to make contract-for-difference payments to generators as part of the large-scale FiT scheme, and associated administration costs, for the upcoming regulatory year.

The ACT Government has issued three reasonable cost determinations for Evoenergy in respect of the 2018/19, 2019/20 and 2020/21 regulatory years. Details of the annual reasonable costs determinations are outlined in Evoenergy's annual pricing proposals.

On 30 December 2020, Evoenergy made an application for the 2021/22 reasonable costs determination. On 26 February 2021, the ACT Government determined that Evoenergy's reasonable costs for the large FiT and administration is \$127,292,124 for 2021/22.<sup>22</sup> In accordance with ACT legislative requirements, it was determined that Evoenergy would spread its 2020/21 under-recovery over three years (2021/22, 2022/23 and 2023/24). The 2021/22 reasonable costs determination amount includes the following.

- Payments to generators in 2021/22 forecast to be \$115,130,340.
- Large FiT scheme administration costs of \$4,395.
- Estimated 2020/21 revenue under-recovery to be partially recovered at \$12,157,389.

Note that, at the time Evoenergy applies to the ACT Government for a reasonable costs determination, Evoenergy's payments for the next regulatory year and closing balance for the previous regulatory year are forecasts. As such, the ACT Government's reasonable costs determination and its target level of repayments reflect a forecast at the time of the reasonable cost determination submission (due before 31 December each year). Subsequently, the actual payment associated with the large-scale FiT scheme varies compared to the forecast payments for the scheme.

The unders and overs account presented in Section 2.3.2 shows the revenue for the large FiT is \$127.3 million in 2021/22 (forecast) and \$41.2 million in 2020/21 (estimate).<sup>23</sup> The 2021/22 revenue forecast is equal to Evoenergy's reasonable costs determination. The 2020/21 revenue was initially based on the 2020/21 reasonable costs determination (and reflected in 2020/21 prices), however the revenue estimate has since been updated

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<sup>22</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs of FiT Support Payments) Determination 2021* (ACT), Notifiable Instrument NI2021-122. Available here: <https://legislation.act.gov.au/ni/2021-122/>

<sup>23</sup> 2021/22 revenues are forecast since they apply to a future regulatory year. 2020/21 revenues are an estimate reflecting the availability of actual data for part of the year (with a forecast for the remainder) as at the time of the Pricing Proposal.

based on actual revenue recovered. Hence, the 2020/21 large FiT revenue has been revised from \$42.7 million (the 2020/21 reasonable cost determination amount) to \$41.3 million. The unders and overs accounts also reflects updated payment data. Using updated data for each year is consistent with the operation of the unders and overs account, which is designed to reconcile any under or over recovery that may occur when actual payments and revenues become known.

### Other jurisdictional schemes

Table 2.9 in Section 2.3.2 presents the unders and overs account for all other components of the jurisdictional scheme account. These include the EIL, UNFT, and FiT (small/medium). The revenue for these components ('Other jurisdictional scheme revenue') is calculated to fully reconcile any under or over recovery from previous years. To illustrate this, Table 2.9 shows a closing balance of zero in 2021/22.

In response to the impact of COVID-19, the ACT Government froze the UNFT<sup>24</sup> for the year ending 31 March 2020 (at the level for the year ending 31 March 2019). Evoenergy passed through the reduction in UNFT payments to customers from 1 July 2020.

### 2.3.2 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 accounts are depicted in Table 2.9 and Table 2.10.

Table 2.8 shows the combined 2021/22 revenue from the large-scale FiT scheme (including administration costs) and other jurisdictional scheme amounts.

**Table 2.8 Jurisdictional Scheme revenue, total (\$ nominal)**

	2018/19 Actual	2019/20 Actual	2020/21 Estimate	2021/22 Forecast
Large FiT scheme and administration revenue	\$32,521,084	\$49,396,738	\$41,180,942	\$127,292,124
Other jurisdictional scheme revenue	\$26,376,865	\$28,123,666	\$24,048,171	\$25,355,558
<b>Total jurisdictional scheme related revenue</b>	<b>\$58,897,950</b>	<b>\$77,520,403</b>	<b>\$65,229,113</b>	<b>\$152,647,682</b>

<sup>24</sup><https://www.covid19.act.gov.au/economic-support/economic-survival-package/families-and-households#Utilities-Network-Facilities-Tax>

**Table 2.9 Unders and overs account: Large scale FiT and administration (\$ nominal)**

	2019/20 Actual	2020/21 Estimate	2021/22 Forecast
<b>Jurisdictional Scheme Revenue</b>			
Large FiT and administration revenue	\$49,396,738	\$41,180,942	\$127,292,124
<b>Large scale Feed in Tariff Payments</b>			
Feed-in Tariffs (large scale)	\$72,629,904	\$116,473,555	\$115,130,340
Administration	\$13,395	\$27,051	\$4,395
<b>Total payments</b>	<b>\$72,643,299</b>	<b>\$116,500,606</b>	<b>\$115,134,735</b>
<b>Under/over recovery for FY</b>			
Large scale FiT and administration over (under) recovery for FY	-\$23,246,561	-\$75,319,664	\$12,157,389
<b>Under and Overs Account</b>			
Annual rate of interest applicable to balances	4.87%	4.74%	3.49%
Semi-annual interest rate	2.41%	2.34%	1.73%
Opening balance	\$57,478,321	\$36,471,899	-\$38,883,392
Interest on large scale FiT and administration opening balance	\$2,799,530	\$1,727,123	-\$1,356,845
Large scale FIT and administration under/over recovery for FY	-\$23,246,561	-\$75,319,664	\$12,157,389
Interest on large scale FiT and admin. under/over recovery for FY	-\$559,391	-\$1,762,750	\$210,299
<b>Large scale FiT and Administration Closing Balance</b>	<b>\$36,471,899</b>	<b>-\$38,883,392</b>	<b>-\$27,872,549</b>

**Notes:**

1. The closing balance is non-zero in the final year because the 2020/21 closing balance for the large-scale FiT will be reconciled over a three-year period (unless an alternative period is determined by the ACT Government through the 2022/23 reasonable costs determination). This reflects the ACT Government's 2021/22 reasonable costs determinations for Evoenergy.<sup>25</sup> All other jurisdictional scheme over-recoveries are fully reconciled in 2021/22 as shown in Table 2.8.
2. The under / over recovery for each financial year is calculated as the difference between total revenue and total payments for that year.
3. The 2018/19 reasonable costs determination for the large FiT was \$32.01m. The 2019/20 reasonable costs determination for the large FiT was \$52.03m. The large FiT revenue in the unders and overs account shown above has been updated to reflect actual revenue recovered in 2018/19 and 2019/20. The 2020/21 revenue estimate is based on recently updated revenue estimated. The 2021/22 revenue forecast is based on the 2021/22 reasonable costs determination. Any under or over recovery of revenue for the large FiT is accounted for through the reasonable costs determination process (see section 2.3.1).
4. Forecast administration costs for 2019/20 were set to zero in the 2019/20 Pricing Proposal because they were included in the base year operating expenditure used to determine the 2019–24 revenue allowance. Since then, additional administration costs have been incurred that were not included in the base year operating expenditure. These incremental costs include the cost of implementing an alternative forecasting approach (which aims to improve the forecasting accuracy of spot prices). These incremental administration costs are shown in Table 2.8.

<sup>25</sup> Section 2.3.1 contains an explanation of Evoenergy's reasonable costs determinations.

**Table 2.10 Unders and overs account: Other jurisdictional schemes (\$ nominal)**

	2019/20 Actual	2020/21 Estimate	2021/22 Forecast
<b>Jurisdictional scheme revenue</b>			
Other jurisdictional scheme revenue	\$28,123,666	\$24,048,171	\$25,352,350
<b>Jurisdictional Scheme Related Payments</b>			
Feed-in Tariffs (small and medium scale)	\$15,365,659	\$14,638,209	\$15,567,073
Feed-in Tariffs (small & medium scale) adjustment <sup>^</sup>	-\$16,012	-\$16,012	-\$16,012
UNFT	\$8,139,744	\$8,336,190	\$8,748,557
Energy Industry Levy	\$1,293,487	\$1,258,239	\$1,300,000
<b>Total other jurisdictional scheme related payments</b>	<b>\$24,782,879</b>	<b>\$24,216,626</b>	<b>\$25,599,618</b>
<b>Under Over recovery for FY</b>			
Other jurisdictional scheme under / over recovery	\$3,340,787	-\$168,455	-\$247,268
<b>Unders and Overs Account</b>			
Annual rate of interest applicable to balances	4.87%	4.74%	3.49%
Semi-annual interest rate	2.41%	2.34%	1.73%
Opening balance	-\$2,886,904	\$393,665	\$239,909
Interest on other jurisdictional scheme opening balance	-\$140,609	\$18,642	\$8,372
Other jurisdictional scheme under/over recovery for FY	\$3,340,787	-\$168,455	-\$247,268
Interest on other jurisdictional scheme under/over recovery for FY	\$80,391	-\$3,942	-\$4,277
<b>Total Closing Balance</b>	<b>\$393,665</b>	<b>\$239,909</b>	<b>-\$3,264</b>

**Notes:** The table shows amounts for the large-scale FiT scheme only for 2017/18. From 2018/19 onwards, large scale FiT is shown in a separate unders and overs account (Table 2.9).

<sup>^</sup> A recent audit has revealed that Evoenergy erroneously paid some ACT customers on small and medium FiT scheme, payment to which they were not entitled. Evoenergy is seeking to return the revenue that was over-recovered from the ACT customer base, with adjustments for the WACC. (Evoenergy has elected not to recover the overpayments made to these few ACT customers.) These overpayments were made between 2014/15 and 2018/19.

### 2.3.3 Audit requirement for Jurisdictional Scheme unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period included a provision that the t-2 amounts included in the unders and overs account for Jurisdictional Schemes must be audited,<sup>26</sup> which was unchanged in the Final Decision.<sup>27</sup> For Evoenergy's 2021/22 Pricing Proposal, the t-2 year to which the audit requirement applies is 2019/20. In subsequent correspondence with Evoenergy, the AER advised that the audit

<sup>26</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.

<sup>27</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

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 2019/20 Annual RIN, as shown in Table 2.11.

**Table 2.11 Jurisdictional scheme amounts 2019/20 (nominal)**

	Unders and overs account	2019/20 Annual RIN	2019/20 RIN reference
Jurisdictional scheme revenue	\$77,520,403	\$77,520,403	Worksheet '8.1 Income', row 17
Energy Industry Levy payments	\$1,293,487	\$1,293,487	Worksheet '7.10 Juris Scheme', row 11
UNFT payments	\$8,139,744	\$8,139,744	Worksheet '7.10 Juris Scheme', row 12
Feed-in Tariffs (small and medium scale) payments	\$15,365,659	\$15,365,659	Worksheet '7.10 Juris Scheme', row 13
Feed-in Tariffs (large scale) payments	\$72,629,904	\$72,629,904	Worksheet '7.10 Juris Scheme', row 14

Source: Evoenergy, Annual Reporting RIN 2019–20, submitted to AER on 2 November 2020.

Evoenergy notes that administration costs for the large-scale FIT are not separately identified in the annual RIN. These costs are calculated based on the costs associated with administering the large FIT scheme. Administration costs are also included in the ACT Government’s reasonable costs determination for Evoenergy (see Section 2.3.1).

## 2.4 Metering charges

Metering charges cover the costs associated with our 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 2021/22 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.<sup>28</sup> The AER’s final decision on metering is to increase metering charges in 2021/22 in line with CPI.

<sup>28</sup> 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 classes<sup>29</sup> and tariffs that are to apply in 2021/22. For each tariff within a tariff class, the charging parameters<sup>30</sup> 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).

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 transactions costs (clause 6.18.3(d) of the Rules). Evoenergy meets this requirement by grouping customers according to 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, we have developed a suite of network tariffs that encourages efficient use of the network and signals 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.

The network tariffs from each tariff class comprise different combinations of the following charging parameters.

- **Fixed charges**—these apply per customer for residential customers and per connection point for commercial customers. The fixed charge is a daily charge that does not vary with electricity consumption, demand, or capacity. The network access charge excludes non-capital metering charges.
- **Energy charges**—these apply to each unit of electricity consumed. The cents per kilowatt hour (c/kWh) 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 c/kVA/day or c/kW/day<sup>31</sup>). 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 c/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.

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<sup>29</sup> 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”.

<sup>30</sup> Charging parameters are defined as “the constituent elements of a tariff” in chapter 10 of the *National Electricity Rules*.

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



### 3.1 Subthreshold tariffs

In accordance with Rule 6.18.1C of the *National Electricity Rules* (NER), Evoenergy made a submission to notify the Australian Energy Regulator (AER) of its intention to begin trialling two new sub-threshold tariffs in 2021/22.

The objective of these trials is to investigate cost-reflective pricing options for customers with battery technologies, with a view to making such tariffs more widely available in future regulatory periods. These tariffs have the potential 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 are expected to provide valuable evidence to support the potential introduction of the new tariffs (or a modified version) as part of Evoenergy's suite of electricity network tariffs for the next regulatory period (2024–29). The two proposed tariffs to be trialled are outlined below.

#### 3.1.1 Residential battery tariff

The residential battery tariff is designed for residential customers with controlled batteries<sup>32</sup> supported by modern renewable energy technologies.<sup>33</sup> This tariff trial provides a unique opportunity for Evoenergy to test new network tariffs that may be suitable as the uptake of renewable technologies increases across the network.

The residential battery tariff comprises the following charges.

- Fixed supply charge
- Time of use (TOU) consumption charges
- Seasonal peak demand import charge
- Seasonal export charge
- Critical peak export rebate

The residential battery tariff will be provided to residential customers on an opt-in basis. To be eligible for the residential battery tariff, a customer must:

- 1) be a residential customer;<sup>34</sup>
- 2) have a grid-connected battery;<sup>35</sup> and
- 3) have a smart meter.

Customers can register their interest for the tariff trial by completing a form on Evoenergy's website.<sup>36</sup> Evoenergy will then verify the customer's eligibility based on the

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<sup>32</sup> Batteries with optimisation capabilities offering more sophisticated modes of operation than a simple maximising self-consumption mode. This capability may be provided by the inverter or battery itself, third-party control hardware, or through a cloud integration via an Application Programming Interface.

<sup>33</sup> For example, this may include solar panels, and home energy management systems. However, these are not a requirement for the tariff trial.

<sup>34</sup> As defined under Evoenergy's Statement of Tariff Classes and Tariffs

<sup>35</sup> For the purposes of the trial, the tariff is restricted to customers with a grid connected battery to allow Evoenergy to collect relevant data on customer responses to price signals. However, to ensure the tariff is technologically neutral, this requirement may be removed if the tariff is incorporated into Evoenergy's future tariff structure (noting that the tariff is designed for, and can provide more benefits to, customers with a battery).

<sup>36</sup> <https://www.evoenergy.com.au/residential-tariff-trial>

information provided through the registration of interest. Once Evoenergy has confirmed a customer is eligible, they will be invited to register for the tariff trial and will be notified of participating retailers.<sup>37</sup> The customer will then be assigned to the residential battery network tariff.

Customers on the residential battery tariff can opt-out to an eligible tariff at any time in accordance with Evoenergy's current tariff assignment policy. This means that residential customers can opt out to either the residential demand tariff (tariff codes 025, 026) or the residential time of use tariff (tariff codes 015, 016).

### **3.1.2 Large-scale battery tariff**

Given that a number of large-scale batteries are expected to be introduced to the ACT electricity network from 2021, Evoenergy proposes to introduce a tariff designed for large scale batteries. The large-scale battery tariff provides Evoenergy with an opportunity to test customer responses to highly cost-reflective price signals. The trial will be particularly important given that large-scale batteries will respond to a range of price signals (including wholesale prices and Frequency Control Ancillary Services (FCAS)), not only network price signals.

The tariff structure for the large-scale battery 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 a commercial low voltage (LV) or high voltage (HV) customer;<sup>38</sup>
- 2) have a stand-alone grid-connected battery; and
- 3) have a minimum battery size of 200kVA.

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 of the tariff trials were provided to the AER in the subthreshold notification provided by Evoenergy on 26 February 2021.

### **3.1.3 Consumer engagement**

Evoenergy has engaged with consumers regarding the proposed subthreshold tariffs, including establishing a webpage dedicated to the tariff trial. The webpage includes a fact sheet and a presentation about the tariff trials, and provides contact details should

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<sup>37</sup> It is possible that no retailer will choose to offer an equivalent retail tariff that reflects the network residential battery tariff. However, customers will still be given the opportunity opt-in to the network residential battery tariff. In this situation, the network usage data and network bill impact will be analysed by Evoenergy, noting that the customers' retailer (rather than end customer) faced the network price signals.

<sup>38</sup> As defined under Evoenergy's Statement of Tariff Classes and Tariffs



consumers have any questions. The tariff trials have also been promoted on social media.

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

Evoenergy has also provided separate presentations to four 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. Conversations with retailers and consumers will continue in the lead-up to the trials and throughout the trial period.

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

The proposed 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 batteries and advanced energy technologies. These tariffs help customers manage their network bills, improve network utilisation and 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 NER pricing principles which underpin both the TSS, and the design of the trials. Attachment 1 outlines how the proposed tariff trial pricing structures conform with the National Electricity Objective (NEO) and the pricing principles under the NER.

### **3.1.5 Subthreshold tariff compliance with revenue threshold**

Clause 6.18.1C(a) of the Rules requires that subthreshold tariffs must satisfy both an individual and cumulative revenue threshold. In particular, the NER requires that Evoenergy's:

- forecast annual revenue for each tariff is no greater than 0.5 per cent of the annual revenue requirement (the individual threshold); and
- forecast annual revenue from all tariff trials is no greater than 1 per cent of the annual revenue requirement (the cumulative threshold).

As shown in Table 3.1 and Table 3.2, Evoenergy's proposed subthreshold tariffs are forecast to be significantly below both the individual and cumulative thresholds for 2021/22. Modelling by Evoenergy has found that even if all potentially eligible residential customers in the ACT sign-up for the residential battery tariff, Evoenergy will remain below the relevant thresholds.

Evoenergy will monitor customer numbers and volumes on the residential battery and large-scale battery tariffs. 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 2021/22 AAR	\$146,859,510	\$351,933,996
1% of AAR	\$1,468,595	\$3,519,340
0.5% of AAR	\$734,298	\$1,759,670

**Table 3.2 Indicative revenues from subthreshold tariffs**

Indicative revenue from subthreshold tariffs	NUOS revenue	% of NUOS revenue
Residential battery tariff	\$89,754	0.03%
Large-scale battery tariff (residential area)	\$437,906	0.12%
Large-scale battery tariff (commercial area)	\$0	0.00%
<b>Total</b>	\$527,660	0.15%

### 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.

Evoenergy's residential customers are currently assigned to the following tariffs.

- **Residential kW Demand** – default for new connections and meter replacements from 1 December 2017. (See Section 3.1.1 for more details.)
- **Residential time-of-use (TOU)** – opt-out option for new connections and meter replacements from 1 December 2017.
- **Residential Basic** – closed to new connections from 1 December 2017. Remains available for existing customers.
- **Residential 5000** – closed to new connections from 1 December 2017. Remains available for existing customers.
- **Residential with Heat Pump** – closed to new connections from 1 December 2017. Remains available for existing customers.

- **Off-peak (1) night** – available for residential (and LV commercial) customers utilising controlled loads elements.
- **Off-peak (3) day and night** – available for residential customers utilising controlled loads elements.

The two residential tariffs offered to new connections and customers with meter replacements are described below.

The Residential kW demand tariff gives 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. The demand tariff includes the following three components.

- A fixed component in cents per day.
- An anytime energy consumption component in cents per kilowatt-hour.
- A maximum demand component based on the 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<sup>39</sup>, 5:30pm, 6:00pm, 6:30pm, 7:00pm, 7:30pm and 8:00pm) within the billing period (a calendar month). The charge is expressed in cents per kilowatt per day.

The Residential TOU tariff provides an opportunity and an incentive for consumers with the necessary metering capability to respond to price signals at different times of the day<sup>40</sup> and manage their electricity bill. The Residential TOU tariff was the default tariff for all new residential connections from 1 October 2010 to 30 November 2017.

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

**Table 3.3 Network tariff structure: residential**

Tariff	Charging parameters	Explanation
Residential basic network (010)	<ul style="list-style-type: none"> <li>• Fixed charge (c/day/customer)</li> <li>• Energy charge (c/kWh)</li> </ul>	<p>This tariff is available to customers who have an accumulation meter installed at their premises.</p> <p>The <b>fixed charge</b> applies per customer, is a daily charge and does not vary with usage.</p> <p>The <b>energy charge</b> varies with the level of consumption but not with the time of day.</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"> <li>• Fixed charge (c/day/customer)</li> <li>• Energy at max times (c/kWh): 7 am to 9 am and 5 pm to 8 pm every day</li> <li>• Energy at mid times (c/kWh): 9 am to 5 pm and 8 pm to 10 pm every day</li> </ul>	<p>This tariff is available to residential customers who have a meter capable of recording energy consumption in each of the three time of use intervals ('max', 'mid' and 'economy').</p> <p>The <b>fixed charge</b> applies per customer, is a daily charge and does not vary with usage.</p> <p>The <b>energy charges</b> 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 or economy periods.</p>

<sup>39</sup> The first period starts at 17:00:01 and ends at 17:30:00 AEST.

<sup>40</sup> This statement assumes the retailer passes on the network tariff structure.

Tariff	Charging parameters	Explanation
	<ul style="list-style-type: none"> <li>Energy at economy times (c/kWh): all other times</li> </ul>	
Residential 5000 network (020)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy for the first 60 kWh/day (c/kWh)</li> <li>Energy above 60 kWh/day (c/kWh)</li> </ul>	<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 <b>fixed charge</b> applies per customer, is a daily charge and does not vary with usage.</p> <p>An <b>inclining block</b> 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"> <li>Fixed charge (c/day/customer)</li> <li>Energy for the first 165 kWh/day (c/kWh)</li> <li>Energy above 165 kWh (c/kWh)</li> </ul>	<p>This tariff is only available to residential customers with a reverse cycle air conditioner.</p> <p>The <b>fixed charge</b> applies per customer, is a daily charge and does not vary with usage.</p> <p>An <b>inclining block</b> 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"> <li>Fixed charge (c/day/customer)</li> <li>Energy consumption charge (c/kWh)</li> <li>Maximum demand charge (in billing period) (c/kW/day): 5 pm to 8 pm every day.</li> </ul>	<p>This tariff is available to residential customers from 1 December 2017 who have a Type 4 meter installed.</p> <p>The <b>fixed charge</b> applies per customer, is a daily charge and does not vary with usage.</p> <p>The <b>energy charge</b> varies neither with the level of consumption nor the time of day.</p> <p>The <b>demand charge</b> 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>
Off-peak (1) night network (060)	<ul style="list-style-type: none"> <li>Energy at controlled times (c/kWh): between 10 pm and 7am</li> </ul>	<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</p>

Tariff	Charging parameters	Explanation
		may be boosted at the principal charge, or charges, at other times.
Off-peak (3) day and night network (070)	<ul style="list-style-type: none"> <li>Energy at controlled times (c/kWh): between 10 pm and 7 am and 9 am and 5 pm</li> </ul>	<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>
Residential battery (027)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy at max times (c/kWh): 7 am to 9 am and 5 pm to 8 pm every day</li> <li>Energy at mid times (c/kWh): 9 am to 11 am, 3 pm to 5 pm, and 8 pm to 10 pm every day</li> <li>Energy at economy times(c/kWh): 10 pm to 7 am</li> <li>Energy at solar sponge times (c/kWh): 11 am to 3 pm</li> <li>Seasonal maximum demand charge (in billing period) (c/kW/day)</li> <li>Seasonal export charge (c/kWh)</li> <li>Critical peak export rebate (c/kWh)</li> </ul>	<p>This tariff is being trialled in 2021/22. This tariff is available to residential customers who have a Type 4 meter installed, and meet the eligibility requirements set by Evoenergy.***</p> <p>The <b>fixed charge</b> applies per customer, is a daily charge and does not vary with usage.</p> <p>The <b>energy charges</b> 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 <b>seasonal maximum demand charge</b> 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 <b>seasonal export charge</b> 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 <b>critical peak export rebate</b> 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>

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

\* The first period starts at 17:00:01 and ends at 17:30:00 AEST.

\*\* The one-hour periods are 11am – 12pm; 12pm – 1pm; 1pm – 2pm; and 2pm – 3pm (AEST). The first period commences at 11:00:01 and ends at 12:00:00 AEST, and subsequent one-hour periods follow the same approach.  
 \*\*\* See Section 3.1.1 for eligibility requirements regarding the Residential battery tariff being trialled in 2021/22.

### 3.2.1 Residential tariff assignment policy

The introduction of the Residential kW Demand tariff was established to coincide with the introduction of Type 4 meters from 1 December 2017. Only customers who have 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. The Residential TOU tariff was the default tariff for all new residential customers from 1 October 2010 to 30 November 2017.

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 were not sufficiently cost reflective. Customers currently assigned to these tariffs may 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. The table below outlines the residential tariff assignment policy.

**Table 3.4 Residential tariff assignment policy**

	Default	Opt-out	Opt-in
<b>Residential (new connection or customer initiated)</b>	Residential kW demand*	Residential Time-of-Use	
<b>Residential: replacement meter</b>	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.

\*When 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.<sup>41</sup> 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

<sup>41</sup> AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18*, September 2018, p. 18-17 to 18-18.



Type 4 meter installation. This change in requirements is reflected in Evoenergy's Revised TSS, which was approved in the AER's Final Decision.<sup>42</sup>

### 3.3 Tariffs for low voltage commercial customers

For LV commercial customers, a range of tariff options has been developed to meet their diverse needs. Evoenergy's low voltage commercial customers are currently assigned to the following tariffs.

- LV kW Demand
- LV TOU kVA Demand
- LV TOU kVA Capacity
- General TOU
- General Network

Three of the LV commercial options involve capacity and/or maximum demand charges, in conjunction with consumption charges. These tariff options are described below.

The LV kW Demand tariff was introduced in December 2017 and 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 includes the following three components.

- A fixed component in cents per day.
- An anytime energy consumption component in cents per kilowatt hour.
- A demand component – a maximum demand charge is based on the customer's highest demand calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified Business time (i.e. 7:00am<sup>43</sup>, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).

The kVA-based demand tariffs as approved by the AER in its Final Decision on Evoenergy's Revised TSS,<sup>44</sup> the maximum demand component of the LV TOU kVA Demand and LV TOU Capacity tariffs is based on 'peak-period' maximum demand. The peak period for these LV Commercial tariffs is the Business Time, specified as 7:00am to 5:00pm (AEST) on weekdays.

The General TOU tariff provides an opportunity and an incentive for consumers with the necessary metering capability to respond to price signals at different times of the day<sup>45</sup> and manage their electricity bill in line with the costs they impose on the network.

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

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<sup>42</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

<sup>43</sup> The first period starts at 07:00:01 and ends at 07:30:00 AEST.

<sup>44</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, p 56.

<sup>45</sup> This statement assumes the retailer passes on the network tariff structure.

**Table 3.5 Network tariff structure: LV commercial**

Tariff	Charging parameters	Explanation
General network (040)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Energy for the first 330 kWh/day (c/kWh)</li> <li>• Energy above 330 kWh/day (c/kWh)</li> </ul>	<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"> <li>• Network access charge (c/day/connection point)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<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>
LV TOU kVA demand network (101)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<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 peak to off-peak times to utilise the available capacity.</p>
LV TOU capacity network (103)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (max demand in last year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> </ul>	<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</p>



Tariff	Charging parameters	Explanation
	<ul style="list-style-type: none"> <li>Energy at evening times* (c/kWh)</li> <li>Energy at off-peak times* (c/kWh)</li> </ul>	availability of capacity and encouraging consumers to shift their load from peak to off-peak times to utilise the available capacity.
LV kW Demand network (106)	<ul style="list-style-type: none"> <li>Network access charge (c/day/connection point)</li> <li>Energy charge (c/kWh)</li> <li>Maximum demand (in billing period) (c/kW/day)</li> </ul>	<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>
Streetlighting (080)	<ul style="list-style-type: none"> <li>Network access charge (c/day/customer)</li> <li>Energy at any time (c/kWh)</li> </ul>	<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"> <li>Network access charge (c/day/customer)</li> <li>Energy at any time (c/kWh)</li> </ul>	<p>This tariff applies to eligible installations as determined by Evoenergy, including:</p> <ul style="list-style-type: none"> <li>telephone boxes;</li> <li>telecommunication devices; and</li> <li>other, as determined by the National Metrology Coordinator.</li> </ul> <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.

### 3.3.1 Low voltage commercial tariff assignment policy

Refinements to the LV commercial tariff assignment policy were implemented 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 3.4 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.

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

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 as consumers on these tariffs are unlikely to respond.

**Table 3.6 Commercial tariff assignment policy**

	Default	Opt-out
<b>LV commercial without a CT meter</b>	LV kW Demand*	1. LV kVA TOU Demand 2. LV kVA TOU Capacity 3. General TOU
<b>LV commercial with a CT meter</b>	LV kVA TOU Demand	1. LV TOU kVA Capacity 2. General TOU
<b>HV commercial</b>	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 tariffs 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.

\*When 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.<sup>46</sup> 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 the table above). 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 3.4) will be delayed by 12 months. These customers are able to opt-in to more cost reflective LV commercial tariffs (as per the tariff assignment policy in Table 3.4) within the first 12 months of their type 4 meter installation. This is reflected in Evoenergy’s Revised TSS, which was approved in the AER’s Final Decision.<sup>47</sup>

As per Evoenergy’s Revised TSS, which was approved by the AER in its Final Decision,<sup>48</sup> the Off-peak (3) tariff (code 070) became obsolete to new commercial connections from 1 July 2019.

### 3.4 Tariffs for high voltage customers

To qualify for a High Voltage tariff, customers must take energy at high voltage (nominal voltage not less than 11 kV).

<sup>46</sup> AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18*, September 2018, p. 18-17 to 18-18.

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

<sup>48</sup> *Ibid.*

The structure of the demand charges within these HV tariffs changed from 1 July 2019. As approved by the AER in its Final Decision on Evoenergy's Revised TSS,<sup>49</sup> the maximum demand charge of these tariffs is based on 'peak-period' maximum demand. The peak period for these HV Commercial tariffs is the Business Time, specified as 7:00am<sup>50</sup> to 5:00pm (AEST) on weekdays.

Evoenergy's High Voltage network tariff structure is shown in Table 3.7.

**Table 3.7 Network tariff structure: High Voltage**

Tariff	Charging parameters	Explanation
HV TOU Demand Network (111)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (maximum demand in past year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<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"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (maximum demand in past year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<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>

<sup>49</sup> *Ibid*

<sup>50</sup> The first period starts at 07:00:01 and ends at 07:30:00 AEST.

Tariff	Charging parameters	Explanation
HV TOU Demand Network – Customer HV and LV (122)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (maximum demand in past year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<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>
Large scale battery – residential area (123)	<ul style="list-style-type: none"> <li>• Net energy (c/kWh)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (maximum demand in past year) (c/kVA/day)</li> <li>• Critical peak export rebate (c/kVAh)</li> <li>• Critical peak export charge (c/kVAh)</li> </ul>	<p>This tariff is being trialled in 2021/22. This tariff is available to commercial customers who meet the eligibility requirements set by Evoenergy.***</p> <p>The <b>net energy charge</b> is levied on the electricity imported minus electricity exported (measured in kWh) by the large scale battery.</p> <p>The <b>maximum demand charge</b> 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 <b>capacity charge</b> is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The <b>critical peak export rebate</b> 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 <b>critical peak export charge</b> 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</p>

Tariff	Charging parameters	Explanation
		the level of electricity exported (measured in kVAh) within the critical peak period.
Large scale battery – commercial area (124)	<ul style="list-style-type: none"> <li>• Net energy (c/kWh)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (maximum demand in past year) (c/kVA/day)</li> <li>• Critical peak export rebate (c/kVAh)</li> <li>• Critical peak export charge (c/kVAh)</li> </ul>	<p>This tariff is being trialled in 2021/22. This tariff is available to commercial customers who meet the eligibility requirements set by Evoenergy.<sup>***</sup></p> <p>The <b>net energy charge</b> is levied on the electricity imported minus electricity exported (measured in kWh) by the large-scale battery.</p> <p>The <b>maximum demand charge</b> 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<sup>**</sup>, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).</p> <p>The <b>capacity charge</b> is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The <b>critical peak export rebate</b> 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 <b>critical peak export charge</b> 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>

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 regarding the large scale battery tariff being trialled in 2021/22.

### 3.4.1 High voltage tariff assignment policy

As per Evoenergy's Revised TSS, which was approved by the AER in its Final Decision,<sup>51</sup> all new High Voltage 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.

<sup>51</sup> *Ibid.*

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

## 4. Evoenergy's NUOS tariffs for 2021/22

This section sets out Evoenergy's proposed network prices for 2021/22. These prices and the associated customer impacts will continue to be closely monitored so that prices can be as cost reflective as possible.

Table 4.1 sets out Evoenergy's proposed 2021/22 network prices. This table includes the forecast revenue to be recovered from the two subthreshold tariffs that Evoenergy intends to trial in 2021/22. The implementation of these subthreshold tariffs is contingent on the Australian Energy Market Commission (AEMC) maintaining its position outlined in the draft rule determination on the National Electricity Amendment (Access, Pricing and Incentive Arrangements for Distributed Energy Resources), which proposes to amend rule 6.1.4 of the National Electricity Rules (NER)<sup>52</sup>, when it releases a final determination in June 2021.

### 4.1 DUOS tariffs

Evoenergy's proposed DUOS prices for 2021/22 are shown in Table 4.1. These prices would result in the recovery of \$146,859,356 based on forecast customers, demand and energy consumption quantities for the 2021/22 financial year.

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 tariffs to ensure compliance. This is shown below.

$$\begin{aligned} \text{Total forecast 2021/22 DUOS revenue} &\leq \text{Total Allowable Revenue (TAR)} \\ \$146,859,356 &\leq \$146,859,510 \end{aligned}$$

### 4.2 TUOS tariffs

Evoenergy's proposed TUOS prices for 2021/22 are shown in Table 4.1. These prices would result in the recovery of \$52,425,862 based on forecast customers, demand and energy consumption quantities for the 2021/22 financial year.

The sum of the TUOS revenue from all the tariffs is less than the total TUOS charges for 2021/22 adjusted for unders and overs (see section 2.2). This is shown below.

$$\begin{aligned} \text{Total forecast 2021/22 TUOS revenue} &\leq \text{Total TUOS charges adjusted for} \\ \text{unders/overs} & \\ \$52,425,862 &\leq \$52,426,804 \end{aligned}$$

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<sup>52</sup> <https://www.aemc.gov.au/rule-changes/network-planning-and-access-distributed-energy-resources>



### 4.3 Jurisdictional Scheme tariffs

Evoenergy's proposed JS prices for 2021/22 are shown in Table 4.1. These prices would result in the recovery of \$152,644,474 based on forecast customers, demand and energy consumption quantities for the 2021/22 financial year.

This is compliant with the ACT Government's Reasonable Cost Determination which determines the revenue we can recover for large scale FiT and administration (see section 2.3.1).

The sum of the JS revenue from all the tariffs is less than the total JS charges for 2021/22 adjusted for unders and overs (see section 2.2). This is shown below.

Total forecast 2021/22 JS revenue  $\leq$  JS charges adjusted for unders/overs  
\$152,644,474  $\leq$  \$152,647,682

### 4.4 NUOS tariffs

Evoenergy's proposed NUOS prices for 2021/22 (excluding metering) are the sum of the proposed prices for DUOS, TUOS and JS. The revenue is calculated using the proposed prices and forecast customer numbers, consumption and demand. These prices and revenues are presented in Table 4.1.<sup>53</sup>

### 4.5 Comparison of proposed NUOS tariffs

Section 4.5.1 below provides an explanation of the difference between the proposed 2021/22 NUOS prices and the 2020/21 prices, as per Clause 6.18.2(8) of the Rules. Section 4.5.2 provides an explanation for the difference between the proposed 2021/22 NUOS prices and the indicative 2021/22 NUOS prices set out in Evoenergy's Revised TSS<sup>54</sup> as per Clause 6.18.2(7A) of the Rules.

#### 4.5.1 Proposed 2021/22 NUOS prices compared to 2020/21 NUOS prices

The proposed NUOS charges for 2021/22 are, on average, 41.3 per cent higher in nominal terms than charges in 2020/21,<sup>55</sup> reflecting an increase in the total NUOS revenue requirement between 2020/21 and 2021/22. This variation is due to the following changes in the components of NUOS.

- The proposed 2021/22 DUOS charges are 5.7 per cent higher (in nominal terms) than DUOS charges for 2020/21.
- The proposed TUOS charges are 17.0 per cent higher (in nominal terms) than TUOS charges for 2020/21.
- The proposed charges for JS are 133.4 per cent higher (in nominal terms) than the charges for 2020/21.

<sup>53</sup> Attachment 1 contains a table showing all 2021/22 NUOS tariff charges including metering charges.

<sup>54</sup> Evoenergy, *Revised Regulatory Proposal 2019–24*, Appendix 1.2: Revised Proposed Tariff Structure Statement, November 2018, p. 31.

<sup>55</sup> This is calculated by comparing the forecast NUOS revenue in 2021/22 against estimated NUOS revenue in 2020/21. Both revenue estimates are calculated using 2021/22 forecast volumes.



Table 4.2 compares Evoenergy's proposed 2021/22 NUOS tariffs with actual NUOS tariffs for 2020/21. The first two columns of the table show the 2020/21 and 2021/22 NUOS charges, and the third and fourth columns calculate the difference in units and percentage terms.

#### **4.5.2 Proposed 2021/22 NUOS prices compared to indicative 2021/22 NUOS prices**

The difference between the 2021/22 NUOS tariffs in the TSS indicative pricing schedule and the proposed 2021/22 NUOS tariffs is driven by several factors.

- The NUOS charges in the indicative pricing schedule were based on Evoenergy's revised regulatory proposal, while the proposed 2021/22 charges are based on the revenue requirement in the AER's final decision.
- The final DUOS, TUOS and JS revenue requirements for 2021/22 are different from the forecast revenue requirements used in the indicative pricing schedule.
- The volume forecast has been updated to reflect the latest actual data.

Table 4.2 compares Evoenergy's proposed 2021/22 NUOS tariffs to the indicative NUOS charges for 2021/22, set out in Evoenergy's revised TSS (see last two columns of Table 4.2).

**Table 4.1 Proposed 2021/22 prices and revenue, excluding metering (nominal)**

Description	Units	2021/22 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
<b>Residential Tariffs</b>										
<b>010 Residential Basic Network</b>										
Network access charge	cents/day	101,453	27.810	\$10,298,128	0.000	\$0	1.301	\$481,764	29.111	\$10,779,893
Energy at any time	cents/kWh	642,737,371	4.392	\$28,229,025	1.899	\$12,205,583	5.451	\$35,035,614	11.742	\$75,470,222
<b>015 Residential TOU Network</b>										
Network access charge	cents/day	49,529	27.810	\$5,027,548	0.000	\$0	1.301	\$235,197	29.111	\$5,262,745
Energy consumption at max times	cents/kWh	76,067,425	8.676	\$6,599,610	3.569	\$2,714,846	7.119	\$5,415,240	19.364	\$14,729,696
Energy consumption at mid times	cents/kWh	111,655,955	3.083	\$3,442,353	1.541	\$1,720,618	5.990	\$6,688,192	10.614	\$11,851,163
Energy consumption at economy times	cents/kWh	78,272,194	1.510	\$1,181,910	0.755	\$590,955	2.935	\$2,297,289	5.200	\$4,070,154
<b>020 Residential 5000 Network</b>										
Network access charge	cents/day	3,032	51.315	\$567,968	0.000	\$0	1.301	\$14,400	52.616	\$582,368
Energy consumption for the first 60 kWh per day	cents/kWh	23,990,921	2.946	\$706,773	1.823	\$437,354	5.265	\$1,263,122	10.034	\$2,407,249
Energy consumption	cents/kWh	800,421	3.447	\$27,590	2.134	\$17,081	6.161	\$49,314	11.742	\$93,985

Description	Units	2021/22 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
above 60 kWh per day										
<b>025 Residential Demand Network</b>										
Network access charge	cents/day	29,740	27.809	\$3,018,679	0.000	\$0	1.301	\$141,224	29.110	\$3,159,903
Energy consumption	cents/kWh	179,515,697	0.558	\$1,001,698	0.853	\$1,531,269	3.246	\$5,827,080	4.657	\$8,360,046
Peak period maximum demand	c/kW/day	119,946	12.820	\$5,612,636	3.499	\$1,531,873	6.924	\$3,031,349	23.243	\$10,175,858
<b>027 Residential Battery Network</b>										
				\$45,478		\$11,259		\$33,018		\$89,754
<b>030 Residential with Heat Pump Network</b>										
Network access charge	cents/day	3,643	98.649	\$1,311,623	0.000	\$0	1.301	\$17,298	99.950	\$1,328,921
Energy consumption for the first 165 kWh per day	cents/kWh	46,375,974	1.260	\$584,337	1.721	\$798,131	5.013	\$2,324,828	7.994	\$3,707,295
Energy consumption above 165 kWh per day	cents/kWh	386,522	1.851	\$7,155	2.528	\$9,771	7.364	\$28,463	11.743	\$45,389
<b>060 Off-Peak (1) Night Network</b>										
Energy at controlled times	cents/kWh	9,247,661	0.251	\$23,212	0.774	\$71,577	2.518	\$232,856	3.543	\$327,645
<b>070 Off-Peak (3) Day &amp; Night Network</b>										
Energy at controlled times	cents/kWh	59,168,758	0.382	\$226,025	1.190	\$704,108	3.632	\$2,149,009	5.204	\$3,079,142
<b>LV Commercial Tariffs</b>										

Description	Units	2021/22 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
<b>040 General Network</b>										
Network access charge	cents/day	9,302	51.937	\$1,763,322	0.000	\$0	1.301	\$44,170	53.238	\$1,807,493
Energy consumption for the first 330 kWh per day	cents/kWh	145,482,831	8.328	\$12,115,810	2.454	\$3,570,149	6.979	\$10,153,247	17.761	\$25,839,206
Energy consumption above 330 kWh per day	cents/kWh	4,597,395	10.818	\$497,346	3.188	\$146,565	9.065	\$416,754	23.071	\$1,060,665
<b>135 Small Unmetered Loads Network</b>										
Network access charge	cents/day	27	41.990	\$4,194	0.000	\$0	1.301	\$130	43.291	\$4,324
Energy consumption	cents/kWh	5,787,466	9.053	\$523,939	2.229	\$129,003	6.407	\$370,803	17.689	\$1,023,745
<b>080 Streetlighting Network</b>										
Network access charge	cents/day	12	52.265	\$2,281	0.000	\$0	1.301	\$57	53.566	\$2,338
Energy consumption	cents/kWh	19,193,681	5.109	\$980,605	1.789	\$343,375	5.231	\$1,004,021	12.129	\$2,328,002
<b>090 General TOU Network</b>										
Network access charge	cents/day	3,099	51.937	\$587,571	0.000	\$0	1.301	\$14,718	53.238	\$602,290
Energy consumption at business times	cents/kWh	51,239,108	11.960	\$6,128,197	5.016	\$2,570,154	7.507	\$3,846,520	24.483	\$12,544,871
Energy consumption at evening times	cents/kWh	25,951,778	6.468	\$1,678,561	0.682	\$176,991	8.332	\$2,162,302	15.482	\$4,017,854

Description	Units	2021/22 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
Energy consumption at off-peak times	cents/kWh	66,995,394	2.925	\$1,959,615	0.309	\$207,016	3.768	\$2,524,386	7.002	\$4,691,017
<b>101 LV TOU kVA Demand Network</b>										
Network access charge per connection point	cents/day	1,349	58.517	\$288,050	0.000	\$0	1.301	\$6,404	59.818	\$294,454
Maximum demand charge	c/KVA/day	142,475	37.264	\$19,378,485	11.326	\$5,889,886	0.687	\$357,262	49.277	\$25,625,633
Energy consumption at business times	cents/kWh	260,155,652	2.358	\$6,134,470	1.529	\$3,977,780	8.586	\$22,336,964	12.473	\$32,449,214
Energy consumption at evening times	cents/kWh	99,184,499	1.302	\$1,291,382	0.844	\$837,117	4.739	\$4,700,353	6.885	\$6,828,853
Energy consumption at off-peak times	cents/kWh	313,808,411	0.709	\$2,224,902	0.459	\$1,440,381	2.579	\$8,093,119	3.747	\$11,758,401
<b>103 LV TOU Capacity Network</b>										
Network access charge per connection point	cents/day	55	58.517	\$11,809	0.000	\$0	1.301	\$263	59.818	\$12,071
Maximum demand charge	c/KVA/day	7,955	18.409	\$534,552	3.746	\$108,775	0.000	\$0	22.155	\$643,326
Capacity charge	c/KVA/day	9,103	18.409	\$611,651	3.746	\$124,463	0.000	\$0	22.155	\$736,114
Energy consumption at business times	cents/kWh	16,124,981	1.858	\$299,602	2.010	\$324,112	8.453	\$1,363,045	12.321	\$1,986,759
Energy consumption at evening times	cents/kWh	6,935,201	1.025	\$71,086	1.109	\$76,911	4.665	\$323,527	6.799	\$471,524

Description	Units	2021/22 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
Energy consumption at off-peak times	cents/kWh	23,720,483	0.558	\$132,360	0.604	\$143,272	2.538	\$602,026	3.700	\$877,658
<b>106 LV Demand Network</b>										
Network access charge	cents/day	2,276	51.937	\$431,493	0.000	\$0	1.301	\$10,809	53.238	\$442,301
Energy consumption	cents/kWh	181,153,263	1.554	\$2,815,122	0.702	\$1,271,696	6.597	\$11,950,681	8.853	\$16,037,498
Peak period maximum demand	c/kW/day	67,671	37.240	\$9,198,266	12.008	\$2,965,971	0.734	\$181,298	49.982	\$12,345,535
<b>HV Commercial Tariffs</b>										
<b>111 HV TOU Demand Network</b>										
Network access charge per connection point	\$/day	█	20.990	█	0.000	█	0.874	█	21.864	█
Maximum demand charge	c/KVA/day	█	10.679	█	6.742	█	0.000	█	17.421	█
Capacity charge	c/KVA/day	█	10.679	█	6.742	█	0.000	█	17.421	█
Energy consumption at business times	cents/kWh	█	1.803	█	0.688	█	7.664	█	10.155	█
Energy consumption at evening times	cents/kWh	█	1.024	█	0.391	█	4.354	█	5.769	█
Energy consumption at off-peak times	cents/kWh	█	0.596	█	0.228	█	2.535	█	3.359	█
<b>121 HV TOU Demand Network – Customer LV</b>										

Description	Units	2021/22 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
Network access charge per connection point	\$/day	20	20.990	\$153,263	0.000	\$0	0.874	\$6,382	21.864	\$159,645
Maximum demand charge	c/KVA/day	50,257	10.181	\$1,867,574	7.239	\$1,327,902	0.000	\$0	17.420	\$3,195,475
Capacity charge	c/KVA/day	70,571	10.181	\$2,622,478	7.239	\$1,864,661	0.000	\$0	17.420	\$4,487,139
Energy consumption at business times	cents/kWh	101,326,879	1.331	\$1,348,661	0.605	\$613,028	7.194	\$7,289,456	9.130	\$9,251,144
Energy consumption at evening times	cents/kWh	41,685,564	0.787	\$328,065	0.358	\$149,234	4.255	\$1,773,721	5.400	\$2,251,020
Energy consumption at off-peak times	cents/kWh	140,137,711	0.473	\$662,851	0.215	\$301,296	2.558	\$3,584,723	3.246	\$4,548,870
<b>122 HV TOU Demand Network – Customer HV and LV</b>										
Network access charge per connection point	\$/day	17	20.990	\$130,810	0.000	\$0	0.874	\$5,447	21.864	\$136,257
Maximum demand charge	c/KVA/day	15,033	8.982	\$492,857	5.746	\$315,292	0.000	\$0	14.728	\$808,149
Capacity charge	c/KVA/day	17,529	8.982	\$574,690	5.746	\$367,643	0.000	\$0	14.728	\$942,334
Energy consumption at business times	cents/kWh	29,950,552	1.086	\$325,263	1.092	\$327,060	6.951	\$2,081,863	9.129	\$2,734,186
Energy consumption at evening times	cents/kWh	13,976,807	0.642	\$89,731	0.645	\$90,150	4.111	\$574,587	5.398	\$754,468
Energy consumption at off-peak times	cents/kWh	48,504,517	0.386	\$187,227	0.388	\$188,198	2.472	\$1,199,032	3.246	\$1,574,457



Description	Units	2021/22 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
<b>123 HV Stand-alone battery network (residential)</b>										
				\$271,707		\$114,911		\$51,287		\$437,906
<b>124 HV Stand-alone battery network (commercial)</b>										
				\$0		\$0		\$0		\$0
<b>Total forecast revenue</b>				<b>\$146,859,356</b>		<b>\$52,425,862</b>		<b>\$152,644,474</b>		<b>\$351,929,692</b>

\* Volumes in the "Network access charge" rows are 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 4.2 Proposed 2021/22 NUOS tariffs, 2020/21 actual NUOS tariffs and indicative 2021/22 NUOS tariffs, excluding metering (nominal)**

Description	Unit	NUOS actual 2020/21	NUOS proposed 2021/22	Change (units)	Change (%)	NUOS indicative 2021/22	Change (proposed 21/22 to indicative 21/22)
<b>Residential tariffs</b>							
<b>010 Residential Basic Network</b>							
Network access charge	cents/day	28	29	1	5%	30	-3%
Energy consumption	cents/kWh	8	12	4	46%	8	49%
<b>015 Residential TOU Network</b>							
Network access charge	cents/day	28	29	1	5%	30	-3%
Energy at max times	cents/kWh	14	19	5	34%	14	42%
Energy at mid times	cents/kWh	7	11	4	62%	7	61%
Energy at economy times	cents/kWh	3	5	2	62%	3	61%
<b>020 Residential 5000 Network</b>							
Network access charge	cents/day	50	53	3	5%	54	-3%
Energy for the first 60 kWh per day	cents/kWh	7	10	3	51%	7	54%
Energy above 60 kWh per day	cents/kWh	8	12	4	46%	8	49%
<b>025 Residential Demand Network</b>							
Network access charge	cents/day	28	29	1	5%	30	-3%
Energy consumption	cents/kWh	3	5	1	45%	2	104%
Peak period maximum demand	cents/kW/day	16	23	8	50%	15	52%
<b>030 Residential with Heat Pump Network</b>							
Network access charge	cents/day	95	100	5	5%	103	-3%
Energy for the first 165 kWh per day	cents/kWh	5	8	3	57%	5	58%
Energy above 165 kWh per day	cents/kWh	8	12	4	46%	8	49%

Description	Unit	NUOS actual 2020/21	NUOS proposed 2021/22	Change (units)	Change (%)	NUOS indicative 2021/22	Change (proposed 21/22 to indicative 21/22)
<b>060 Off-Peak (1) Night Network</b>							
Energy consumption	cents/kWh	2	4	1	60%	2	48%
<b>070 Off-Peak (3) Day &amp; Night Network</b>							
Energy consumption	cents/kWh	3	5	2	53%	4	42%
<b>LV Commercial tariffs</b>							
<b>040 General Network</b>							
Network access charge	cents/day	51	53	3	5%	55	-3%
Energy for the first 330 kWh per day	cents/kWh	12	18	5	45%	12	51%
Energy above 330 kWh per day	cents/kWh	16	23	7	45%	15	51%
<b>135 Small Unmetered Loads Network</b>							
Network access charge	cents/day	41	43	2	5%	45	-3%
Energy consumption	cents/kWh	12	18	5	42%	12	48%
<b>080 Streetlighting Network</b>							
Network access charge	cents/day	51	54	3	5%	55	-3%
Energy consumption	cents/kWh	9	12	4	42%	8	43%
<b>090 General TOU Network</b>							
Network access charge	cents/day	51	53	3	5%	55	-3%
Energy at business times	cents/kWh	19	24	5	27%	18	34%
Energy at evening times	cents/kWh	9	15	7	77%	9	69%
Energy at off-peak times	cents/kWh	4	7	3	77%	4	70%
<b>101 LV TOU kVA Demand Network</b>							
Network access per connection point	cents/day	57	60	3	5%	61	-3%
Maximum demand charge	c/KVA/day	46	49	3	7%	41	20%
Energy at business times	cents/kWh	7	12	5	71%	8	56%

Description	Unit	NUOS actual 2020/21	NUOS proposed 2021/22	Change (units)	Change (%)	NUOS indicative 2021/22	Change (proposed 21/22 to indicative 21/22)
Energy at evening times	cents/kWh	4	7	3	71%	4	56%
Energy at off-peak times	cents/kWh	2	4	2	71%	2	56%
<b>103 LV TOU Capacity Network</b>							
Network access per connection point	cents/day	57	60	3	5%	61	-3%
Maximum demand charge	c/KVA/day	21	22	1	4%	19	16%
Capacity charge	c/KVA/day	21	22	1	4%	19	16%
Energy at business times	cents/kWh	7	12	5	69%	8	54%
Energy at evening times	cents/kWh	4	7	3	69%	4	54%
Energy at off-peak times	cents/kWh	2	4	2	69%	2	54%
<b>106 LV Demand Network</b>							
Network access charge	cents/day	51	53	3	5%	55	-3%
Energy consumption	cents/kWh	5	9	4	86%	5	68%
Peak period maximum demand	cents/kW/day	46	50	4	9%	41	22%
<b>HV Commercial tariffs</b>							
<b>111 HV TOU Demand Network</b>							
Network access per connection point	cents/day	2082	2186	104	5%	2248	-3%
Maximum demand charge	c/KVA/day	16	17	2	10%	15	20%
Capacity charge	c/KVA/day	16	17	2	10%	15	20%
Energy at business times	cents/kWh	6	10	4	74%	6	61%
Energy at evening times	cents/kWh	3	6	2	74%	4	61%
Energy at off-peak times	cents/kWh	2	3	1	74%	2	61%
<b>121 HV TOU Demand Network – Customer LV</b>							
Network access per connection point	cents/day	2082	2186	104	5%	2248	-3%
Maximum demand charge	c/KVA/day	16	17	2	10%	15	20%

Description	Unit	NUOS actual 2020/21	NUOS proposed 2021/22	Change (units)	Change (%)	NUOS indicative 2021/22	Change (proposed 21/22 to indicative 21/22)
Capacity charge	c/KVA/day	16	17	2	10%	15	20%
Energy at business times	cents/kWh	5	9	4	75%	6	58%
Energy at evening times	cents/kWh	3	5	2	75%	3	58%
Energy at off-peak times	cents/kWh	2	3	1	75%	2	58%
<b>122 HV TOU Demand Network – Customer HV and LV</b>							
Network access per connection point	cents/day	2082	2186	104	5%	2248	-3%
Maximum demand charge	c/KVA/day	14	15	1	4%	13	13%
Capacity charge	c/KVA/day	14	15	1	4%	13	13%
Energy at business times	cents/kWh	5	9	4	75%	6	58%
Energy at evening times	cents/kWh	3	5	2	75%	3	58%
Energy at off-peak times	cents/kWh	2	3	1	75%	2	58%

## 4.6 Standard Control Services – connections

The prices of Evoenergy’s Standard Control connection service charges are set out in Table 4.3. Information on the nature of these services can be found in Evoenergy’s Connection Policy.<sup>56</sup>

**Table 4.3 Standard control service connection charges, 2021/22**

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Residential Estate Subdivision Services (per block)</b>				
580	Subdivision Electricity Distribution Network Reticulation - Multi Unit Blocks	per block	\$0.00	\$0.00
581	Subdivision Electricity Distribution Network Reticulation - Category 1 Blocks <= 650m2	per block	\$1,823.80	\$2,006.18
582	Subdivision Electricity Distribution Network Reticulation - Category 1 Blocks 650 - 1100m2 with average linear frontage of 22-25 metres	per block	\$2,389.47	\$2,628.41
<b>Upstream augmentation (per kVA of capacity)</b>				
585	HV Feeder	\$/kVA	\$39.51	\$43.46
586	Distribution substation	\$/kVA	\$22.88	\$25.16

**Note:** The 2021/22 prices were calculated by applying CPI of 0.86% (consistent with the Final Decision<sup>57</sup>) to 2020/21 prices.

<sup>56</sup> Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Attachment 2: Connection policy, November 2018.

<sup>57</sup> 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.

### 5.1 Type 5 and Type 6 metering charges

There are two types of Evoenergy metering service charges, as per the AER's Final Decision for the 2019–24 regulatory control period.<sup>58</sup>

- 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, we 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 has fallen to a value of zero.

The capital cost of regulated meters installed between 1 July 2015 and 31 March 2018<sup>59</sup> was paid by consumers upon installation, and as a result these customers do not pay ongoing metering capital charges to us. 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 installed. Non-capital charges cover ongoing operational costs such as meter reading and data processing.

In accordance with the Metering Rule Change,<sup>60</sup> Type 4 meters became the standard electricity meter in the ACT for new connections and meter replacements from 1 December 2017.<sup>61</sup> No new network connections from 1 December 2017 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.<sup>62</sup> Attachment 1 contains a table showing all 2021/22 NUOS tariff charges including metering charges.

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<sup>58</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-22

<sup>59</sup> The final day Evoenergy was permitted to install meters under transitional arrangements.

<sup>60</sup> AEMC 2015, *National Electricity Amendment (Expanding competition in metering and related services) Rule 2015*, 26 November 2015

<sup>61</sup> 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

<sup>62</sup> AER 2019, *Evoenergy 2019–24 – Final Decision – Ancillary services cost build-up*, April 2019



### 5.1.1 Metering non-capital charges for 2021/22

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. Our schedule of metering non-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, 2021/22**

Code	Description	Unit	GST exclusive price	GST inclusive price
MP1	Quarterly metering non-capital rate	c/day/NMI	4.56	4.67
MP2	Monthly non-interval metering non-capital rate	c/day/NMI	7.98	8.17
MP3	Monthly interval metering non-capital rate	c/day/NMI	7.98	8.17
MP4	Monthly manually-read interval metering non-capital rate	c/day/NMI	65.00	67.00
MP6	Quarterly manually-read interval metering non-capital rate	c/day/NMI	18.39	18.84

### 5.1.2 Metering capital charges for 2021/22

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. Our 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, 2021/22**

Code	Description	Unit	GST exclusive price	GST inclusive price
MP7	Quarterly manually-read interval metering capital rate	c/day/NMI	9.27	9.49
MP8	Monthly non-interval metering capital rate	c/day/NMI	16.20	16.59
MP9	Monthly multi-register non-interval metering capital rate	c/day/NMI	16.20	16.59
MP10	Monthly manually-read interval metering capital rate	c/day/NMI	130.76	133.93

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

The small unmetered loads tariff does not include metering charges because we have not connected meters to these loads. Also, 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. Furthermore, high-voltage network tariffs exclude metering charges as Evoenergy has not provided manually read meters to these customers since they 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 discussed 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 below shows the price cap charges for fee-based services in 2021/22. These prices have been set in accordance with the corrected 2020/21 fee-based services<sup>63</sup> and the X factor in the AER's Final Decision.<sup>64</sup>

**Table 5.4 Fee-based ancillary service charges, 2021/22**

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Premise re-energisation - Existing network connection*</b>				
501	Re-energise premise – Business Hours	per visit	\$81.92	\$90.11
502	Re-energise premise – After Hours	per visit	\$102.27	\$112.50
<b>Premise De-energisation – Existing Network Connection</b>				
503	De-energise premise – Business Hours	per visit	\$81.92	\$90.11
505	De-energise premise for debt non-payment	per visit	\$163.83	\$180.21
<b>Meter investigations</b>				
504	Meter Test (Whole Current) – Business Hours	per test	\$327.67	\$360.44
510	Meter Test (CT/VT) – Business Hours	per test	\$491.63	\$540.79
<b>Special meter services</b>				
506	Special meter read	per read	\$35.44	\$38.98
<b>Power of Choice services</b>				
515	Move, remove, inspect or reconfigure meter	per movement, inspection or re-configure	\$163.83	\$180.21

<sup>63</sup> As per correspondence with AER, the corrected 2019/20 ACS charges have been used in the calculation of 2020/21 ACS charges.

<sup>64</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, p 15-13 to 15-20.

Code	Description	Unit	GST exclusive price	GST inclusive price
516	Establish temporary/permanent supply	per establishment	\$122.87	\$135.16
517	Faults investigation (meter malfunction)	per investigation	\$122.87	\$135.16
518	Faults investigation (meter bypassed)	per investigation	\$163.83	\$180.21
519	Faults investigation (customer's side of network boundary)	per investigation	\$81.92	\$90.11
<b>Temporary Network Connections</b>				
520	Temporary Builders' Supply – Overhead (Business Hours)	per installation	\$532.52	\$585.77
522	Temporary Builders' Supply – Underground (Business Hours)	per installation	\$1,024.02	\$1,126.42
<b>New Network Connections</b>				
523	New Underground Service Connection – Greenfield	per installation	\$0.00	\$0.00
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	\$778.99	\$856.89
527	New Underground Service Connection – Brownfield from Front	per installation	\$1,269.77	\$1,396.75
528	New Underground Service Connection – Brownfield from Rear	per installation	\$1,269.77	\$1,396.75
<b>Network Connection Alterations and Additions</b>				
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	\$655.33	\$720.86
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	\$1,310.67	\$1,441.74
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	\$655.33	\$720.86
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	\$696.35	\$765.99
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	\$491.50	\$540.65

Code	Description	Unit	GST exclusive price	GST inclusive price
546	Underground Service Upgrade – Service Cable Replacement Required	per installation	\$1,269.77	\$1,396.75
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	\$1,269.77	\$1,396.75
548	Install surface mounted point of entry (POE) box	per installation	\$601.41	\$661.55
549	Overhead Service Temporary Disconnect Reconnect same day (Business Hours)	per installation	\$983.00	\$1,081.30
<b>Temporary Network Infrastructure De-energisation</b>				
560	LV temporary network infrastructure de-energisation (Business Hours)	per occurrence	\$655.33	\$720.86
561	HV temporary network infrastructure de-energisation (Business Hours)	per occurrence	\$655.33	\$720.86
<b>Supply Abolishment / Removal</b>				
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	\$491.50	\$540.65
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	\$1,228.75	\$1,351.63
<b>Miscellaneous Customer Initiated Services</b>				
564	Install & Remove Tiger Tails – Establishment (Business Hours)	per installation	\$1,227.92	\$1,350.71
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	\$1,890.11	\$2,079.12
566	Install & Remove Warning Flags – Installation (Business Hours)	per installation	\$1,227.92	\$1,350.71
567	Install & Remove Warning Flags – Per span (Business Hours)	per installation	\$1,636.12	\$1,799.73
<b>Operational &amp; Maintenance Fees - Export Only Embedded Generation Installations up to 5MW</b>				
568	Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%

Code	Description	Unit	GST exclusive price	GST inclusive price
569	Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%
<b>Connection Enquiry Processing - Embedded Generation Installations</b>				
570	Embedded Generation Connection Enquiry – Class 1 (Commercial)	per installation	\$450.53	\$495.58
596	Embedded Generation Connection Enquiry – Class 2	per installation	\$563.16	\$619.48
597	Embedded Generation Connection Enquiry – Class 3	per installation	\$675.80	\$743.38
598	Embedded Generation Connection Enquiry – Class 4	per installation	\$788.43	\$867.27
599	Embedded Generation Connection Enquiry – Class 5	per installation	\$901.06	\$991.17
600	Embedded Generation Connection Enquiry – Class 6	per installation	\$1,013.70	\$1,115.07
<b>Network Design &amp; Investigation / Analysis Services - Embedded Generation Installations</b>				
574	Embedded Generation Network Technical Study - Class 1 (Commercial)	per installation	\$1,802.13	\$1,982.34
575	Embedded Generation Network Technical Study - Class 2	per installation	\$3,604.25	\$3,964.68
576	Embedded Generation Network Technical Study - Class 3	per installation	\$7,208.51	\$7,929.36
577	Embedded Generation Network Technical Study - Class 4	per installation	\$10,812.76	\$11,894.04
578	Embedded Generation Network Technical Study - Class 5	per installation	\$14,417.02	\$15,858.72
579	Embedded Generation - Network Technical Study - Class 6	per installation	\$18,021.27	\$19,823.40
<b>Contract Administration, Commissioning and Testing - Embedded generation installations up to 5MW</b>				
669	Embedded Generation - Connection Contract Establishment - Class 1 (Commercial) to Class 6	per establishment	\$3,604.25	\$3,964.68

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Provision of Data for Network Technical Study - Embedded generation installations over 5MW</b>				
670	Embedded Generator Network Technical Study – Embedded Generation over 5MW	per provision	\$18,021.27	\$19,823.40
<b>Rescheduled Site Visits</b>				
590	Rescheduled Site Visit – One Person	per site visit	\$163.83	\$180.21
591	Rescheduled Site Visit – Service Team	per site visit	\$705.38	\$775.92
<b>Trenching charges</b>				
592	Trenching – first 2 meters	per visit	\$585.09	\$643.60
593	Trenching – subsequent meters	per meter	\$136.07	\$149.68
<b>Boring charges</b>				
594	Under footpath	per occurrence	\$1,061.31	\$1,167.44
595	Under driveway	per occurrence	\$1,265.42	\$1,391.96
<b>Cable Testing</b>				
603	Spiking/Cable Testing (Business Hours) - Evoenergy network cables only	per test	\$964.71	\$1,061.18
604	Spiking/Cable Testing (After Hours) - Evoenergy network cables only	per test	\$1,241.30	\$1,365.43
<b>Testing of Substation HV/LV Earthing or Soil Resistivity</b>				
605	Substation HV/LV Earthing/Soil Resistivity Testing (Business Hours)	per test	\$1,137.58	\$1,251.34
606	Substation HV/LV Earthing/Soil Resistivity Testing (After Hours)	per test	\$1,483.32	\$1,631.65
<b>Termination of Consumer Mains - up to 50mm<sup>2</sup> Al or Cu - Note 1</b>				
607	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	\$1,338.47	\$1,472.32
608	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	\$1,684.22	\$1,852.64
<b>Termination of Consumer Mains - Above 50mm<sup>2</sup> Cu or Al - Note 1</b>				
609	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	\$1,684.22	\$1,852.64



Code	Description	Unit	GST exclusive price	GST inclusive price
610	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (After Hours)	per termination	\$2,168.26	\$2,385.09
611	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (Business Hours)	per termination	\$2,029.95	\$2,232.95
612	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (After Hours)	per termination	\$2,652.29	\$2,917.52
613	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (Business Hours)	per termination	\$2,375.70	\$2,613.27
614	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (After Hours)	per termination	\$3,136.33	\$3,449.96
615	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (Business Hours)	per termination	\$2,548.57	\$2,803.43
616	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (After Hours)	per termination	\$3,378.34	\$3,716.17
<b>LV Underground Network Disconnection (permanent disconnection of existing network)</b>				
617	Including Capping/Abandoning - Underground (Business Hours)	per disconnection or per visit	\$1,857.09	\$2,042.80
618	Including Capping/Abandoning - Underground (After Hours)	per disconnection or per visit	\$2,410.27	\$2,651.30
<b>Consumer Mains Disconnection at Evoenergy Network Asset such as Point of Entry/Substation</b>				
619	Temporary or Permanent Consumer Mains as a Separate Request (Business Hours)	per disconnection or per visit	\$1,857.09	\$2,042.80
620	Temporary or Permanent Consumer Mains as a Separate Request (After Hours)	per disconnection or per visit	\$2,410.27	\$2,651.30
<b>Substation Supervised Access</b>				
621	1- 4 (Business Hours)	per visit per substation	\$1,174.37	\$1,291.81
622	1- 4 (After Hours)	per visit per substation	\$1,520.11	\$1,672.12
623	4- 8 (Business Hours)	per visit per substation	\$1,865.85	\$2,052.44

Code	Description	Unit	GST exclusive price	GST inclusive price
624	4- 8 (After Hours)	per visit per substation	\$2,488.18	\$2,737.00
<b>Temporary De-energisation/Isolation of Overhead LV Network</b>				
625	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,481.16	\$1,629.28
626	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,896.05	\$2,085.66
<b>Temporary De-energisation/Isolation of Overhead HV Network – Note 2</b>				
627	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,668.20	\$2,935.02
628	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$3,359.67	\$3,695.64
<b>Temporary De-energisation/Isolation of Underground/Overhead SLCC supply – Note 3</b>				
629	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$655.76	\$721.34
630	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$794.05	\$873.46
<b>Temporary De-energisation/Isolation of Underground HV Or LV Network – Note 3</b>				
631	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,308.30	\$1,439.13
632	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,654.04	\$1,819.44
<b>Temporary De-energisation/Isolation of Underground HV Network – Note 4</b>				
633	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,826.91	\$2,009.60
634	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,380.09	\$2,618.10

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Temporary Pole Support Work - Using Lifter/Borer – Note 5</b>				
635	Business Hours Work	Per pole support per day as well as per visit	\$3,777.10	\$4,154.81
636	After Hours Work	Per pole support per day as well as per visit	\$4,403.79	\$4,844.17
<b>Temporary Pole Support Work - Using Concrete Blocks – Note 5</b>				
637	Business Hours Work	per Pole per Installation as well as per visit	\$2,900.60	\$3,190.66
638	After Hours Work	per Pole per Installation as well as per visit	\$3,319.85	\$3,651.84
<b>Pole Stay Replacement</b>				
639	With Standard Stay - Business Hours	per pole stay	\$4,199.67	\$4,619.64
640	With Standard Stay -After Hours	per pole stay	\$5,170.83	\$5,687.91
641	With Side Walk Stay - Business Hours	per pole stay	\$4,947.68	\$5,442.45
642	With Side Walk Stay -After Hours	per pole stay	\$5,932.40	\$6,525.64
<b>LVABC Replacement</b>				
643	1 Span- Business Hours	per installation	\$9,726.44	\$10,699.08
644	1 Span - After Hours	per installation	\$12,492.36	\$13,741.60
645	2 Span- Business Hours	per installation	\$14,477.08	\$15,924.79
646	2 Span - After Hours	per installation	\$18,418.51	\$20,260.36
647	3 Span- Business Hours	per installation	\$19,096.13	\$21,005.74
648	3 Span - After Hours	per installation	\$24,143.93	\$26,558.32
649	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - Business Hours	per installation	\$1,303.11	\$1,433.42
650	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - After Hours	per installation	\$1,644.49	\$1,808.94
651	Installation of LV Fuse Switch Disconnecter for LVABC Replacement Work- Business Hours	per installation	\$1,498.02	\$1,647.82

Code	Description	Unit	GST exclusive price	GST inclusive price
652	Installation of LV Fuse Switch Disconnecter for LVABC Replacement Work- After Hours	per installation	\$1,839.40	\$2,023.34
653	Installation of LV termination cross- arm for LVABC Replacement Work - Business Hours	per installation	\$1,515.07	\$1,666.58
654	Installation of LV termination cross- arm for LVABC Replacement Work - After Hours	per installation	\$1,895.38	\$2,084.92
655	Installation of LV double strain cross -arm for LVABC Replacement Work - Business Hours	per installation	\$1,737.79	\$1,911.57
656	Installation of LV double strain cross -arm for LVABC Replacement Work - After Hours	per installation	\$2,321.18	\$2,553.30
657	1 Way 630A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - Business Hours	per installation	\$798.22	\$878.04
658	1 Way 630A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - After Hours	per installation	\$867.36	\$954.10
659	1 Way 1000A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - Business Hours	per installation	\$913.13	\$1,004.44
660	1 Way 1000A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - After Hours	per installation	\$982.29	\$1,080.52
661	1 Way 1250A Jean Muller Installation for consumer mains termination work - Business Hours	per installation	\$4,283.37	\$4,711.71
662	1 Way 1250A Jean Muller Installation for consumer mains termination work - After Hours	per installation	\$4,387.09	\$4,825.80
663	1 Way Weber POE Kit Installation for consumer	per installation	\$2,606.15	\$2,866.77

Code	Description	Unit	GST exclusive price	GST inclusive price
	mains termination work-Business Hours			
664	1 Way Weber POE Kit Installation for consumer mains termination work-After Hours	per installation	\$2,675.30	\$2,942.83
665	3 Way Weber POE Kit Installation for consumer mains termination work - Business Hours	per installation	\$3,400.63	\$3,740.69
666	3 Way Weber POE Kit Installation for consumer mains termination work - After Hours	per installation	\$3,469.78	\$3,816.76
667	Holec Fuse Kit Installation for Termination of Consumer Mains - Business Hours	per installation	\$303.54	\$333.89
668	Holec Fuse Kit Installation for Termination of Consumer Mains - After Hours	per installation	\$372.68	\$409.95

#### Notes to Table 5.4

- \* These charges also apply where Evoenergy responds to a customer initiated call out and determines that the premise 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 consumer 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 supply and installation officer. Excludes streetlight controller isolation work by 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 to apply separately.

Following submission of the Revised Regulatory Proposal in November 2018, we 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 currently in use 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 two 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 – 2020/21 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 Draft Decision sets out the formula for quoted services,<sup>65</sup> which was unchanged in the Final Decision:<sup>66</sup>

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

The labour component is based on the Final Decision maximum raw labour rates<sup>67</sup> for 2021/22. The 2021/22 rates are set out in Table 5.6.

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

Evoenergy labour category	AER labour category	AER maximum allowable 2021/22 hourly rates*
Office support service delivery	Admin	\$186.83
Electrical apprentice	Field Worker	\$220.64
Electrical worker	Technician	\$263.77
Electrical worker - labourer	Field Worker	\$217.85
Project officer design section	Engineer	\$316.17
Senior technical officer/engineer design section	Senior Engineer	\$362.69

\*As per AER 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."<sup>68</sup>

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. Each component is summarised below.

<sup>65</sup> AER 2018, *Draft Decision Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-17 (accepted in the AER's Final Decision).

<sup>66</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

<sup>67</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 15 Alternative control services, April 2019, p. 15-20.

<sup>68</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 15: Alternative Control Services, April 2019, page 15-20

- 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.<sup>69</sup>

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<sup>69</sup> 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).



## 6. Pricing principles

This section sets out the way tariffs have been set to ensure they comply with each of the pricing principles in the Rules.<sup>70</sup>

### 6.1 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 signal to customers the forward-looking costs of meeting additional demand or the 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. Our approach to estimating LRMC is set out in its TSS.<sup>71</sup>

### 6.2 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 (i.e. residential and LV commercial consumers). 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 consumers. 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, are 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 2021/22 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 Cost
Residential	\$16,326,708	\$67,911,747	\$138,526,458
Commercial Low Voltage	\$7,720,717	\$69,664,672	\$129,920,467
High Voltage	\$612,334	\$9,282,937	\$122,812,085

### 6.3 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 that encourage efficient use of the network by consumers.

This principle has three parts:

1. to enable the recovery of total efficient costs;

<sup>70</sup> *National Electricity Rules*, Clause 6.18.5

<sup>71</sup> *Evoenergy, Revised Regulatory Proposal 2019–24*, Attachment 1: Revised Proposed Tariff Structure Statement, November 2018, p. 31.

2. that the revenue from each tariff reflects the total efficient cost of providing services to those consumers; and
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 our revised TSS, such that the expected revenue from all tariffs is in accordance with the AER's distribution determination. We will also ensure that tariffs reflect the total efficient costs of serving each consumer assigned to each tariff by basing tariffs on LPMC.

## 6.4 Consideration of consumer impacts

Tariffs are to be developed in line with a consumer impact principle that requires network businesses to consider the impact on consumers of changes in network prices and to develop price structures that are able to be understood by consumers, as per clause 6.18.5(h) of the Rules.

We have considered the consumer impacts of changing network tariffs in determining how to allocate residual costs and how to transition consumers to cost-reflective prices over time. We have carefully considered consumer impacts in developing the network tariffs for 2021/22.

The proposed 2021/22 increase in network and metering charges would increase the electricity network bill for an average residential customer consuming 7,500 kWh on the Residential Basic network tariff by \$5.44 per week (excluding GST), a real increase of 36.3 per cent<sup>72</sup> (37.5 per cent nominal). The annual change in the network bill (by network bill component) is shown in Figure 6.1.

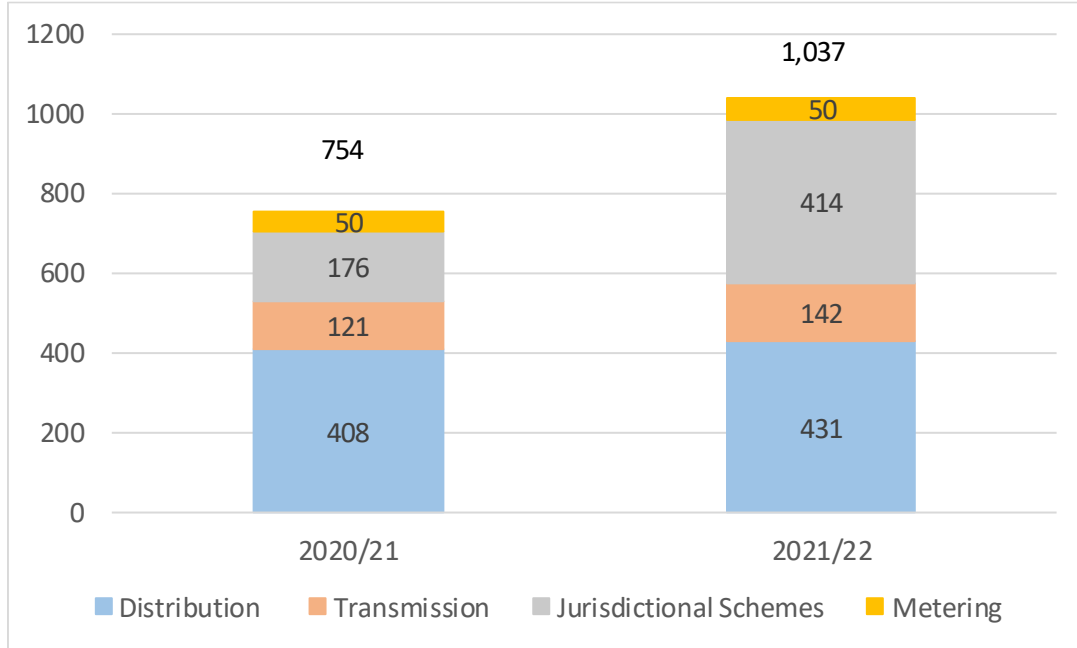
For a commercial customer consuming 30,000 kWh per annum on the General Network tariff, the network and metering charges would increase their electricity network bill by \$31.87 per week (excluding GST) implying an increase of 40.7 per cent in real terms<sup>73</sup> (41.9 per cent nominal increase). The annual change in the network bill (by network bill component) is shown in Figure 6.2.

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<sup>72</sup> This real bill impact is calculated using CPI of 0.86 per cent (December quarter 2020 CPI /December quarter 2019 CPI).

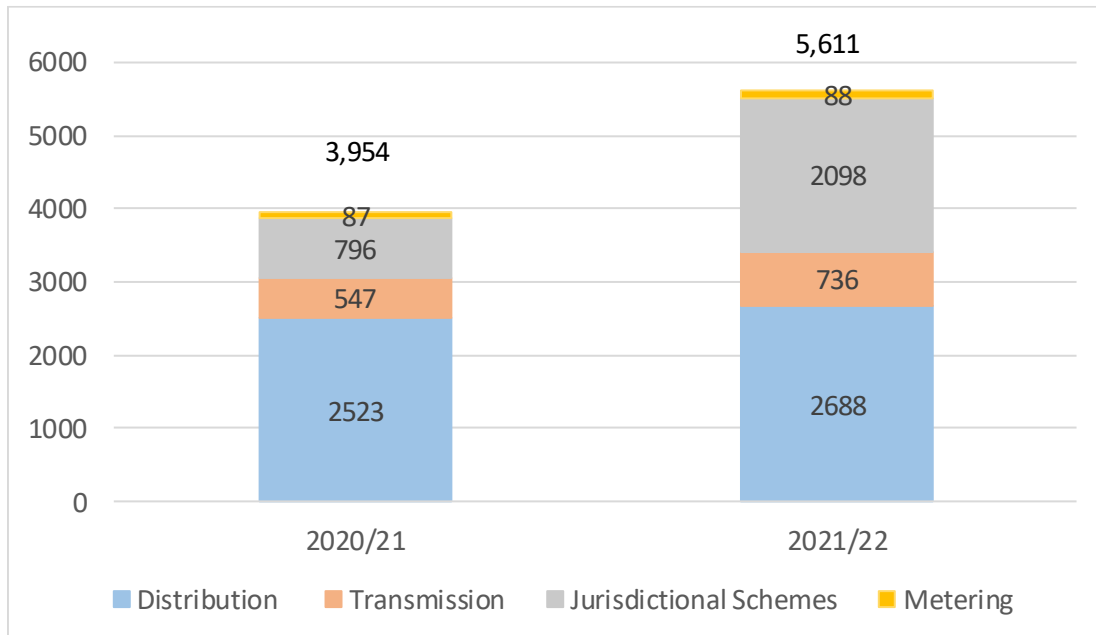
<sup>73</sup> *Ibid.*

**Figure 6.1 Actual 2020/21 and proposed 2021/22 residential annual NUOS bill (nominal, excluding GST)**



Note: Based on Residential Basic tariff with consumption of 7,500 kWh a year.

**Figure 6.2 Actual 2020/21 and proposed 2021/22 LV commercial annual NUOS bill (nominal, excluding GST)**



Note: Based on General Network tariff with consumption of 30,000 kWh a year.

## 6.5 Capable of being understood

We have designed tariffs to ensure they are reasonably capable of being understood by consumers, in accordance with clause 6.18.5(i) of the Rules. Evoenergy has developed information and educational material on its website to help customers understand the kW demand tariffs<sup>74</sup> introduced in December 2017.

Over time, as many network businesses across Australia move towards more cost-reflective tariff structures, consumer 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 those costs.

## 6.6 Tariffs comply with jurisdictional obligations

As per Clause 6.18.5(j) of the Rules, 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. In line with ACT Government requirements, we recover the cost of jurisdictional schemes in the ACT. These jurisdictional schemes are recovered in NUOS tariffs.

In November 2017, the ACT Government amended the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (ACT) to include a requirement that the ACT electricity distributor (Evoenergy) apply by 31 December of each year for a determination of the reasonable costs for the large FiT scheme for the following financial year. The reasonable costs determination specifies the costs Evoenergy can recover in respect of the large feed-in tariff scheme and administration costs.

The ACT Government also executed a notifiable instrument in March 2018 to allow for repayments and recoveries for the large scale FiT and administration costs to be reconciled over a period of up to five years, beginning in the year for which a reasonable costs determination is applied.<sup>75</sup>

The first reasonable costs determination was issued in March 2018, which determined Evoenergy's costs for 2018/19. The second, third and fourth reasonable costs determinations were issued in January 2019, 2020 and 2021, respectively. These determined Evoenergy's costs for 2019/20, 2020/21, and 2021/22 respectively. Evoenergy have complied with these determinations by setting revenue for the large scale FiT equal to the amounts provided in the reasonable costs determination. This is reflected in our 2018/19, 2019/20, 2020/21, and 2021/22 (current) pricing proposals.

Further detail on revenues and payments for the large-scale FiT is provided in section 2.3.

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<sup>74</sup> <https://www.evoenergy.com.au/residents/pricing-and-tariffs/peak-demand-tariffs>

<sup>75</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT), Notifiable Instrument NI2018-130.

## 7. Volume forecasting methodology

Forecasts of customer numbers, energy consumption and demand which are used to prepare the annual network tariffs are determined at an individual tariff level using monthly quantities which are aggregated to provide an annual forecast. The forecasts are generally based on linear trend analysis combined with a top down review process.

### 7.1 Customer Numbers forecast

Forecasts of customer numbers are developed using a trend analysis of each tariffs' past actual customer numbers. The historical time period used to develop the trend forecast is generally five years but varies for more recently introduced tariffs and changes to tariff assignment policies. The average of each tariffs' monthly customer number over a financial year provides the annual customer numbers for each tariff.

### 7.2 Energy consumption forecast

Historically, monthly energy consumption in the ACT has followed a seasonal pattern, resulting from consistently rising and falling temperatures throughout each year, combined with an underlying historical trend. To forecast energy consumption, each tariff's energy consumption trend and seasonality component is separated and projected forward. The projected monthly seasonality components are applied to the projected trend to provide the forecast energy consumption per customer. Forecast customer numbers are then applied to the trend to calculate the monthly forecast energy consumption for each tariff. Each tariffs' forecast monthly energy consumption is summed over a financial year to calculate the forecast annual consumption.

### 7.3 Demand forecast

Some tariffs contain a demand component which has also historically displayed both seasonal and trend characteristics in proportion to energy consumption. Demand is forecast by separating its trend proportional to energy consumption and seasonality components. These components are individually forecast and then combined proportionally to forecast energy consumption resulting in the monthly demand forecast. The sum of each tariffs' monthly demand over a financial year calculates the annual demand.

### 7.4 Top down review

Annualised customer, consumption and demand forecasts are compared against historical actual data to ensure any material changes are justified.

Tariffs that were introduced relatively recently, such as the kW demand tariffs, may require top-down adjustment as there is insufficient historical data. For some HV commercial tariffs, where expected new customer assignment to the tariff is known, the forecast of customer numbers is adjusted accordingly.

The top down review assessed and adjusted the forecasts for COVID-19 impacts. The adjusted forecasts reflect the expectation that as consumer patterns recover and consolidate from the initial phases of the pandemic, commercial consumption will return to trend while residential consumption per capita will decline as more people return to work at their workplace rather than from home.

# Attachment 1: 2021/22 NUOS tariffs charges

Table A.1 sets out Evoenergy's proposed charges for 2021/22 including metering capital and non-capital charges. Table 4.1 set out the proposed 2021/22 prices (and forecast revenue) for NUOS components: DUOS, TUOS, and JS. The table below (A.1) adds proposed metering capital and non-capital charges to these NUOS charges.

**Table A.1 2021/22 NUOS tariff charges, including metering (nominal)**

Description	Units	Network Charges excl. metering	Metering Capital	Metering non-capital	Network Charges incl. metering
<b>Residential Tariffs</b>					
<b>010 Residential Basic Network</b>					
Network access charge	cents/day	29.111	9.270	4.560	42.941
Energy at any time	cents/kWh	11.742			11.742
<b>011 Residential Basic Network XMC*</b>					
Network access charge	cents/day	29.111		4.560	33.671
Energy at any time	cents/kWh	11.742			11.742
<b>015 Residential TOU Network</b>					
Network access charge	cents/day	29.111	9.270	4.560	42.941
Energy consumption at max times	cents/kWh	19.364			19.364
Energy consumption at mid times	cents/kWh	10.614			10.614
Energy consumption at economy times	cents/kWh	5.200			5.200
<b>016 Residential TOU Network XMC</b>					
Network access charge	cents/day	29.111		4.560	33.671
Energy consumption at max times	cents/kWh	19.364			19.364
Energy consumption at mid times	cents/kWh	10.614			10.614
Energy consumption at economy times	cents/kWh	5.200			5.200
<b>020 Residential 5000 Network</b>					
Network access charge	cents/day	52.616	9.270	4.560	66.446
Energy consumption for the first 60 kWh per day	cents/kWh	10.034			10.034
Energy consumption above 60 kWh per day	cents/kWh	11.742			11.742
<b>021 Residential 5000 Network XMC</b>					
Network access charge	cents/day	52.616		4.560	57.176
Energy consumption for the first 60 kWh per day	cents/kWh	10.034			10.034
Energy consumption above 60 kWh per day	cents/kWh	11.742			11.742
<b>025 Residential Demand Network</b>					
Network access charge	cents/day	29.110	9.270	4.560	42.940
Energy consumption	cents/kWh	4.657			4.657
Peak period maximum demand	c/kW/day	23.243			23.243
<b>026 Residential Demand Network XMC</b>					

Description	Units	Network Charges excl. metering	Metering Capital	Metering non-capital	Network Charges incl. metering
Network access charge	cents/day	29.110	9.270	4.560	42.940
Energy consumption	cents/kWh	4.657			4.657
Peak period maximum demand	c/kW/day	23.243			23.243
<b>030 Residential with Heat Pump Network</b>					
Network access charge	cents/day	99.950	9.270	4.560	113.780
Energy consumption for the first 165 kWh per day	cents/kWh	7.994			7.994
Energy consumption above 165 kWh per day	cents/kWh	11.743			11.743
<b>031 Residential with Heat Pump Network XMC</b>					
Network access charge	cents/day	99.950		4.560	104.510
Energy consumption for the first 165 kWh per day	cents/kWh	7.994			7.994
Energy consumption above 165 kWh per day	cents/kWh	11.743			11.743
<b>060 Off-Peak (1) Night Network</b>					
Energy at controlled times	cents/kWh	3.543			3.543
<b>070 Off-Peak (3) Day &amp; Night Network</b>					
Energy at controlled times	cents/kWh	5.204			5.204
<b>LV Commercial Tariffs</b>					
<b>040 General Network</b>					
Network access charge	cents/day	53.238	16.200	7.980	77.418
Energy consumption for the first 330 kWh per day	cents/kWh	17.761			17.761
Energy consumption above 330 kWh per day	cents/kWh	23.071			23.071
<b>041 General Network XMC</b>					
Network access charge	cents/day	53.238		7.980	61.218
Energy consumption for the first 330 kWh per day	cents/kWh	17.761			17.761
Energy consumption above 330 kWh per day	cents/kWh	23.071			23.071
<b>135 Small Unmetered Loads Network</b>					
Network access charge	cents/day	43.291			43.291
Energy consumption	cents/kWh	17.689			17.689
<b>080 Streetlighting Network</b>					
Network access charge	cents/day	53.566	16.200	7.980	77.746
Energy consumption	cents/kWh	12.129			12.129
<b>081 Streetlighting Network XMC</b>					
Network access charge	cents/day	53.566		7.980	61.546
Energy consumption	cents/kWh	12.129			12.129
<b>090 General TOU Network</b>					
Network access charge	cents/day	53.238	16.200	7.980	77.418
Energy consumption at business times	cents/kWh	24.483			24.483



Description	Units	Network Charges excl. metering	Metering Capital	Metering non-capital	Network Charges incl. metering
Energy consumption at evening times	cents/kWh	15.482			15.482
Energy consumption at off-peak times	cents/kWh	7.002			7.002
<b>091 General TOU Network XMC</b>					
Network access charge	cents/day	53.238		7.980	61.218
Energy consumption at business times	cents/kWh	24.483			24.483
Energy consumption at evening times	cents/kWh	15.482			15.482
Energy consumption at off-peak times	cents/kWh	7.002			7.002
<b>101 LV TOU kVA Demand Network</b>					
Network access charge per connection point	cents/day	59.818	130.760	65.000	255.578
Maximum demand charge	c/KVA/day	49.277			49.277
Energy consumption at business times	cents/kWh	12.473			12.473
Energy consumption at evening times	cents/kWh	6.885			6.885
Energy consumption at off-peak times	cents/kWh	3.747			3.747
<b>103 LV TOU Capacity Network</b>					
Network access charge per connection point	cents/day	59.818	130.760	65.000	255.578
Maximum demand charge	c/KVA/day	22.155			22.155
Capacity charge	c/KVA/day	22.155			22.155
Energy consumption at business times	cents/kWh	12.321			12.321
Energy consumption at evening times	cents/kWh	6.799			6.799
Energy consumption at off-peak times	cents/kWh	3.700			3.700
<b>104 LV TOU kVA Demand Network XMC</b>					
Network access charge per connection point	cents/day	59.818		65.000	124.818
Maximum demand charge	c/KVA/day	49.277			49.277
Energy consumption at business times	cents/kWh	12.473			12.473
Energy consumption at evening times	cents/kWh	6.885			6.885
Energy consumption at off-peak times	cents/kWh	3.747			3.747
<b>105 LV TOU Capacity Network XMC</b>					
Network access charge per connection point	cents/day	59.818		65.000	124.818
Maximum demand charge	c/KVA/day	22.155			22.155
Capacity charge	c/KVA/day	22.155			22.155
Energy consumption at business times	cents/kWh	12.321			12.321
Energy consumption at evening times	cents/kWh	6.799			6.799
Energy consumption at off-peak times	cents/kWh	3.700			3.700
<b>106 LV Demand Network</b>					
Network access charge	cents/day	53.238	16.200	7.980	77.418
Energy consumption	cents/kWh	8.853			8.853
Peak period maximum demand	c/kW/day	49.982			49.982



Description	Units	Network Charges excl. metering	Metering Capital	Metering non-capital	Network Charges incl. metering
<b>107 LV Demand Network XMC</b>					
Network access charge	cents/day	53.238		7.980	61.218
Energy consumption	cents/kWh	8.853			8.853
Peak period maximum demand	c/kW/day	49.982			49.982
<b>HV Commercial Tariffs</b>					
<b>111 HV TOU Demand Network</b>					
Network access charge per connection point	\$/day	21.864			21.864
Maximum demand charge	c/KVA/day	17.421			17.421
Capacity charge	c/KVA/day	17.421			17.421
Energy consumption at business times	cents/kWh	10.155			10.155
Energy consumption at evening times	cents/kWh	5.769			5.769
Energy consumption at off-peak times	cents/kWh	3.359			3.359
<b>121 HV TOU Demand Network – Customer LV</b>					
Network access charge per connection point	\$/day	21.864			21.864
Maximum demand charge	c/KVA/day	17.420			17.420
Capacity charge	c/KVA/day	17.420			17.420
Energy consumption at business times	cents/kWh	9.130			9.130
Energy consumption at evening times	cents/kWh	5.400			5.400
Energy consumption at off-peak times	cents/kWh	3.246			3.246
<b>122 HV TOU Demand Network – Customer HV and LV</b>					
Network access charge per connection point	\$/day	21.864			21.864
Maximum demand charge	c/KVA/day	14.728			14.728
Capacity charge	c/KVA/day	14.728			14.728
Energy consumption at business times	cents/kWh	9.129			9.129
Energy consumption at evening times	cents/kWh	5.398			5.398
Energy consumption at off-peak times	cents/kWh	3.246			3.246

## Attachment 2: Indicative NUOS tariffs for future regulatory years

Table A.2 sets out Evoenergy's proposed charges for 2021/22 and indicative NUOS charges for the future regulatory years of the 2019-24 regulatory control period.

**Table A.2 Indicative NUOS tariffs for future regulatory years (nominal): proposed 2021/22 and indicative 2022/23 and 2023/24**

Tariff	Unit	2021/22 Proposed	2022/23 Indicative	2023/24 Indicative
<b>010 Residential Basic Network</b>				
Network access charge	cents/day	29.11	30.00	30.91
Energy consumption	cents/kWh	11.74	12.13	11.93
<b>015 Residential TOU Network</b>				
Network access charge	cents/day	29.11	30.00	30.91
Energy consumption at max times	cents/kWh	19.36	19.94	19.32
Energy consumption at mid times	cents/kWh	10.61	11.00	10.94
Energy consumption at economy times	cents/kWh	5.20	5.39	5.36
<b>020 Residential 5000 Network</b>				
Network access charge	cents/day	52.62	54.21	55.86
Energy consumption for the first 60 kWh per day	cents/kWh	10.03	10.37	10.16
Energy consumption above 60 kWh per day	cents/kWh	11.74	12.13	11.93
<b>025 Residential Demand Network</b>				
Network access charge	cents/day	29.11	29.99	30.91
Energy consumption	cents/kWh	4.66	4.79	4.52
Peak period maximum demand	cents/kW	23.24	24.12	24.59
<b>030 Residential with Heat Pump Network</b>				
Network access charge	cents/day	99.95	102.99	106.12
Energy consumption for the first 165 kWh per day	cents/kWh	7.99	8.26	8.06
Energy consumption above 165 kWh per day	cents/kWh	11.74	12.13	11.93
<b>040 General Network</b>				
Network access charge	cents/day	53.24	54.86	56.52
Energy consumption for the first 330 kWh per day	cents/kWh	17.76	18.34	18.07
Energy consumption above 330 kWh per day	cents/kWh	23.07	23.82	23.48
<b>135 Small Unmetered Loads Network</b>				
Network access charge	cents/day	43.29	44.61	45.96
Energy consumption	cents/kWh	17.69	18.26	18.05
<b>060 Off-Peak (1) Night Network</b>				
Energy consumption	cents/kWh	3.54	3.68	3.60

Tariff	Unit	2021/22 Proposed	2022/23 Indicative	2023/24 Indicative
<b>070 Off-Peak (3) Day &amp; Night Network</b>				
Energy consumption	cents/kWh	5.20	5.39	5.29
<b>080 Streetlighting Network</b>				
Network access charge	cents/day	53.57	55.19	56.87
Energy consumption	cents/kWh	12.13	12.53	12.38
<b>090 General TOU Network</b>				
Network access charge	cents/day	53.24	54.86	56.52
Energy consumption at business times	cents/kWh	24.48	24.30	24.71
Energy consumption at evening times	cents/kWh	15.48	16.87	16.04
Energy consumption at off-peak times	cents/kWh	7.00	7.63	7.25
<b>101 LV TOU kVA Demand Network</b>				
Network access charge per connection point	cents/day	59.82	61.64	63.51
Maximum demand charge	c/KVA/day	49.28	48.61	48.36
Energy consumption at business times	cents/kWh	12.47	13.18	12.98
Energy consumption at evening times	cents/kWh	6.89	7.27	7.16
Energy consumption at off-peak times	cents/kWh	3.75	3.96	3.90
<b>103 LV TOU Capacity Network</b>				
Network access charge per connection point	cents/day	59.82	61.64	63.51
Maximum demand charge	c/KVA/day	22.16	22.71	22.53
Capacity charge	c/KVA/day	22.16	22.71	22.53
Energy consumption at business times	cents/kWh	12.32	12.78	12.59
Energy consumption at evening times	cents/kWh	6.80	7.05	6.95
Energy consumption at off-peak times	cents/kWh	3.70	3.84	3.78
<b>106 LV Demand Network</b>				
Network access charge	cents/day	53.24	54.86	56.52
Energy consumption	cents/kWh	8.85	9.41	9.19
Peak period maximum demand	c/kW/day	49.98	49.61	49.78
<b>111 HV TOU Demand Network</b>				
Network access charge per connection point	\$/day	21.86	22.53	23.21
Maximum demand charge	c/KVA/day	17.42	18.37	18.40
Capacity charge	c/KVA/day	17.42	18.37	18.40
Energy consumption at business times	cents/kWh	10.16	10.40	10.16
Energy consumption at evening times	cents/kWh	5.77	5.91	5.77
Energy consumption at off-peak times	cents/kWh	3.36	3.44	3.36

Tariff	Unit	2021/22 Proposed	2022/23 Indicative	2023/24 Indicative
<b>121 HV TOU Demand Network – Customer LV</b>				
Network access charge per connection point	\$/day	21.86	22.53	23.21
Maximum demand charge	c/KVA/day	17.42	18.37	18.40
Capacity charge	c/KVA/day	17.42	18.37	18.40
Energy consumption at business times	cents/kWh	9.13	9.36	9.15
Energy consumption at evening times	cents/kWh	5.40	5.54	5.41
Energy consumption at off-peak times	cents/kWh	3.25	3.33	3.25
<b>122 HV TOU Demand Network – Customer HV and LV</b>				
Network access charge per connection point	\$/day	21.86	22.53	23.21
Maximum demand charge	c/KVA/day	14.73	15.66	15.71
Capacity charge	c/KVA/day	14.73	15.66	15.71
Energy consumption at business times	cents/kWh	9.13	9.36	9.15
Energy consumption at evening times	cents/kWh	5.40	5.54	5.41
Energy consumption at off-peak times	cents/kWh	3.25	3.33	3.25

**Note:** 2022/23 and 2023/24 indicative prices use a forecast WACC that is based on the Reserve Bank of Australia's latest CPI forecast and the AER's Final Decision real WACC (as per the PTRM in the Final Decision).

# Attachment 3: Compliance with regulatory requirements

Table A.3 provides a checklist of where the relevant requirements in the Rules are addressed in this Pricing Proposal.

**Table A.3 Compliance table**

Requirement	Coverage in this document
<b>6.18.2 Pricing proposals</b>	
(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 2019/20 and 2020/21.
(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 2021/22 other than those set out in this Pricing Proposal. Evoenergy does intend to introduce subthreshold tariffs during 2021/22, 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;	The explanation of how TUOS charges are passed on to customers, and Evoenergy's adjustment for over/under recovery of TUOS costs in 2020/2 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.
(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;	Section 2.1 provides an explanation of the way in which 2021/22 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	Section 4.5.2 demonstrates the variation between the proposed 2021/22 charges and the indicative

Requirement	Coverage in this document
<p>set out in the relevant indicative pricing schedule, or explain any material differences between them; and</p>	<p>2021/22 charges set out in the Revised TSS.</p>
<p>(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.</p>	<p>The nature and extent of the change in network tariffs is outlined in section 4.5.2.</p>
<p><b>6.18.5 Pricing principles</b></p>	
<p>(e) For each tariff class, the revenue expected to be recovered must lie on or between:</p> <ol style="list-style-type: none"> <li>(1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and</li> <li>(2) a lower bound representing the avoidable cost of not serving those retail customers.</li> </ol>	<p>Section 6.2</p>
<p>(f) Each tariff must be based on the long run marginal cost of providing the service to which it relates to the retail customers assigned to that tariff with the method of calculating such cost and the manner in which that method is applied to be determined having regard to:</p> <ol style="list-style-type: none"> <li>(1) the costs and benefits associated with calculating, implementing and applying that method as proposed;</li> <li>(2) the additional costs likely to be associated with meeting demand from retail customers that are assigned to that tariff at times of greatest utilisation of the relevant part of the distribution network; and</li> <li>(3) the location of retail customers that are assigned to that tariff and the extent to which costs vary between different locations in the distribution network.</li> </ol>	<p>Section 6.1</p>
<p>(g) The revenue expected to be recovered from each tariff must:</p> <ol style="list-style-type: none"> <li>(1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff;</li> <li>(2) when summed with the revenue expected to be received from all other tariffs, permit the Distribution Network Service Provider to recover the expected revenue for the relevant services in accordance with the applicable distribution determination for the Distribution Network Service Provider; and</li> <li>(3) comply with sub-paragraphs (1) and (2) in a way that minimises distortions to the price signals for efficient usage that would result from tariffs that comply with the pricing principle set out in paragraph (f).</li> </ol>	<p>Section 6.3 and Table 4.1.</p>
<p>(h) A Distribution Network Service Provider must consider the impact on retail customers of changes in tariffs from the previous regulatory year and may vary tariffs from those that comply with paragraphs (e) to</p>	<p>Section 6.4</p>

Requirement	Coverage in this document
<p>(g) to the extent the Distribution Network Service Provider considers reasonably necessary having regard to:</p> <ol style="list-style-type: none"> <li>(1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one regulatory control period);</li> <li>(2) the extent to which retail customers can choose the tariff to which they are assigned; and</li> <li>(3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their usage decisions.</li> </ol> <p>(i) The structure of each tariff must be reasonably capable of being understood by retail customers that are assigned to that tariff, having regard to:</p> <ol style="list-style-type: none"> <li>(1) the type and nature of those retail customers; and</li> <li>(2) the information provided to, and the consultation undertaken with those retail customers.</li> </ol> <p>(j) A tariff must comply with the Rules and all applicable regulatory instruments.</p>	<p>Section 6.5</p> <p>Section 6.6</p>