

Evoenergy 2018/19 Network Pricing Proposal

Submission to the Australian Energy Regulator

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Attachment 1: Compliance with regulatory requirements

Overview

Evoenergy offers customers a range of network tariff options across three tariff classes—residential, commercial low voltage and high voltage. Customers are able to choose the tariff that best suits their needs, subject to some eligibility requirements as set out in this document.

On 1 January 2018, in accordance with the Australian Energy Regulator's (AER's) revised Ring-fencing Guideline, ActewAGL Distribution's energy networks business changed its name to Evoenergy. The electricity networks business operates the poles, wires, cables, substations and other infrastructure that deliver electricity safely and reliably to homes and businesses.

The new name reflects the evolution that is taking place in the energy industry and Evoenergy's ambition to evolve with the industry to ensure that it continues to offer its customers the safe, reliable and sustainable energy solutions they want and need.

Following the publication of the AER's Final Decision ActewAGL distribution determination 2015-16 to 2018-19 (2015 Determination) on 30 April 2015, Evoenergy applied to the Australian Competition Tribunal (Tribunal) for merits review and the Federal Court for judicial review of the 2015 Determination. In February 2016, the Tribunal decided to set aside the AER's 2015 Determination. In March 2016 the AER applied to the Full Federal Court for judicial review of the Tribunal's decision to set aside the 2015 Determination. In May 2017 the Full Federal Court published its decision upholding the Tribunal on several issues, requiring the AER to remake its Final Determination for the 2014 to 2019 period. The AER initiated the remaking of the Final Determination in August 2017 and has indicated that it expects to make its Final Determination before the end of December 2018¹.

In the absence of a Final Determination, Evoenergy agreed to proffer an Enforceable Undertaking to the AER to determine network prices for 2016/17, without submitting a formal Pricing Proposal. Given the outcome of the Federal Court proceedings was still unknown at the time, Evoenergy again agreed to proffer an Enforceable Undertaking to the AER to determine network prices for 2017/18. These Undertakings were intended to ameliorate uncertainty for customers about the determination of network prices and the legal effect of the non-price provisions of the set aside 2015 Determination.

Given the remaking of the Final Determination is currently in progress and the AER has indicated that it will remake its decision by December 2018, Evoenergy has again agreed to proffer an Enforceable Undertaking to the AER to determine network pricing for 2018/19. In response to a request from the AER, Evoenergy has also prepared this Pricing Proposal which includes the details regarding the derivation of network prices for 2018/19.

In 2017/18, the first Tariff Structure Statement was implemented². This included the introduction of new residential and low voltage (LV) commercial demand tariffs from 1 December 2017, as approved by the AER³, following the commencement of the Metering Rule changes as a result of the Australian Energy Market Commission's (AEMC's) *Power of Choice* reforms.

The proposed network tariffs and charges for 2018/19 are set in accordance with the relevant requirements in the National Electricity Rules (Rules) and the associated 2018/19 Enforceable Undertaking.

¹ AER (Oct 2017) Issues Paper Remitted decisions for NSW/ACT 2014-19 electricity distribution determinations Operating Expenditure p 6.

² <http://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/pricing-proposals-tariffs/actewagl-tariff-structure-statement-2017>

³ <http://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/pricing-proposals-tariffs/actewagl-tariff-structure-statement-2017/final-decision>

The proposed distribution use of system (DUOS) charges for 2018/19 are 0.10 cents per kWh, or 2.1 per cent in nominal terms, higher on average than the DUOS charges for 2017/18. Transmission use of system (TUOS) charges, levied on Evoenergy by TransGrid, are 0.53 cents per kWh, or 49 per cent in nominal terms, higher on average than the charges for 2017/18. The charges for jurisdictional schemes⁴, primarily reflecting ACT Government renewables policies, are 0.41 cents per kWh, or 17 per cent in nominal terms, lower on average than the charges for 2017/18.

The proposed network use of system (NUOS) charges (comprising DUOS, TUOS, charges for jurisdictional schemes) for 2018/19 are, on average 0.21 c/kWh, or 2.7 per cent in nominal terms, higher than the average NUOS charges for 2017/18.

Evoenergy estimates that the proposed 2018/19 network and metering charges will increase the electricity network bill for an average residential customer, consuming 7000 kWh per annum on the Residential Basic network tariff, by \$0.37 per week (including GST)—a real increase of 0.8 per cent (2.8 per cent nominal). For a commercial customer consuming 30 MWh per annum on the General Network tariff, the proposed network and metering price increases would increase the electricity network bill by \$2.20 per week (including GST)—implying a 1.0 per cent real increase in network prices (3.0 per cent nominal increase).

⁴ Jurisdictional schemes are expenses incurred by Evoenergy pursuant to ACT Government requirements, such as the feed-in tariff.

1. Introduction

1.1 Purpose and scope of the document

This document provides the required information on the tariffs and charges to apply to Evoenergy's regulated network services from 1 July 2018 to 30 June 2019. A checklist of the regulatory requirements and where they are met in this document is provided in Attachment 1.

Evoenergy has prepared this document in anticipation of the AER accepting an Enforceable Undertaking in respect of pricing for 1 July 2018 to 30 June 2019 substantially in the same terms as the draft Undertaking Evoenergy provided to the AER on 26 March 2018. Evoenergy reserves its right to revisit its pricing for 2018/19 in the event this does not occur.

The document contains tariffs and charges for Evoenergy's standard control services provided by its distribution network and alternative control services, as classified in the AER's Final Decision ActewAGL Distribution Determination 2014-15 to 2018-19 (Final Decision). It also contains tariffs and charges for the recovery of designated pricing proposal charges and jurisdictional scheme amounts. Charges for Evoenergy's alternative control services are also set out in this Pricing Proposal.

Separate regulatory control mechanisms apply to standard control and alternative control services, so separate price schedules must be determined. The combined standard control (network) and metering prices are also provided in this document.

As well as setting out the proposed network tariffs and charges, and demonstrating compliance with the relevant Rules⁵ and the 2018/19 Enforceable Undertaking, the pricing proposal includes explanations of the basis for the 2018/19 tariff structure and the tariff setting process. While this information is not required under the pricing provisions in the Rules, Evoenergy believes that transparency and promoting consumer awareness are important, and the annual network pricing proposal provides a useful vehicle for achieving this.

1.2 Background

The AER is responsible for the economic regulation of distribution services provided by Evoenergy. The average annual smoothed revenue (AAR) for Evoenergy's standard control services from 2015/16 has been inflated by Consumer Price Index (CPI) for three subsequent years to calculate an adjusted average annual revenue cap (AARC) for 2018/19. Alternative control services include metering and ancillary network services. In 2018/19, ancillary network service charges continue to be based on the Final Decision⁶. Specifically, these charges will increase by 3.17 per cent in nominal terms (applying the change in CPI of 1.95 per cent and the X factor of -1.22).

Annual metering charges are split into two components:

- a capital component that is applied to customers who were connected prior to 30 June 2015; and
- a non-capital component that is applied to customers connected prior to 30 June 2015 and also 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 a type 4 meter (after 1 December 2017).

Annual metering charges (capital and non-capital) are escalated by CPI only in 2018/19.

⁵ National Electricity Rules, chapter 6.

⁶ Australian Energy Regulator, *Final Decision ActewAGL distribution Determination*, Attachment 16, Tables 16.17 and 16.22 inflated by CPI. 30 April 2015.

In November 2014 the AEMC published its final determination on amendments to the distribution network pricing rules⁷. The new rules required Evoenergy to submit its first Tariff Structure Statement (TSS) to the AER in November 2015. A revised version of the TSS was submitted on 4 October 2016, and was approved by the AER on 28 February 2017⁸. During 2015/16 and 2016/17, Evoenergy engaged with consumers, via its Energy Consumer Reference Council and other forums, on its future tariff structure. A copy of Evoenergy's proposed and revised TSS is published on the Evoenergy website⁹. This pricing proposal includes the new kW demand tariffs, which were developed as part of Evoenergy's first TSS, in accordance with the new chapter 6 pricing principles.

This document should be read in conjunction with Evoenergy's TSS and the associated 2018/19 Enforceable Undertaking, as they set out in detail the basis of the costs that are reflected in Evoenergy's proposed tariffs and charges.

1.3 Structure of the document

Evoenergy's tariff structure for standard control services is set out in chapter 2.

The proposed network tariffs and charges for Evoenergy's standard control services for 2018/19 are presented in chapter 3. The chapter includes a discussion of the changes relative to 2017/18.

The structure and basis of Evoenergy's charges for alternative control (ancillary network services and metering) services, the proposed charges for 2018/19 and the changes relative to 2017/18 are presented and explained in chapter 4.

Indicative estimates of the likely impacts of the price changes on average customer electricity bills are provided in chapter 5, together with a statement about the review of tariffs.

Chapter 6 provides indicative 2019/20 prices while chapter 7 compares the indicative 2018/19 prices contained in the first TSS to the actual 2018/19 prices.

⁷ AEMC 2014, *National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014, Final Determination*, November

⁸ <http://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/pricing-proposals-tariffs/actewagl-tariff-structure-statement-2017/final-decision>

⁹ <https://www.evoenergy.com.au/residents/pricing-and-tariffs>

2 The structure and basis of Evoenergy's network tariffs

The Rules (clause 6.18.2) require a description of the tariff classes¹⁰ and tariffs that are to apply in 2018/19. For each tariff within a tariff class, the charging parameters¹¹ and the elements of service to which they relate must also be set out in the pricing proposal.

2.1 Network tariff structure

Evoenergy offers network tariffs in three tariff classes:

- Residential;
- Commercial low voltage (LV); 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)). 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, Evoenergy has developed a suite of network tariffs that effectively meets the diverse needs of its customer base, encourages efficient use of the network and signals the costs of future network expansion.

Each of the tariffs has been reviewed to base them on the long run marginal cost (LRMC) of the network (as per clause 6.18.5(f) of the Rules). This approach is discussed in more detail in section 2.4.

Customers are able to choose the option which best suits their needs, subject to the eligibility criteria set out in Tables 2.1 to 2.3 below.

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

- Network access charges—these apply per customer for residential customers and per connection point for commercial customers. They involve a fixed daily charge and do not vary with electricity consumption or capacity.
- 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 at off-peak periods).
- Maximum demand charges—these involve a charge per unit of maximum demand (in c/kVA/day or c/kW/day¹²). The maximum demand is the highest demand recorded over a 30 minute interval during the billing period.
- Capacity charges—these apply on the same basis as maximum demand charges, but are for the maximum demand recorded over a 30-minute interval during the previous 12 months.

¹⁰ 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”.

¹¹ Charging parameters are defined as “the constituent elements of a tariff” in chapter 10 of the *National Electricity Rules*.

¹² c/kVA/day refers to cents per kilo-volt ampere per day, and c/kW/day refers to cents per kilowatt per day

The tariffs and charging parameters for each tariff class are shown in the following tables (2.1 to 2.3). The tables include an explanation of the purpose of each tariff and the customers to which each tariff may apply.

2.1.1 Network tariffs for residential customers

Residential consumers are currently offered a choice of two network tariff options, plus two controlled load off-peak options:

- Residential kW Demand;
- Residential time of use (TOU);
- Off-peak (1); and
- Off-peak (3).

On 1 December 2017, coinciding with the introduction of smart meters, Evoenergy introduced a **Residential kW demand** tariff that provides residential customers a more cost-reflective option than existing residential tariffs. This became Evoenergy's default residential tariff and enabled residential customers to more actively manage and control the size of the distribution component of their electricity bills by considering when and how they use electricity. The demand tariff includes a fixed component, an anytime energy consumption component, and a demand component. The demand component applies a demand charge to a customer's maximum half-hourly demand (measured in kilowatts) during the hours of 5 pm to 8 pm daily during a billing period. Half-hourly demand is calculated from each half hourly time interval (i.e. 5:30pm, 6:00pm, 6:30pm, 7:00pm and 7:30pm).

Customers have the option of opting out to the Residential Time-of-Use (TOU) tariff.

The introduction of the Residential kW Demand tariff was established to coincide with the introduction of Type 4 meters (smart meters) from 1 December 2017. Only customers who have a Type 4 meter installed from 1 December 2017 are assigned, by default, to the demand tariff.

Evoenergy also offers residential consumers the **Residential TOU** tariff. This tariff provides an opportunity and an incentive for consumers with the necessary metering capability to respond to network price signals at different times of the day¹³ and manage their electricity bill in line with the costs they impose on the network. The Residential TOU tariff was the default tariff for all new residential connections from 1 July 2010 to 30 November 2017.

The **Off-peak tariffs** (codes 060 and 070) can be used in conjunction with the Residential kW Demand or Residential TOU tariffs. The Off-peak tariffs which apply to controlled loads will continue to be offered, as these supplementary tariffs encourage usage at off-peak times.

From 1 December 2017, the following tariffs were closed to new Evoenergy consumers because they were not sufficiently cost reflective.

- Residential Basic Network (code 011)
- Residential 5000 Network (code 021)
- Residential with Heat Pump Network (code 031)

Customers assigned to these tariffs may remain on them until they receive a Type 4 meter. Evoenergy's assignment policy means that because consumers 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.

Evoenergy's residential network tariff structure is shown in Table 2.1.

¹³ This statement assumes the retailer preserves the network tariff structure in the final retail charge.

Table 2.1 Network tariff structure: residential

Tariff	Charging parameters	Explanation
Residential basic network	Network access charge (c/day/customer) Energy charge (c/kWh)	<p>The residential basic network tariff is available to installations at private dwellings, excluding serviced apartments, but including:</p> <ul style="list-style-type: none"> • 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. <p>The energy charge varies neither with the level of consumption nor the time of day. However, customers on this tariff are also eligible for the off-peak tariffs.</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 ¹⁴	Network access charge (c/day/customer) Energy at max times, i.e. 7 am to 9 am and 5 pm to 8 pm every day (c/kWh) Energy at mid times, i.e. 9 am to 5 pm and 8 pm to 10 pm every day (c/kWh) Energy at economy times, i.e. all other times (c/kWh)	<p>This tariff is available to residential customers (as defined above) and to electric vehicle recharge facilities on residential premises with a meter able to be read as a TOU meter.</p> <p>The energy charges relate to the supply of network services at various times. Higher rates apply at max or peak times to encourage users to shift their load to off-peak periods. Customers on this tariff are also eligible for the controlled load off-peak tariffs. Residential customers with a meter with two registers capable of providing TOU consumption data from each register may have the TOU charges applied separately to each register.</p>
Residential with heat pump	Network access charge (c/day/customer) Energy for the first 165 kWh/day (c/kWh) Energy above 165 kWh (c/kWh)	<p>This tariff is only available to residential customers with a reverse cycle air conditioner. An inclining block structure applies (i.e. higher energy rates for the second block of energy).</p> <p>The lower energy rate is set to recover the incremental cost of energy load on the network as a demand management tool to lower winter peak loads and improve utilisation of the network in summer and so improve overall network utilisation.</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
Residential 5000 network	Network access charge (c/day/customer) Energy for the first 60 kWh/day (c/kWh) Energy above 60 kWh/day (c/kWh)	<p>This tariff is designed for residential customers who have large continuous (rather than time controlled) loads, such as electric hot water systems, and consume over 5,000 kWh per annum.</p> <p>The energy charges relate to the supply of network services above and below certain volume thresholds. An inclining block structure applies (i.e. higher energy rates for the second block of energy).</p> <p>The lower energy rate is limited to consumption up to 60 kWh per day, reflecting a typical domestic usage profile. This is sufficient to cover the energy requirements of many residential customers.</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>

¹⁴ All times for metering are Australian Eastern Standard Time.

Tariff	Charging parameters	Explanation
Residential kW demand	<p>Network access charge (c/kW/day)</p> <p>Energy charge (c/kWh)</p> <p>Maximum demand (in billing period) (c/kW/day)</p>	<p>This tariff is available to residential customers from 1 December 2017 who have a Type 4 (i.e. 'smart') meter installed.</p> <p>The energy charge varies neither with the level of consumption nor the time of day. Customers on this tariff are also eligible for the off-peak tariffs.</p> <p>The demand charge is based on a customer's maximum half hourly demand (measured in kilowatts) during the maximum demand window of 5 pm to 8 pm daily, during a calendar month billing period. Half-hourly demand is calculated from each half hourly time interval (i.e. 5:30pm, 6:00pm, 6:30pm, 7:00pm and 7:30pm).</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	<p>Energy at controlled times, i.e. between 10 pm and 7 am (c/kWh)</p>	<p>The Off-peak (1) night charge is available only to consumers utilising a controlled load element, and taking all other energy at residential basic network, residential TOU, residential demand, general network, general TOU or LV commercial kW demand tariff rates. The Off-peak (1) night charge is applicable to permanent heat (or cold) storage; electric vehicle recharge; and CNG vehicle gas compression installations. The design and rating must be acceptable to Evoenergy. The installation must use most energy during the controlled times but may be boosted at the principal charge, or charges, at other times.</p> <p>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>
Off-peak (3) day and night network	<p>Energy at controlled times, i.e. between 10 pm and 7 am and 9 am and 5 pm (c/kWh)</p>	<p>Available only to customers utilising a controlled load element, and taking all other energy at residential basic network, residential TOU, residential demand, general network, general TOU or LV commercial kW demand tariff rates. This charge is applicable to permanent heat (or cold) storage installations. The design and rating must be acceptable to Evoenergy.</p> <p>The Off-peak (3) day and night network energy rate applies to power supplied for up to 13 hours per day between 10 pm and 7 am and again between 9 am and 5 pm.</p>
Renewable energy generation	<p>Energy charges (c/kWh)</p>	<p>This tariff applies to customers with grid connected solar or wind energy generation systems. Different arrangements apply to customers participating in the ACT feed-in tariff scheme, in accordance with the <i>Electricity Feed-in (Renewable Energy Premium) Act 2008</i> (ACT). Net metering applies to new PV customers since July 2013.</p>

2.1.2 Network tariffs for low voltage commercial customers

LV commercial customers are currently offered four main tariff options:

- General TOU tariff;
- LV kW Demand tariff
- LV TOU kVA Demand tariff; and
- LV TOU Capacity tariff.

From 1 December 2017, LV commercial customers that move to new premises with a remotely read (Type 4) meter, or whose meter is replaced with a Type 4 meter, will be assigned to the **LV kW Demand** tariff by default. This was a change from Evoenergy's previous policy that assigned new connections to the General TOU tariff. Customers have the choice to opt out of the LV kW Demand tariff to the General TOU, kilovolt ampere (kVA) Demand or Capacity

tariffs. The LV kW Demand tariff has the same structure as the Residential kW Demand tariff. That is, the LV kW Demand tariff includes a fixed component, an anytime energy consumption component, and a peak demand component. The demand component applies a demand charge to a customer's maximum half-hourly demand (measured in kilowatts) during the hours of 7 am and 5 pm on weekdays during a billing period. Half-hourly demand is calculated from each half hourly time interval within the maximum demand window (i.e. 7:30am, 8am, 8:30am, etc.).

This assignment policy means that the **General network** tariff will eventually become obsolete. This is because, over time, all LV commercial customers will have their meters replaced with a Type 4 meter which will mean they are assigned to the LV kW Demand tariff (with an opt-out provision to other cost-reflective tariffs).

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

Evoenergy sets different tariffs for commercial LV and HV customers, recognising the different costs associated with supplying each group. Within the LV commercial tariff class, a range of tariff options has been developed to meet the diverse needs of commercial customers.

Three of the LV commercial options involve capacity and/or maximum demand charges, in conjunction with consumption charges. Customers able to improve their load factor²² have an incentive to choose a tariff with a demand or capacity charge and thereby reduce their electricity bills. These tariffs are designed to lower consumers' network costs if they have a sufficiently large load (for the network cost savings to offset the higher cost of interval metering) and if their load factor is suitable (to ensure that the demand costs do not offset the lower energy charges).

Evoenergy's LV commercial network tariff structure is shown in Table 2.2.

Table 2.2 Network tariff structure: LV commercial

Tariff	Charging parameters	Explanation
General network	<p>Network access charge (c/day/customer)</p> <p>Energy for the first 330 kWh/day (c/kWh)</p> <p>Energy above 330 kWh/day (c/kWh)</p>	<p>The energy charge varies with the level of consumption, but not with the time of day.</p> <p>This tariff may be used in conjunction with the off-peak tariffs.</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
General TOU network	<p>Network access charge (c/day/customer)</p> <p>Energy at business times* (c/kWh)</p> <p>Energy at evening times (c/kWh)</p> <p>Energy at off-peak times (c/kWh)</p>	<p>The energy charges relate to supply of energy at different times, with lower rates 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 kVA demand network	<p>Network access charge (c/day/connection point).</p> <p>Maximum demand (in billing period) (c/kVA/day)</p> <p>Energy at business times* (c/kWh)</p> <p>Energy at evening times (c/kWh)</p> <p>Energy at off-peak times (c/kWh)</p>	<p>This tariff is appropriate for customers with an average or stable commercial load.</p> <p>The demand charge is based on a customer's maximum half hourly demand (measured in kilowatts) during the maximum demand window of 7 am to 5 pm weekdays, during a calendar month billing period. Half-hourly demand is calculated from each half hourly time interval within the maximum demand window (i.e. 7:30am, 8:00am, 8:30am, etc.).</p> <p>The energy charges relate to supply of energy at different times, with lower rates 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. It is not available to customers with an embedded generation (other than micro generation) system.</p>
LV TOU capacity network	<p>Network access charge (c/day/connection point)</p> <p>Maximum demand (in billing period) (c/kVA/day)</p> <p>Capacity (max demand in last year) (c/kVA/day)</p> <p>Energy at business times* (c/kWh)</p> <p>Energy at evening times (c/kWh)</p> <p>Energy at off-peak times (c/kWh)</p>	<p>This tariff is open to all LV customers and is intended to reward those customers with seasonally stable loads. It is prescribed for LV customers with embedded generation. The tariff provides an incentive for customers with embedded generation to manage their output and their down times (e.g. for servicing) so as to minimise their demand on the network.</p>

Tariff	Charging parameters	Explanation
LV kW Demand network	<p>Network access charge (c/day/connection point)</p> <p>Energy charge (c/kWh)</p> <p>Maximum demand (in billing period) (c/kW/day)</p>	<p>This tariff is available to LV commercial customers from 1 December 2017 who have a Type 4 (i.e. 'smart') meter installed.</p> <p>The energy charge varies neither with the level of consumption nor the time of day. Customers on this tariff are also eligible for the off-peak tariffs.</p> <p>The demand charge is based on a customer's maximum half hourly demand (measured in kilowatts) during the maximum demand window of 7 am to 5 pm week days, during a calendar month billing period.</p> <p>This tariff became the default tariff for LV commercial customers with a Type 4 meter from 1 December 2017.</p>
Streetlighting	<p>Network access charge (c/day/customer)</p> <p>Energy at any time (c/kWh)</p>	<p>This tariff applies to the night-time lighting of streets and public ways and places.</p>
Small unmetered loads	<p>Network access charge (c/day/customer)</p> <p>Energy at any time (c/kWh)</p>	<p>This tariff applies to eligible installations as determined by Evoenergy, including:</p> <ul style="list-style-type: none"> • telephone boxes • telecommunication devices; and • other, as determined by the National Metrology Coordinator. <p>Energy charges are calculated based on the assessed rating of the load and the charge period.</p>

* 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.

2.1.3 Network tariffs for high voltage customers

To qualify for the HV commercial demand network tariffs, consumers must take their energy at high voltage (nominal voltage not less than 11 kV) and make a capital contribution towards their connection assets. HV commercial consumers have the option of owning and operating their own HV assets.

Evoenergy's HV commercial network tariff structure is shown in Table 2.3.

Table 2.3 Network tariff structure: HV commercial

Tariff	Charging parameters	Explanation
HV TOU Demand Network (111)	<p>Network access charge (c/day/connection point)</p> <p>Max demand (in billing period) (c/kVA/day)</p> <p>Capacity (max demand in past year) (c/kVA/day)</p> <p>Energy at business times* (c/kWh)</p> <p>Energy at evening times (c/kWh)</p> <p>Energy at off-peak times (c/kWh)</p>	<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 demand charge is applied to the maximum demand in the billing period while the capacity charge is applied to the maximum demand in the previous 12 months.</p> <p>The capacity charge encourages the consumer to monitor and manage their peak demand over the year, while the demand charge continues to encourage consumers to manage their capacity requirements each month.</p> <p>The energy charges relate to supply of network services at different times, with lower rates 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>

Tariff	Charging parameters	Explanation
HV TOU Demand Network – Customer LV (121)	Network access charge (c/day/connection point) Max demand (in billing period) (c/kVA/day) Capacity (max demand in past year) (c/kVA/day) Energy at business times* (c/kWh) Energy at evening times (c/kWh) Energy at off-peak times (c/kWh)	<p>This network tariff is appropriate for large customers taking supply at high voltage where the customer owns and is fully responsible for their own LV network.</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>The demand charge is applied to the maximum demand in the billing period while the capacity charge is applied to the maximum demand in the previous 12 months.</p> <p>The capacity charge encourages the consumer to monitor and manage their peak demand over the year, while the demand charge continues to encourage consumers to manage their capacity requirements each month.</p> <p>The energy charges relate to supply of network services at different times, with lower rates 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>
HV TOU Demand Network – Customer HV and LV (122)	Network access charge (c/day/connection point) Max demand (in billing period) (c/kVA/day) Capacity (max demand in past year) (c/kVA/day) Energy at business times* (c/kWh) Energy at evening times (c/kWh) Energy at off-peak times (c/kWh)	<p>This network tariff is appropriate for large customers taking supply at high voltage where the customer owns and is fully responsible for their own LV network and where the customer owns and is responsible for their HV assets (including transformers and switch gear).</p> <p>The network access charge relates to the connection services provided to the customer</p> <p>The demand charge is applied to the maximum demand in the billing period while the capacity charge is applied to the maximum demand in the previous 12 months.</p> <p>The capacity charge encourages the consumer to monitor and manage their peak demand over the year while the demand charge continues to encourage consumers to manage their capacity requirements each month.</p> <p>The energy charges relate to supply of network services at different times, with lower rates 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>

* 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.

2.1.4 Ancillary network charges

In addition to the network tariffs set out above, Evoenergy offers a range of ancillary network services. The structure of each ancillary service charge depends on the type of service. Some services are charged on a per visit basis, others per installation or per test. The charges for ancillary network services are set in accordance with the 2018/19 Undertaking and the AER's Final Decision. For example, separate rates apply for temporary connections depending on whether they relate to an overhead or underground connection, as these will involve different costs. Ancillary network services and metering services charges are discussed in chapter 4.

2.2 Pricing strategy

Evoenergy has developed and refined its network tariff structure over time, guided by its pricing strategy which has been informed by the consumer engagement process. The strategy involves:

- setting prices to signal to customers the economic costs of providing distribution services;
- providing incentives and opportunities for demand management;

- ensuring that tariffs are set to recover costs in a way that encourages efficient use of the network and signals to customers the cost of network expansion;
- offering customers a clear and simple tariff structure, noting the need to take account of the ability of different customer groups to respond to price signals and the need to keep transaction costs low; and
- enabling technologies that are necessary to introduce more cost-reflective tariffs.

Evoenergy's pricing strategy has accommodated the development of innovative tariffs and significant customer responses. For example, in line with the strategies of setting cost reflective prices and providing opportunities and incentives for demand management, Evoenergy has introduced demand tariffs, which are the default tariff for all new residential and commercial customers.

The application of maximum demand and capacity charges in several commercial tariff options has further strengthened price signals to customers, providing incentives to use the network more efficiently and resulting in significant customer responses. The maximum demand charges signal to customers the relatively high cost of providing capacity to meet demand and provide incentives to customers to improve both their load factor (that is, spread their load more evenly) and power factor (which allows the existing network to deliver more energy).

These price signals have been effective demand management tools and have allowed Evoenergy to keep network augmentation costs to a minimum. To continue this transition towards more cost-reflective tariffs, Evoenergy reformed the network tariff structure to include more cost-reflective tariffs in its first TSS. A summary of the approved changes resulting from the first TSS (applicable in 2017/18 and 2018/19) are listed below.

- Residential customers — A new demand tariff for residential customers whose premises are fitted with a type 4 meters. This was effective from 1 December 2017 in line with the metering rule change¹⁵. For customers with type 4 meters, Evoenergy improved the alignment of their tariff levels to the estimates of long run marginal cost of supply.
- Low voltage commercial customers — A new peak period demand tariff for LV commercial customers whilst continuing to offer existing cost-reflective tariffs for customers in this tariff class.
- High voltage commercial customers — Given that HV commercial consumers already have a highly cost-reflective network tariff structure, Evoenergy maintained the existing tariff structure for HV commercial consumers and consolidated the number of tariffs from four to three.

2.3 Consistency with the pricing principles in the Rules

In this subsection, the manner in which tariffs have been set to ensure they comply with each of the pricing principles in the Rules¹⁶ is set out.

2.3.1 Tariffs to be based on the 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

¹⁵ AEMC, National Electricity Amendment (Expanding competition in metering and related services) Rule 2015, 26 November 2015.

¹⁶ National Electricity Rules, Clause 6.18.5

prices signal to customers the forward-looking costs of meeting additional demand or the savings from reduced demand.

In order to be compliant with Clause 6.18.5 (f) of the Rules, all network tariffs have been reviewed to be based on the LRMC of providing electricity network services. Network businesses have flexibility about how they measure their LRMC.

The approach to basing tariffs on LRMC is outlined in more detail in Section 2.4.

2.3.2 There are no cross subsidies between tariff classes

The Rule changes retain the existing pricing principle that is designed to avoid cross-subsidies between different classes of consumers (that is, residential and commercial consumers). This principle requires the revenues recovered from each tariff class to lie 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 large cross-subsidies between tariff classes, consistent with Clause 6.18.5 (e).

The results for avoidable and stand-alone costs are shown in Table 2.4. The table also shows that average 2018/19 distribution use-of-system (DUOS) revenue for each tariff class lies within the range established by avoidable costs and standalone costs. The tariffs therefore comply with the requirement in clause 6.18.5(e) of the Rules.

Table 2.4 Avoidable and standalone costs 2018/19 (\$'000)

Tariff Classes	Avoidable Cost	DUOS Charges	Stand Alone Cost
Residential	11,499	57,375	120,052
Commercial Low Voltage	15,546	70,445	124,098
High Voltage	128	7,906	108,680
Total		135,726	

2.3.3 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 customers. This principle has three parts:

1. to enable the recovery of total efficient costs;
2. that the revenue from each tariff reflects the total efficient cost of providing services to those consumers; and
3. that revenue is recovered in a way that minimises distortions to consumers' usage decisions consistent with Clause 6.18.5 (g).

Each year Evoenergy intends to adjust the price levels, such that the expected revenue from all tariffs is in accordance with the revenue allowance set out in an Undertaking or Final Determination. Evoenergy will also ensure that tariffs reflect the total efficient costs of serving each customer assigned to each tariff by basing tariffs on LRMC, hence minimising the distortions to price signals.

2.3.4 Consideration of consumer impacts

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

The consumer impacts of changing network tariffs have been carefully considered in determining how to transition consumers to cost reflective tariffs over time. As stated by the AEMC, it is important that clear, understandable and stable network prices, in accordance with the principles in the network pricing Rules, facilitate the ability of consumers to receive and respond to future price signals¹⁷.

Evoenergy has carefully considered consumer impacts in developing the network tariffs for 2018/19. Specifically, bill impacts are estimated in Section 5.

2.3.5 Capable of being understood

Evoenergy has designed tariffs with to ensure they are “reasonably capable of being understood by retail customers¹⁸”, in accordance with Clause 6.18.5 (i).

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

2.3.6 Tariffs comply with jurisdictional obligations

As per Clause 6.18.5 (j), 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, Evoenergy recovers the cost of jurisdictional schemes in the ACT. These jurisdictional schemes are recovered in network use-of-system (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 reasonable costs for the large feed-in tariff scheme for the following financial year.

The ACT Government also executed a notifiable instrument¹⁹ 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 are applied²⁰. In accordance with the ACT Government’s legislative requirements and subsequent correspondence with the ACT Government, Evoenergy will spread the 2017/18 large scale FiT over recovery across three years, commencing in 2018/19.

2.4 The price setting process

The process of setting network prices according to the associated 2018/19 Undertaking involves the following steps.

1. Determine the maximum revenue to be recovered through distribution use of system (DUOS) charges, as described in section 2.4.1 below.
2. Determine the total amount of the LRMC which is to be recovered in each tariff (section 2.4.2).

¹⁷ AEMC 2014, *National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014*, Rule Determination, p.12

¹⁸ National Electricity Rules, Clause 6.18.5 (i)

¹⁹ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT).

²⁰ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT), Notifiable Instrument NI2018-130.

3. Determine the prices to be applied to each component of each tariff so as to recover the LRM C for each tariff. This process of setting the DUOS charges for each tariff class is described in section 2.4.3 below.
4. Allocate transmission use of system (TUOS) and jurisdictional scheme (JS) charges to tariff classes. These together with the metering capital (MC) charge are combined to form the total network charges (DUOS+TUOS+JS+MC) to apply for each tariff class. The process of allocating TUOS charges and jurisdictional scheme costs is described in section 2.4.4 below. Section 4.3 explains why the metering capital charge is included in the network charge.

2.4.1 Revenue to be recovered through DUOS charges

In accordance with the 2018/19 Enforceable Undertaking, the average annual smoothed revenue for 2017/18 (in c/kWh) is escalated by CPI for 2018/19 (1.95 per cent) to calculate an AAR for 2018/19 of \$0.04648 per kWh. This 2018/19 AAR is converted to a smoothed revenue for 2018/19 by multiplying it by the 2016/17 throughput (in kWh). Approved cost pass-throughs (positive or negative) are then added to this total smoothed revenue. However, Evoenergy is not applying any cost pass-throughs as part of this pricing proposal. The resulting value is the total annual revenue requirement to be recovered through the 2018/19 DUOS charges when they are applied to the 2016/17 customer numbers and throughput profile for each tariff.

The relevant values for each of these components and the calculation of the DUOS cap for 2018/19 are provided in chapter 3.

2.4.2 Determine LRM C

The LRM C for a network service can be calculated in a number of different ways. Evoenergy uses the Average Incremental Cost (AIC) approach, which is underpinned by a business' forecast of the change it expects to incur in its future costs (numerator) as a result of its forecast change in demand for its service/s (denominator), with both the numerator and denominator discounted back to create a net present value (NPV). The AIC approach ensures that if the underlying demand and cost forecasts eventuate, the NPV of revenue generated over the evaluation period from the implementation of LRM C-based tariffs will equal the NPV of the costs that Evoenergy incurs.

Using the AIC approach derives an LRM C estimate that is based on \$/kVA. Evoenergy's approach to applying LRM C to network tariffs is unchanged from the approach set out in Evoenergy's first Tariff Structure Statement²¹. In determining the total LRM C to be applied to each tariff:

- the maximum demand for the total load on each tariff was estimated; and then
- the LRM C was applied to these maximum demands to determine the total LRM C to be recovered within each tariff.

The maximum demand for each tariff was calculated by applying an estimate of the annual load factor for each tariff to the energy consumed under each tariff. For the residential tariffs, the annual load factor was estimated using the residual load profile less an assumed load profile for small non-residential consumers.

In estimating the load factors, Evoenergy recognised that it was also necessary to take into account other relevant factors. These include the standard of supply to different tariff classes, the fact that off peak loads are unlikely to have an effect on the LRM C of the network, and that

²¹ <https://www.evoenergy.com.au/residents/pricing-and-tariffs>

high voltage consumers make a capital contribution towards their high voltage asset and towards upstream augmentation.

The adjusted load factors were applied to the energy consumption for each tariff to determine the maximum demand of the load for each tariff. If the maximum demand for all tariffs is aggregated, they are necessarily larger than the system peak because the peak for different tariffs or even tariff classes, don't occur simultaneously. In the same way, the estimated maximum demand for each tariff would not occur simultaneously. For this reason, a diversity factor is applied to lower the maximum demand of all tariffs so that when the diversified maximum demand is applied to the LRMC, the tariffs recover those costs to comply with the revenue allowance set according to the Undertaking. More detail regarding the determination of LRMC is contained in Attachment 1 of Evoenergy's first TSS²².

2.4.3 Determine DUOS prices

When setting the levels of the tariff components that make up each tariff, slightly different approaches have been adopted, depending on whether a tariff has a demand component or not. These approaches are described below.

Non-demand based tariffs

Where a tariff does not have a demand tariff component, Evoenergy has generally sought to retain fixed charges at similar levels to what they were in the previous year, and adjusted the energy charge so that the average revenue generated from that tariff equals the LRMC for consumers on that tariff. In relation to tariffs that do not have a demand tariff component, the approach should not materially distort consumption or investment decisions.

Demand based tariffs

Each charging component within the overall network tariff has been set on the basis that the overall network tariff is on a price path to fully reflect the LRMC. Where a tariff has a demand tariff component, the demand rate is based on the LRMC, with a transition path to a fully cost reflective levels over time. The energy and fixed components of the tariff were set using existing flat and time-of-use tariffs' energy and fixed component levels as a starting point to move towards LRMC. In this way, consumers' bill impacts have been taken into account. The energy charges are set to become more cost-reflective over time, subject to a transition period. The fixed charges are set after determining the demand and energy charges, to recover the residual of the revenue requirement that is not recovered through demand or energy charges.

When setting prices for the two new demand tariffs, Evoenergy uses representative samples of demand data. For the residential sample, Evoenergy established a process of collecting demand data from a sample of residential customers on a quarterly basis. For the commercial sample, Evoenergy draws on the demand data that is already collected for small LV commercial customers that are on the kVA based demand tariff.

These samples of demand data combined with network usage load profiles assist Evoenergy to set charges for each of the demand tariff component in a way that ensures a clear price signal is given to customers about when the use of the network is likely to bring forward the need for investment in additional capacity. Further, the data sample enabled a comparison of a typical electricity network bill on a flat, time-of-use and demand tariff to analyse customer impacts.

The AER determines the revenue that Evoenergy is allowed to collect via distribution charges. The change in approach to setting DUOS prices (i.e. basing tariffs on LRMC, as per the Rule change in clause 6.18.5 (f)) does not change Evoenergy's revenue allowance.

²² Ibid.

The approaches to demand and non-demand based tariffs have ensured that tariffs are based on the LRMC and generate revenue that complies with the DUOS revenue allowance as set out in the Undertaking.

2.4.4 Allocating transmission use of system charges and jurisdictional scheme costs

Transmission use of system (TUOS) costs comprise Evoenergy's regulated revenue from its dual function assets, avoided TUOS payments to embedded generators and TUOS charges paid to TransGrid and other transmission network service providers (TNSPs). In addition, there are adjustments each year through Evoenergy's overs and unders account to ensure that charges recover only the costs incurred.

The relatively large over recovery of TUOS revenue in 2016/17 (due to a CPI increase in TUOS prices, as per the Undertaking, rather than the activation of the under and overs account and the reduction in charges paid to TransGrid and other TNSPs), resulted in an overall decrease in TUOS charges for 2017/18. In 2018/19, TUOS revenue is returning to a standard level, resulting in an overall increase in TUOS charges for 2018/19. Evoenergy recovers TUOS costs in its energy charges and, where appropriate, in its demand and capacity charges.

Jurisdictional scheme costs are allocated to network energy charges, so customers pay in proportion to the amount of energy they consume. The allocation of jurisdictional scheme costs involves some weighting for peak and off-peak energy use in tariffs containing a time-of-use energy component. This is because if the jurisdictional charges were the same for peak, shoulder and off-peak energy, it would change the relativities between these energy consumption charges, resulting in a diluted price signal.

3 Network tariffs for 2018/19

3.1 The average and annual smoothed revenue cap for standard control services

3.1.1 Revenue to be recovered through DUOS charges

Evoenergy's standard control service prices are regulated using an average annual smoothed revenue (AAR) cap. The AAR for 2018/19 calculated according to the 2018/19 Enforceable Undertaking is \$0.04648 per kWh. For 2018/19 the X factor is assumed to be 0 per cent. The CPI of 1.95 per cent (for 2018/19) is applied to the allowed average revenue (AAR) for 2017/18 to calculate the AAR in 2018/19. The calculations of the AAR are shown in Table 3.1.

Table 3.1 Calculation of the Allowable Average Revenue 2018/19

	AAR previous year	X Factor	Sum of CPI indices	CPI	AAR
2016/17	\$0.04435	0.00%	430.7	1.51%	\$0.04502
2017/18	\$0.04502	0.00%	436.2	1.28%	\$0.04559
2018/19	\$0.04559	0.00%	444.7	1.95%	\$0.04648

Note that, while the CPI is shown as a percentage to 2 decimal places, the actual CPI figures applied to the AAR are calculated based on the sum of the CPI indices for each year divided by the sum of the CPI indices for the previous year²³. Similarly, the AAR figures are not rounded.

3.1.2 Calculation of the revenue cap for DUOS prices

The AAR is applied to the actual energy transported in the previous full financial year to establish an average revenue cap for the following financial year. Therefore, the prices for 2018/19 are based upon energy transported in 2016/17. The actual energy transported in the 2016/17 financial year was 2,920,140,086 kWh. This is multiplied by the AAR for 2018/19 of \$0.04648 per kWh, to give the revenue ceiling for standard control services delivered in 2018/19 of \$135,725,516.

The calculation of the revenue to be recovered from 2018/19 distribution use of system (DUOS) charges is shown in Table 3.2.

Table 3.2 Calculation of the revenue cap for DUOS prices 2018/19

Allowable average revenue (\$/kWh)		A	\$0.04648
Energy sales ACT (kWh)	2016/17	B	2,920,140,086
Allowable revenue cap for standard control services		$C = A \times B$	\$135,725,516

Note: The AAR shown in this table has been rounded to 5 decimal places. The calculations have been made without rounding.

²³ NER Chapter 10, Glossary.

3.2 Distribution use of system charges

Evoenergy's proposed DUOS prices for 2018/19 are shown in Table 3.3. These prices would have recovered \$135,725,505 on the actual customer, demand and energy quantities recorded in the 2016/17 financial year. The proposed distribution prices are, therefore, within the DUOS annual revenue cap of \$135,725,516.

The table shows the tariff classes that are to apply in 2018/19 and the tariffs for each tariff class. The charging parameters for each tariff are set out together with the service to which each charging parameter relates. All prices exclude GST unless otherwise stated. The 2018/19 notional revenue numbers shown in the table are the proposed charges multiplied by the relevant quantities for the previous financial year (2016/17).

Table 3.3 Distribution use of system charges 2018/19

Code	Description	Units	2016/17	2018/19	2018/19
			kWh /Cust No. / kVA	Proposed Charges	Notional Revenue
RESIDENTIAL TARIFFS					
010	Residential Basic Network				
	Network access	c/day/customer	131,174	26.630	\$12,750,013
	Energy at any time	c/kWh	840,953,396	3.756	\$31,586,210
015	Residential TOU Network				
	Network access	c/day/customer	30,171	26.630	\$2,932,601
	Energy at max times	c/kWh	46,953,906	8.380	\$3,934,737
	Energy at mid times	c/kWh	69,248,598	2.549	\$1,765,147
	Energy at economy times	c/kWh	46,717,555	0.350	\$163,511
020	Residential 5000 Network				
	Network access	c/day/customer	4,050	48.130	\$711,453
	Energy for the first 60 kWh per day	c/kWh	32,828,019	2.456	\$806,256
	Energy above 60 kWh per day	c/kWh	856,400	3.756	\$32,166
025	Residential Demand Network				
	Network access charge	cents/day	1	26.630	\$97
	Energy consumption	cents/kWh	5,400	0.312	\$17
	Peak period maximum demand	c/kW/day	4	11.410	\$176
030	Residential with Heat Pump Network				
	Network access	c/day/customer	5,118	91.430	\$1,708,132
	Energy for the first 165 kWh per day	c/kWh	69,417,707	0.996	\$691,400
	Energy above 165 kWh per day	c/kWh	561,253	3.756	\$21,081
060	Off-Peak (1) Night Network				
	Energy at controlled times	c/kWh	11,327,243	0.217	\$24,580
070	Off-Peak (3) Day & Night Network				
	Energy at controlled times	c/kWh	75,074,637	0.329	\$246,996
	Renewable Energy Generation				
	Gross metered energy	c/kWh	19,429,856	0.000	\$0
COMMERCIAL LOW VOLTAGE TARIFFS					
40	General Network				
	Network access	c/day/customer	12,132	48.700	\$2,156,516
	Energy for the first 330 kWh per day	c/kWh	226,258,761	7.073	\$16,003,282
	Energy above 330 kWh per day	c/kWh	16,652,100	10.437	\$1,737,980
135	Small Unmetered Loads Network				
	Network access	c/day/customer	24	39.600	\$3,451

	Energy at any time	c/kWh	1,449,168	7.861	\$113,919
080	Streetlighting Network				
	Network access	c/day/customer	21	49.000	\$3,755
	Energy for night time lighting of streets public ways & places	c/kWh	42,467,318	4.464	\$1,895,741
090	General TOU Network				
	Network access	c/day/customer	2,708	48.700	\$481,387
	Energy at business times	c/kWh	71,060,621	11.860	\$8,427,790
	Energy at evening times	c/kWh	30,993,993	4.568	\$1,415,806
	Energy at off-peak times	c/kWh	81,851,631	1.776	\$1,453,685
Low voltage time of use demand network					
101	LV TOU kVA Demand Network				
	Network access	c/day/connection point	1,854	54.719	\$370,351
	Maximum demand	c/kVA/day	205,274	35.860	\$26,868,058
	Energy at business times	c/kWh	339,943,349	1.910	\$6,492,918
	Energy at evening times	c/kWh	122,739,443	0.715	\$877,587
	Energy at off-peak times	c/kWh	376,645,770	0.264	\$994,345
103	LV TOU Capacity Network				
	Network access	c/day/connection point	46	54.719	\$9,088
	Maximum demand (in billing period)	c/kVA/day	6,081	16.720	\$371,085
	Capacity (maximum demand in last year)	c/kVA/day	7,469	16.720	\$455,806
	Energy at business times	c/kWh	11,682,437	1.910	\$223,135
	Energy at evening times	c/kWh	5,231,032	0.715	\$37,402
	Energy at off-peak times	c/kWh	18,085,934	0.264	\$47,747
106	LV Demand Network				
	Network access charge	cents/day	1	48.700	\$178
	Energy consumption	cents/kWh	67,909	0.930	\$632
	Peak period maximum demand	c/kW/day	22	35.970	\$2,874
HIGH VOLTAGE TARIFFS					
High voltage time of use demand network with Evoenergy low voltage network					
111	HV TOU Demand Network				
	Network access	\$/day/connection point	1	20.000	\$7,300
	Maximum demand (in billing period)	c/kVA/day	1,674	10.590	\$64,704
	Capacity (maximum demand in last year)	c/kVA/day	1,870	10.590	\$72,295
	Energy at business times	c/kWh	2,882,362	1.536	\$44,273
	Energy at evening times	c/kWh	1,207,435	0.498	\$6,013
	Energy at off-peak times	c/kWh	3,648,085	0.137	\$4,998
High voltage time of use demand network without Evoenergy low voltage network					
121	HV TOU Demand Network – Customer LV				
	Network access	\$/day/connection point	22	20.000	\$159,710
	Maximum demand (in billing period)	c/kVA/day	62,143	10.590	\$2,402,031
	Capacity (maximum demand in last year)	c/kVA/day	80,615	10.590	\$3,116,042
	Energy at business times	c/kWh	122,901,117	0.986	\$1,211,805
	Energy at evening times	c/kWh	47,183,085	0.298	\$140,606
	Energy at off-peak times	c/kWh	153,134,518	0.077	\$117,914

122 HV TOU Demand Network – Customer HV and LV				
Network access	\$/day/connection point	4	20.000	\$29,750
Maximum demand (in billing period)	c/kVA/day	5,556	9.090	\$184,325
Capacity (maximum demand in last year)	c/kVA/day	6,633	9.090	\$220,067
Energy at business times	c/kWh	9,971,176	0.986	\$98,316
Energy at evening times	c/kWh	4,670,725	0.298	\$13,919
Energy at off-peak times	c/kWh	16,038,148	0.077	\$12,349
Total				\$135,725,505
Total Customers		187,327		
Total Energy Consumption		2,920,140,086		

To show compliance with the AER's control mechanism, Evoenergy is required to demonstrate that the sum of the standard control services revenue using the prices for the pricing year and the quantities for the previous financial year divided by the quantity of energy in kWh transported over the previous financial year (2016/17) is less than or equal to the Average Annual Revenue Cap (AARC) for the pricing year.

The sum of DUOS charges is divided by the 2016/17 financial year energy transported in the ACT of 2,920,140,086 kWh, resulting in an average price of \$0.04648 per kWh (see Table 3.4). As the average price is equal to the AARC, the prices comply with the 2018/19 Enforceable Undertaking.

3.2.1 Side constraints

Table 3.4 sets out for each tariff class related to standard control services the expected weighted average DUOS revenue²⁴ for the regulatory year and the current year, as required by clause 6.18.2(b)(4) of the *Rules*.

Clause 6.18.6 of the *Rules* applies a side constraint on the expected weighted average revenue to be raised from tariff classes. The side constraint is given by the formula²⁵:

$$\frac{\sum_{j=1}^m d_t^j q_t^j}{\sum_{j=1}^m d_{t-1}^j q_t^j} \leq (1 + \Delta CPI_t)(1 - X_t)(1 + 2\%)(1 + S_t) \pm B_t$$

where:

The tariff class has up to 'm' components:

- d_t^j is the proposed price for component 'j' for year 't';
- d_{t-1}^{j-1} is the current price charged by the DNSP for component 'j' in regulatory

²⁴ This is the total DUOS revenue for each class divided by the total energy delivered to each class.

²⁵ Australian Energy Regulator, Attachment 14 Control Mechanism, ActewAGL final decision, page 14-15 to 14-16.

year 't-1';

- q_t^j is the forecast quantity of component 'j' of the tariff class in year t;
- X_t are the amounts as determined by the AER in table 17.8 of the final decision. If $X > 0$, then X will be set equal to zero for the purposes of the side constraint formula.
- ΔCPI_t means the all groups index number for the weighted average of eight capital cities as published by the ABS.
- X_t is the smoothing factor determined in accordance with the PTRM as approved in the AER's final decision, and annually revised for the return on debt update in accordance with the formula specified in the return on debt appendix I calculated for the relevant year. If $X > 0$, then X will be set equal to zero for the purposes of the side constraint formula. In 2018/19 the X factor is zero, in accordance with the Undertaking.
- B_t is the approved pass through amounts (positive or negative) with respect to regulatory year t, as determined by the AER.
- S_t is the STPIS factor sum of the raw s-factors for all reliability of supply and customer service parameters (as applicable) to be applied in year t.²⁶ S_t for 2018–19 is set at zero.

For 2018/19, the CPI is 1.95 per cent and the X factor is 0 per cent. Since there are no pass-throughs and STIPIS adjustments, the side constraint is 3.99 per cent, as set out below:

$$1.0195 * 1.02 = 1.0399$$

As shown in Table 3.4, the proposed average price increase for each of the three tariff classes is within the side constraint of 3.99 per cent.

Table 3.4 Weighted average DUOS revenue by tariff class

DUOS	Weighted Average Revenue c/kWh			
	2017/18	2018/19	Change	Change
Tariff Class	(c/kWh)	(c/kWh)	c/kWh	%
Residential Tariffs	4.57	4.73	0.16	3.6%
Commercial Low Voltage	5.18	5.24	0.06	1.1%
High Voltage	2.16	2.19	0.03	1.3%
Average	4.55	4.65	0.10	2.1%

3.3 Transmission use of system charges

The AER separately regulates transmission use of system (TUOS) charges. The CPI of 1.91²⁷ per cent and the X factor of 0 per cent (updated for the 2017/18 cost of debt) is applied to

²⁶ In the formulas in the STPIS attachment, the AR_{t+1} is equivalent to AR_t in this formula. Calculations of the S factor adjustment are to be made accordingly.

²⁷ The CPI applied to TUOS is the change in the CPI from December 2016 to December 2017, as per Figure 14.3 of the AER's Final Decision.

Evoenergy's regulated revenue from prescribed (transmission) services for 2017/18 of \$24,609,381²⁸ to determine the transmission revenue cap of \$24,976,698 for 2018/19. Evoenergy advised TransGrid of this revenue requirement and Transgrid subsequently advised Evoenergy of the transfer payments. These transfer payments, including Queanbeyan transmission charges, show that Evoenergy's net transmission charge to be paid to other TNSPs for 2018/19 is \$20.998 million. This net transfer was combined with the regulated revenue from prescribed (transmission) services and avoided TUOS payments to calculate Evoenergy's total transmission related payments of \$46.037 million in 2018/19.

Evoenergy's total TUOS charges are not part of its regulated revenue requirement for distribution standard control services. Clause 6.18.7(a) of the Rules allows Evoenergy to pass on to customers the charges to be incurred by Evoenergy for TUOS services. Clause 6.18.7(b) of the Rules says that the amount to be passed on must not exceed the estimated amount of the TUOS charges for the relevant regulatory year adjusted for under or over recovery in the previous regulatory year. Clause 6.18.7(c) describes the method to be applied in determining the extent of under or over recovery.

Table 3.5 TUOS overs and unders account (\$'000)

	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Estimate	Forecast
Revenue from TUOS charges	61,776	61,788	31,639	47,001
Evoenergy Dual Function Asset Revenue Cap	24,102	24,352	24,609	24,977
Net Transmission charges paid to TNSPs	34,535	22,709	26,932	20,998
Avoided TUOS payments	62	62	62	62
Inter-DNSP payments	0	0	0	0
Total transmission related payments	58,699	47,123	51,603	46,037
Over (under) recovery for the financial year	3,077	14,664	-19,964	964
Overs and unders account				
Annual rate of interest applicable to balances	6.41%	6.37%	6.31%	6.22%
Semi-annual interest rate	3.16%	3.14%	3.11%	3.06%
Opening Balance	-16	3,157	18,483	-936
Interest on opening balance	-1	201	1,166	-58
Over/under recovery for financial year	3,077	14,664	-19,964	964
Interest on over/under recovery	97	460	-620	30
Closing balance	3,157	18,483	-936	0

To demonstrate compliance with clause 6.18.7 of the Rules, Evoenergy is required to maintain a TUOS overs and unders account. Clause 6.18.2(b)(7) requires Evoenergy to provide information on this account as part of the annual pricing proposal. Table 3.5 provides details of the TUOS overs and unders account.

The forecast revenue requirement from TUOS charges for 2018/19 shown in Table 3.5 is \$47,000,902; an increase of 49 per cent compared to estimated TUOS revenue for 2017/18.

²⁸ As per Evoenergy's letter to the AER of 3 November 2016, the 2017/18 transmission revenue cap was adjusted by the 2016/17 cost of debt due to timing (as published in Evoenergy's 2017/18 Pricing Proposal). The 2017/18 transmission revenue cap has been revised to adjust for the actual 2017/18 cost of debt.

Evoenergy recovers TUOS charges from ACT consumers according to the energy they consume and, where possible, according to maximum demand in a month (and over the year where capacity charges apply). The cost allocations take into account the load profile of each customer class. The consumption profile used to calculate TUOS prices is the same 2016/17 consumption profile used to calculate DUOS prices. Also, the TUOS charges are adjusted for the over or under recovery of TUOS charges in the previous regulatory years.

The TUOS prices would have recovered revenue of \$47,000,901 under the 2016/17 profile as shown in Table 3.6.

Table 3.6 Transmission use of system charges 2018/19

Code	Description	Units	2016/17	2018/19	2018/19
			kWh /Cust No. / kVA	Proposed prices	Notional TUOS Revenue
RESIDENTIAL TARIFFS					
010	Residential Basic Network				
	Network access	cents/day	131,174	0.000	\$0
	Energy at any time	cents/kWh	840,953,396	1.594	\$13,401,433
015	Residential TOU Network				
	Network access	cents/day	30,171	0.000	\$0
	Energy at max times	cents/kWh	46,953,906	2.263	\$1,062,332
	Energy at mid times	cents/kWh	69,248,598	1.431	\$990,670
	Energy at economy times	cents/kWh	46,717,555	1.077	\$503,241
020	Residential 5000 Network				
	Network access	cents/day	4,050	0.000	\$0
	Energy for the first 60 kWh per day	cents/kWh	32,828,019	1.594	\$523,147
	Energy above 60 kWh per day	cents/kWh	856,400	1.594	\$13,648
025	Residential Demand Network				
	Network access charge	cents/day	1	0.000	\$0
	Energy consumption	cents/kWh	5,400	0.598	\$32
	Peak period maximum demand	cents/kW/day	4	2.786	\$43
030	Residential with Heat Pump Network				
	Network access	5,118	5,118	0.000	\$0
	Energy for the first 165 kWh per day	69,417,707	69,417,707	1.594	\$1,106,241
	Energy above 165 kWh per day	561,253	561,253	1.594	\$8,944
060	Off-Peak (1) Night Network				
	Energy at controlled times	cents/kWh	11,327,243	0.754	\$85,419
070	Off-Peak (3) Day & Night Network				
	Energy at controlled times	cents/kWh	75,074,637	1.278	\$959,604
	Renewable Energy Generation				
	Gross metered energy	cents/kWh	19,429,856	0.000	\$0
COMMERCIAL LOW VOLTAGE TARIFFS					
40	General Network				
	Network access	cents/day	12,132	0.000	\$0
	Energy for the first 330 kWh per day	cents/kWh	226,258,761	2.147	\$4,856,871
	Energy above 330 kWh per day	cents/kWh	16,652,100	2.143	\$356,788
135	Small Unmetered Loads Network				
	Network access	cents/day	24	0.000	\$0

	Energy at any time	cents/kWh	1,449,168	2.121	\$30,733
080	Streetlighting Network				
	Network access	cents/day	21	0.000	\$0
	Energy for night time lighting of streets public ways & places	cents/kWh	42,467,318	1.345	\$571,355
090	General TOU Network				
	Network access	cents/day	2,708	0.000	\$0
	Energy at business times	cents/kWh	71,060,621	3.344	\$2,376,196
	Energy at evening times	cents/kWh	30,993,993	1.462	\$453,008
	Energy at off-peak times	cents/kWh	81,851,631	0.325	\$265,854
Low voltage time of use demand network					
101	LV TOU kVA Demand Network				
	Network access	cents/day	1,854	0.000	\$0
	Maximum demand	c/KVA/day	205,274	6.444	\$4,828,159
	Energy at business times	cents/kWh	339,943,349	2.230	\$7,580,397
	Energy at evening times	cents/kWh	122,739,443	0.975	\$1,196,219
	Energy at off-peak times	cents/kWh	376,645,770	0.217	\$816,568
103	LV TOU Capacity Network				
	Network access	cents/day	46	0.000	\$0
	Maximum demand (in billing period)	c/KVA/day	6,081	2.892	\$64,185
	Capacity (maximum demand in last year)	c/KVA/day	7,469	2.892	\$78,839
	Energy at business times	cents/kWh	11,682,437	2.230	\$260,507
	Energy at evening times	cents/kWh	5,231,032	0.975	\$50,982
	Energy at off-peak times	cents/kWh	18,085,934	0.217	\$39,210
106	LV Demand Network				
	Network access charge	cents/day	1	0.000	\$0
	Energy consumption	cents/kWh	67,909	1.430	\$971
	Peak period maximum demand	cents/kW/day	22	6.076	\$485
HIGH VOLTAGE TARIFFS					
High voltage time of use demand network with Evoenergy low voltage network					
111	HV TOU Demand Network				
	Network access	\$/day	1	0.000	\$0
	Maximum demand (in billing period)	c/KVA/day	1,674	3.907	\$23,871
	Capacity (maximum demand in last year)	c/KVA/day	1,870	3.907	\$26,672
	Energy at business times	cents/kWh	2,882,362	1.286	\$37,053
	Energy at evening times	cents/kWh	1,207,435	0.562	\$6,786
	Energy at off-peak times	cents/kWh	3,648,085	0.125	\$4,546
High voltage time of use demand network without Evoenergy low voltage network					
121	HV TOU Demand Network – Customer LV				
	Network access	\$/day	22	0.000	\$0
	Maximum demand (in billing period)	c/KVA/day	62,143	3.907	\$886,189
	Capacity (maximum demand in last year)	c/KVA/day	80,615	3.907	\$1,149,611
	Energy at business times	cents/kWh	122,901,117	1.286	\$1,579,894
	Energy at evening times	cents/kWh	47,183,085	0.562	\$265,169
	Energy at off-peak times	cents/kWh	153,134,518	0.125	\$190,806
122	HV TOU Demand Network – Customer HV and LV				

Network access	\$/day	4	0.000	\$0
Maximum demand (in billing period)	c/KVA/day	5,556	3.907	\$79,225
Capacity (maximum demand in last year)	c/KVA/day	6,633	3.907	\$94,588
Energy at business times	cents/kWh	9,971,176	1.286	\$128,179
Energy at evening times	cents/kWh	4,670,725	0.562	\$26,249
Energy at off-peak times	cents/kWh	16,038,148	0.125	\$19,984
Total				\$47,000,901

3.4 Jurisdictional scheme charges

Jurisdictional scheme amounts are those Evoenergy must pay pursuant to ACT Government requirements. The jurisdictional schemes estimated amounts in 2018/19 are:

- The Energy Industry Levy (EIL) \$1.6 m;
- The Utilities Network Facilities Tax (UNFT) \$7.9 m;
- The Feed-in Tariff (FiT) \$15.5 m;
- The Feed-in Tariff for large schemes (FiT L) \$44.1 m; and
- The administration costs associated with the FiT support payment scheme \$0.1m.

These values have been included in the jurisdictional scheme unders and overs account for 2018/19 presented in Table 3.7 to 3.9, together with the estimated payments for 2017/18 and actual payments for 2015/16 and 2016/17.

- Table 3.7 presents the jurisdictional scheme unders and overs excluding large scale FiTs.
- Table 3.8 presents a separate unders and overs account for the large scale FiTs and administration costs in accordance with the amended legislative requirements directed by the ACT Government (see Section 2.3.6).
- Table 3.9 presents the total jurisdictional scheme revenue requirement (large scale FiT and other jurisdictional schemes.)

The total amount to be recovered in jurisdictional scheme charges in 2018/19 is \$58.0 million as shown in Table 3.7.

As explained in Section 2.3.6, the ACT Government amended the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (ACT)²⁹ and introduced a notifiable instrument³⁰ to allow the under or over recovery associated with large scale FiTs and administration costs to be reconciled over a period of up to five years.

As per the amended legislation, Evoenergy made its 2018/19 reasonable cost determination application to the ACT Government. The ACT Government subsequently issued a notifiable instrument³¹ which determined Evoenergy's reasonable costs for large scale FiT and administration associated with jurisdictional schemes to be \$32,010,339 for 2018/19 as shown in Table 3.8³². This represents the revenue that Evoenergy can recover in 2018/19 to cover large scale FiT and jurisdictional scheme administration costs.

²⁹ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT).

³⁰ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT), Notifiable Instrument NI2018-130.

³¹ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT), Notifiable Instrument NI2018-129.

³² *Reasonable Costs of Feed-in Tariff Support Payments Determination 2018* (ACT).

In accordance with the ACT Government's legislative requirements and subsequent correspondence with the ACT Government, Evoenergy will spread the 2017/18 large scale FiT over recovery (\$36.9 million) across three years, commencing in 2018/19. This equates to a repayment in 2018/19 of \$12.2 million³³. As a result, the jurisdictional scheme closing balance in 2018/19 is forecast to be \$26.3 million (excluding any adjustments for interest), representing the outstanding amount to be repaid over the next two years (2019/20 and 2020/21). This is shown as the closing balance in Table 3.8.

All other jurisdictional scheme over recoveries in 2017/18 (i.e. those not related to the large FiTs) are fully reconciled in 2018/19. To illustrate this, Table 3.7 provides the unders and overs accounts for jurisdictional schemes excluding the large scale FiT in 2018/19. It shows a closing balance of zero, indicating the 2017/18 over recovery of \$0.838 million is fully reconciled in 2018/19.

³³ \$36.9 million / 3 = \$12.2 million

Table 3.7 Jurisdictional schemes unders and overs account

	2015/16 Actual (\$'000)	2016/17 Actual (\$'000)	2017/18 Estimate (\$'000)	2018/19 Forecast (\$'000)
Jurisdictional Scheme Related Payments				
Feed-in Tariffs (small and medium scale)	14,359	16,045	16,765	15,550
Feed-in Tariffs (large scale)	6,036	6,235	12,221	0
UNFT	6,478	7,111	7,620	7,950
Energy Industry Levy	1,058	768	1,430	1,600
Total large FiT scheme payments	6,036	6,235	12,221	0
Total other jurisdictional scheme revenue	21,895	23,924	25,814	25,099
Total jurisdictional scheme related payments	27,931	30,160	38,036	25,099
Over (under) recovery for FY				
Large FiT scheme over (under) recovery for FY	0	8,367	26,894	0
Other jurisdictional scheme over (under) recovery for FY	708	-9,164	4,822	863
Total over (under) recovery for FY	708	-797	31,715	863
Overs and unders account				
Annual rate of interest applicable to balances	6.41%	6.37%	6.31%	6.22%
Semi-annual interest rate	3.16%	3.14%	3.11%	3.06%
Large FiT scheme opening balance	0	0	8,629	0
Other jurisdictional scheme opening balance	2,836	3,748	-5,464	-838
Total opening balance	2,836	3,748	3,165	-838
Interest on large FiT scheme opening balance	0	0	544	0
Interest on other jurisdictional scheme opening balance	182	239	-345	-52
Total interest on opening balance	182	239	200	-52
Large FiT scheme over/under recovery for FY	0	8,367	26,894	0
Other jurisdictional scheme over/under recovery for FY	708	-9,164	4,822	863
Total over/under recovery for financial year	708	-797	31,715	863
Interest on large FiT scheme over/under recovery for FY	0	262	835	0
Interest on other jurisdictional scheme over/under recovery for FY	22	-287	150	26
Total interest on over/under recovery	22	-25	985	26
Large FiT scheme closing balance	0	8,629	36,903	
Other jurisdictional scheme closing balance	3,748	-5,464	-838	0
Total Closing Balance	3,748	3,165	36,065	0

Table 3.8 Jurisdictional schemes unders and overs account: Large scale Feed-in Tariffs and Administration Costs

	2016/17 Actual (\$'000)	2017/18 Estimate (\$'000)	2018/19 Forecast (\$'000)
Jurisdictional Scheme Revenue			
Large FiT and administration revenue		0	32,010
Total jurisdictional scheme related revenue		69,751	32,010
Large scale Feed in Tariff Payments			
Feed-in Tariffs (large scale)	0	0	44,097
Administration	120	123	127
Total payments	120	123	44,224
Over (under) recovery for FY			
Large scale FiT and administration over (under) recovery for FY	-120	-123	-12,214
Overs and unders account			
Annual rate of interest applicable to balances	6.37%	6.31%	6.22%
Semi-annual interest rate	3.14%	3.11%	3.06%
Opening balance	0	-123	36,644
Interest on large scale FiT and administration opening balance	0	-8	2,278
Large scale FiT and administration over/under recovery for FY	-120	-123	-12,214
Interest on large scale FiT and administration over/under recovery for FY	-4	-4	-374
Total closing balance	-123	36,644	26,335

^ The closing balance is non-zero in the final year because the 2017/18 closing balance for the large scale feed-in tariff will be recovered over a three year period. This reflects the ACT Government's 2018 reasonable cost determination for Evoenergy³⁴. All other jurisdictional scheme over recoveries are fully reconciled in 2018/19.

Table 3.9 Jurisdictional Scheme Revenue

	2015/16 Actual (\$'000)	2016/17 Actual (\$'000)	2017/18 Estimate (\$'000)	2018/19 Forecast (\$'000)
Jurisdictional Scheme Revenue				
Large FiT scheme revenue	6,036	14,602	39,115	32,010
Other jurisdictional scheme revenue	22,603	14,761	30,636	25,963
Total jurisdictional scheme related revenue	28,639	29,363	69,751	57,973

Table 3.10 presents the 2018/19 charges for jurisdictional schemes and revenues to be recovered assuming the energy consumption profile in 2016/17.

³⁴ *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT) Notifiable Instrument NI2018-129.

Table 3.10 Jurisdictional schemes charges for 2018/19

Code	Description	Units	2016/17	2018/19	2018/19
			kWh /Cust No. / kVA	Proposed prices	Notional JS Revenue
RESIDENTIAL TARIFFS					
010	Residential Basic Network				
	Network access	c/day/customer	131,174	0.000	\$0
	Energy at any time	c/kWh	840,953,396	2.020	\$16,990,622
015	Residential TOU Network				
	Network access	c/day/customer	30,171	0.000	\$0
	Energy at max times	c/kWh	46,953,906	2.526	\$1,185,821
	Energy at mid times	c/kWh	69,248,598	2.020	\$1,399,099
	Energy at economy times	c/kWh	46,717,555	1.513	\$706,743
020	Residential 5000 Network				
	Network access	c/day/customer	4,050	0.000	\$0
	Energy for the first 60 kWh per day	c/kWh	32,828,019	2.020	\$663,257
	Energy above 60 kWh per day	c/kWh	856,400	2.020	\$17,303
025	Residential Demand Network				
	Network access charge	cents/day	1	0.000	\$0
	Energy consumption	cents/kWh	5,400	2.020	\$109
	Peak period maximum demand	c/kW/day	4	0.000	\$0
030	Residential with Heat Pump Network				
	Network access	c/day/customer	5,118	0.000	\$0
	Energy for the first 165 kWh per day	c/kWh	69,417,707	2.020	\$1,402,515
	Energy above 165 kWh per day	c/kWh	561,253	2.020	\$11,340
060	Off-Peak (1) Night Network				
	Energy at controlled times	c/kWh	11,327,243	1.059	\$119,944
070	Off-Peak (3) Day & Night Network				
	Energy at controlled times	c/kWh	75,074,637	1.513	\$1,135,729
	Renewable Energy Generation				
	Gross metered energy	c/kWh	19,429,856	0.000	\$0
COMMERCIAL LOW VOLTAGE TARIFFS					
40	General Network				
	Network access	c/day/customer	12,132	0.000	\$0
	Energy for the first 330 kWh per day	c/kWh	226,258,761	2.020	\$4,571,332
	Energy above 330 kWh per day	c/kWh	16,652,100	2.020	\$336,439
135	Small Unmetered Loads Network				
	Network access	c/day/customer	24	0.000	\$0
	Energy at any time	c/kWh	1,449,168	1.499	\$21,722
080	Streetlighting Network				
	Network access	c/day/customer	21	0.000	\$0
	Energy for night time lighting of streets public ways & places	c/kWh	42,467,318	2.041	\$866,588
090	General TOU Network				
	Network access	c/day/customer	2,708	0.000	\$0

	Energy at business times	c/kWh	71,060,621	2.580	\$1,833,435
	Energy at evening times	c/kWh	30,993,993	2.020	\$626,203
	Energy at off-peak times	c/kWh	81,851,631	1.539	\$1,259,860
Low voltage time of use demand network					
101	LV TOU kVA Demand Network				
	Network access	c/day/connection point	1,854	0.000	\$0
	Maximum demand	c/kVA/day	205,274	0.000	\$0
	Energy at business times	c/kWh	339,943,349	2.580	\$8,770,878
	Energy at evening times	c/kWh	122,739,443	2.020	\$2,479,828
	Energy at off-peak times	c/kWh	376,645,770	1.539	\$5,797,332
103	LV TOU Capacity Network				
	Network access	c/day/connection point	46	0.000	\$0
	Maximum demand (in billing period)	c/kVA/day	6,081	0.000	\$0
	Capacity (maximum demand in last year)	c/kVA/day	7,469	0.000	\$0
	Energy at business times	c/kWh	11,682,437	2.580	\$301,419
	Energy at evening times	c/kWh	5,231,032	2.020	\$105,688
	Energy at off-peak times	c/kWh	18,085,934	1.539	\$278,379
106	LV Demand Network				
	Network access charge	cents/day	1	0.000	\$0
	Energy consumption	cents/kWh	67,909	2.020	\$1,372
	Peak period maximum demand	c/kW/day	22	0.000	\$0
HIGH VOLTAGE TARIFFS					
High voltage time of use demand network with Evoenergy low voltage network					
111	HV TOU Demand Network				
	Network access	\$/day/connection point	1	0.000	\$0
	Maximum demand (in billing period)	c/kVA/day	1,674	0.000	\$0
	Capacity (maximum demand in last year)	c/kVA/day	1,870	0.000	\$0
	Energy at business times	c/kWh	2,882,362	2.529	\$72,881
	Energy at evening times	c/kWh	1,207,435	1.980	\$23,907
	Energy at off-peak times	c/kWh	3,648,085	1.508	\$55,028
High voltage time of use demand network without Evoenergy low voltage network					
121	HV TOU Demand Network – Customer LV				
	Network access	\$/day/connection point	22	0.000	\$0
	Maximum demand (in billing period)	c/kVA/day	62,143	0.000	\$0
	Capacity (maximum demand in last year)	c/kVA/day	80,615	0.000	\$0
	Energy at business times	c/kWh	122,901,117	2.529	\$3,107,555
	Energy at evening times	c/kWh	47,183,085	1.980	\$934,225
	Energy at off-peak times	c/kWh	153,134,518	1.508	\$2,309,881
122	HV TOU Demand Network – Customer HV and LV				
	Network access	\$/day/connection point	4	0.000	\$0
	Maximum demand (in billing period)	c/kVA/day	5,556	0.000	\$0

Capacity (maximum demand in last year)	c/kVA/day	6,633	0.000	\$0
Energy at business times	c/kWh	9,971,176	2.529	\$252,121
Energy at evening times	c/kWh	4,670,725	1.980	\$92,480
Energy at off-peak times	c/kWh	16,038,148	1.508	\$241,919
Total				\$57,972,953

3.5 Metering capital charges

Metering capital charges have been included in the network use-of-system charges, as per the changes required under the AER's Final Decision. An explanation of the metering capital charges for 2018/19 is set out in Section 4.4.

3.6 Network use of system charges

Network use of system (NUOS) charges for 2018/19 comprise the DUOS charges, TUOS charges, jurisdictional scheme charges and, for customers connected at 30 June 2015, metering capital charges. The proposed NUOS charges are shown in Table 3.11. All charges exclude GST.

Table 3.11 Network use of system charges 2018/19 (excl. GST)

		Distribution Charges	Transmission Charges	Jurisdictional Charges	Metering Capital	Network Charges
	Unit	2018/19	2018/19	2018/19	2018/19	2018/19
RESIDENTIAL TARIFFS						
010 Residential Basic Network						
Network access charge	cents/day	26.6300	0.0000	0.0000	7.8900	34.5200
Energy consumption	cents/kWh	3.7560	1.5936	2.0204		7.3700
011 Residential Basic Network XMC*						
Network access charge	cents/day	26.6300	0.0000	0.0000		26.6300
Energy consumption	cents/kWh	3.7560	1.5936	2.0204		7.3700
015 Residential TOU Network						
Network access charge	cents/day	26.6300	0.0000	0.0000	7.8900	34.5200
Energy at max times	cents/kWh	8.3800	2.2625	2.5255		13.1680
Energy at mid times	cents/kWh	2.5490	1.4306	2.0204		6.0000
Energy at economy times	cents/kWh	0.3500	1.0772	1.5128		2.9400
016 Residential TOU Network XMC						
Network access charge	cents/day	26.6300	0.0000	0.0000		26.6300
Energy at max times	cents/kWh	8.3800	2.2625	2.5255		13.1680
Energy at mid times	cents/kWh	2.5490	1.4306	2.0204		6.0000
Energy at economy times	cents/kWh	0.3500	1.0772	1.5128		2.9400
020 Residential 5000 Network						
Network access charge	cents/day	48.1300	0.0000	0.0000	7.8900	56.0200
Energy for the first 60 kWh per day	cents/kWh	2.4560	1.5936	2.0204		6.0700
Energy above 60 kWh per day	cents/kWh	3.7560	1.5936	2.0204		7.3700
021 Residential 5000 Network XMC						
Network access charge	cents/day	48.1300	0.0000	0.0000		48.1300
Energy for the first 60 kWh per day	cents/kWh	2.4560	1.5936	2.0204		6.0700
Energy above 60 kWh per day	cents/kWh	3.7560	1.5936	2.0204		7.3700

025 Residential Demand Network						
Network access charge	cents/day	26.6300	0.0000	0.0000	7.8900	34.5200
Energy consumption	cents/kWh	0.3120	0.5976	2.0204		2.9300
Peak period maximum demand	cents/kW/day	11.4100	2.7860	0.0000		14.1960
026 Residential Demand Network XMC						
Network access charge	cents/day	26.6300	0.0000	0.0000		26.6300
Energy consumption	cents/kWh	0.3120	0.5976	2.0204		2.9300
Peak period maximum demand	cents/kW/day	11.4100	2.7860	0.0000		14.1960
030 Residential with Heat Pump Network						
Network access charge	cents/day	91.4300	0.0000	0.0000	7.8900	99.3200
Energy for the first 165 kWh per day	cents/kWh	0.9960	1.5936	2.0204		4.6100
Energy above 165 kWh per day	cents/kWh	3.7560	1.5936	2.0204		7.3700
031 Residential with Heat Pump Network XMC						
Network access charge	cents/day	91.4300	0.0000	0.0000		91.4300
Energy for the first 165 kWh per day	cents/kWh	0.9960	1.5936	2.0204		4.6100
Energy above 165 kWh per day	cents/kWh	3.7560	1.5936	2.0204		7.3700
060 Off-Peak (1) Night Network						
Energy consumption	cents/kWh	0.2170	0.7541	1.0589		2.0300
070 Off-Peak (3) Day & Night Network						
Energy consumption	cents/kWh	0.3290	1.2782	1.5128		3.1200
Renewable Energy Generation						
Gross metered energy	cents/kWh	0.0000	0.0000	0.0000		0.0000
Net metered energy	cents/kWh	0.0000	0.0000	0.0000		0.0000
COMMERCIAL LOW VOLTAGE TARIFFS						
040 General Network						
Network access charge	cents/day	48.7000	0.0000	0.0000	13.8000	62.5000
Energy for the first 330 kWh per day	cents/kWh	7.0730	2.1466	2.0204		11.2400
Energy above 330 kWh per day	cents/kWh	10.4370	2.1426	2.0204		14.6000
041 General Network XMC						
Network access charge	cents/day	48.7000	0.0000	0.0000		48.7000
Energy for the first 330 kWh per day	cents/kWh	7.0730	2.1466	2.0204		11.2400
Energy above 330 kWh per day	cents/kWh	10.4370	2.1426	2.0204		14.6000
135 Small Unmetered Loads Network						
Network access charge	cents/day	39.6000	0.0000	0.0000		39.6000
Energy consumption	cents/kWh	7.8610	2.1207	1.4989		11.4806
080 Streetlighting Network						
Network access charge	cents/day	49.0000	0.0000	0.0000	13.8000	62.8000
Energy consumption	cents/kWh	4.4640	1.3454	2.0406		7.8500
081 Streetlighting Network XMC						
Network access charge	cents/day	49.0000	0.0000	0.0000		49.0000
Energy consumption	cents/kWh	4.4640	1.3454	2.0406		7.8500
090 General TOU Network						
Network access charge	cents/day	48.7000	0.0000	0.0000	13.8000	62.5000
Energy at business times	cents/kWh	11.8600	3.3439	2.5801		17.7840
Energy at evening times	cents/kWh	4.5680	1.4616	2.0204		8.0500

Energy at off-peak times	cents/kWh	1.7760	0.3248	1.5392		3.6400
091 General TOU Network XMC						
Network access charge	cents/day	48.7000	0.0000	0.0000		48.7000
Energy at business times	cents/kWh	11.8600	3.3439	2.5801		17.7840
Energy at evening times	cents/kWh	4.5680	1.4616	2.0204		8.0500
Energy at off-peak times	cents/kWh	1.7760	0.3248	1.5392		3.6400
Low voltage time of use demand network						
101 LV TOU kVA Demand Network						
Network access per connection point	cents/day	54.7190	0.0000	0.0000	111.4100	166.1290
Maximum demand charge	c/KVA/day	35.8600	6.4440	0.0000		42.3040
Energy at business times	cents/kWh	1.9100	2.2299	2.5801		6.7200
Energy at evening times	cents/kWh	0.7150	0.9746	2.0204		3.7100
Energy at off-peak times	cents/kWh	0.2640	0.2168	1.5392		2.0200
103 LV TOU Capacity Network						
Network access per connection point	cents/day	54.7190	0.0000	0.0000	111.4100	166.1290
Maximum demand charge	c/KVA/day	16.7200	2.8920	0.0000		19.6120
Capacity charge	c/KVA/day	16.7200	2.8920	0.0000		19.6120
Energy at business times	cents/kWh	1.9100	2.2299	2.5801		6.7200
Energy at evening times	cents/kWh	0.7150	0.9746	2.0204		3.7100
Energy at off-peak times	cents/kWh	0.2640	0.2168	1.5392		2.0200
104 LV TOU kVA Demand Network XMC						
Network access per connection point	cents/day	54.7190	0.0000	0.0000		54.7190
Maximum demand charge	c/KVA/day	35.8600	6.4440	0.0000		42.3040
Energy at business times	cents/kWh	1.9100	2.2299	2.5801		6.7200
Energy at evening times	cents/kWh	0.7150	0.9746	2.0204		3.7100
Energy at off-peak times	cents/kWh	0.2640	0.2168	1.5392		2.0200
105 LV TOU Capacity Network XMC						
Network access per connection point	cents/day	54.7190	0.0000	0.0000		54.7190
Maximum demand charge	c/KVA/day	16.7200	2.8920	0.0000		19.6120
Capacity charge	c/KVA/day	16.7200	2.8920	0.0000		19.6120
Energy at business times	cents/kWh	1.9100	2.2299	2.5801		6.7200
Energy at evening times	cents/kWh	0.7150	0.9746	2.0204		3.7100
Energy at off-peak times	cents/kWh	0.2640	0.2168	1.5392		2.0200
106 LV Demand Network						
Network access charge	cents/day	48.7000	0.0000	0.0000	13.8000	62.5000
Energy consumption	cents/kWh	0.9300	1.4296	2.0204		4.3800
Peak period maximum demand	cents/kW/day	35.9700	6.0760	0.0000		42.0460
107 LV Demand Network XMC						
Network access charge	cents/day	48.7000	0.0000	0.0000		48.7000
Energy consumption	cents/kWh	0.9300	1.4296	2.0204		4.3800
Peak period maximum demand	cents/kW/day	35.9700	6.0760	0.0000		42.0460
HIGH VOLTAGE TARIFFS						
High voltage time of use demand network with Evoenergy low voltage network						
111 HV TOU Demand Network						

Network access per connection point	\$/day	20.0000	0.0000	0.0000		20.0000
Maximum demand charge	c/KVA/day	10.5900	3.9070	0.0000		14.4970
Capacity charge	c/KVA/day	10.5900	3.9070	0.0000		14.4970
Energy at business times	cents/kWh	1.5360	1.2855	2.5285		5.3500
Energy at evening times	cents/kWh	0.4980	0.5620	1.9800		3.0400
Energy at off-peak times	cents/kWh	0.1370	0.1246	1.5084		1.7700
High voltage time of use demand network without Evoenergy low voltage network						
121 HV TOU Demand Network – Customer LV						
Network access per connection point	\$/day	20.0000	0.0000	0.0000		20.0000
Maximum demand charge	c/KVA/day	10.5900	3.9070	0.0000		14.4970
Capacity charge	c/KVA/day	10.5900	3.9070	0.0000		14.4970
Energy at business times	cents/kWh	0.9860	1.2855	2.5285		4.8000
Energy at evening times	cents/kWh	0.2980	0.5620	1.9800		2.8400
Energy at off-peak times	cents/kWh	0.0770	0.1246	1.5084		1.7100
122 HV TOU Demand Network – Customer HV and LV						
Network access per connection point	\$/day	20.0000	0.0000	0.0000		20.0000
Maximum demand charge	c/KVA/day	9.0900	3.9070	0.0000		12.9970
Capacity charge	c/KVA/day	9.0900	3.9070	0.0000		12.9970
Energy at business times	cents/kWh	0.9860	1.2855	2.5285		4.8000
Energy at evening times	cents/kWh	0.2980	0.5620	1.9800		2.8400
Energy at off-peak times	cents/kWh	0.0770	0.1246	1.5084		1.7100

* XMC tariffs exclude metering capital charges

3.7 Changes to network tariffs

Clause 6.18.2(b)(8) of the Rules requires an explanation of the nature and extent of changes from the previous regulatory year. Table 3.12 compares the network charges (excluding metering charges) in 2018/19 with those in 2017/18. The average change in network charges is shown in cents per kWh and as a percentage for an average consumer for each tariff³⁵.

The 2018/19 residential and commercial kW demand tariff charges have been set based on long run marginal cost (LRMC) to provide a cost reflective network pricing signal to customers. In 2018/19 the demand charge of the residential demand tariff is lower than in 2017/18. This adjustment represents fine tuning of these charges which Evoenergy advised would be undertaken on a regular basis as more data became available from the sample of approximately 300 residential customers³⁶.

The 2018/19 LV commercial kW demand tariff charges have been increased compared to 2017/18. This increase in the kW demand charge brings the demand charges for all LV commercial tariffs to a similar level.

These prices and customer impacts associated with the recently introduced kW based demand tariffs will continue to be closely monitored so that prices can be as cost reflective as possible.

³⁵ The average change in network charges is calculated by determining the average revenue for each tariff using the prices for each year and taking the difference. The percentage change is this difference divided by the average revenue for each tariff using 2016/17 volumes.

³⁶ ActewAGL Distribution, *Revised Tariff Structure Statement – Explanatory Statement*, October 2016, page 80.

Table 3.12 Changes to network tariffs

		Network Charges	Network Charges	Average Change	Average Change
	Unit	2017/18	2018/19	c/kWh	%
<u>RESIDENTIAL TARIFFS</u>					
010 Residential Basic Network					
Network access charge	cents/day	26.05	26.63	0.24	2.8%
Energy consumption	cents/kWh	7.16	7.37		
015 Residential TOU Network					
Network access charge	cents/day	26.05	26.63	0.26	3.0%
Energy at max times	cents/kWh	12.12	13.17		
Energy at mid times	cents/kWh	6.11	6.00		
Energy at economy times	cents/kWh	3.06	2.94		
020 Residential 5000 Network					
Network access charge	cents/day	47.55	48.13	0.24	3.0%
Energy for the first 60 kWh per day	cents/kWh	5.86	6.07		
Energy above 60 kWh per day	cents/kWh	7.16	7.37		
025 Residential Demand Network					
Network access charge	cents/day	26.05	26.63	- 0.97	-9.9%
Energy consumption	cents/kWh	3.68	2.93		
Peak period maximum demand	cents/kW/day	15.10	14.20		
030 Residential with Heat Pump Network					
Network access charge	cents/day	90.85	91.43	0.23	3.3%
Energy for the first 165 kWh per day	cents/kWh	4.40	4.61		
Energy above 165 kWh per day	cents/kWh	7.16	7.37		
060 Off-Peak (1) Night Network					
Energy consumption	cents/kWh	2.00	2.03	0.03	1.5%
070 Off-Peak (3) Day & Night Network					
Energy consumption	cents/kWh	3.00	3.12	0.12	4.0%
Renewable Energy Generation					
Gross metered energy	cents/kWh	0.00	0.00	-	0.0%
<u>COMMERCIAL LOW VOLTAGE TARIFFS</u>					
040 General Network					
Network access charge	cents/day	47.69	48.70	0.36	3.0%
Energy for the first 330 kWh per day	cents/kWh	10.91	11.24		
Energy above 330 kWh per day	cents/kWh	14.15	14.60		
135 Small Unmetered Loads Network					
Network access charge	cents/day	38.80	39.60	0.14	1.2%
Energy consumption	cents/kWh	11.342	11.481		
080 Streetlighting Network					
Network access charge	cents/day	47.99	49.00	0.04	0.5%
Energy consumption	cents/kWh	7.81	7.85		
090 General TOU Network					
Network access charge	cents/day	47.69	48.70	0.20	2.0%
Energy at business times	cents/kWh	16.42	17.78		
Energy at evening times	cents/kWh	8.30	8.05		
Energy at off-peak times	cents/kWh	4.29	3.64		

Low voltage time of use demand network					
101 LV TOU kVA Demand Network				0.21	2.7%
Network access per connection point	cents/day	52.91	54.72		
Maximum demand charge	c/KVA/day	42.30	42.30		
Energy at business times	cents/kWh	6.21	6.72		
Energy at evening times	cents/kWh	3.19	3.71		
Energy at off-peak times	cents/kWh	2.19	2.02		
103 LV TOU Capacity Network				0.13	2.1%
Network access per connection point	cents/day	52.91	54.72		
Maximum demand charge	c/KVA/day	19.80	19.61		
Capacity charge	c/KVA/day	19.80	19.61		
Energy at business times	cents/kWh	6.21	6.72		
Energy at evening times	cents/kWh	3.19	3.71		
Energy at off-peak times	cents/kWh	2.19	2.02		
106 LV Demand Network				0.45	5.0%
Network access charge	cents/day	47.69	48.70		
Energy consumption	cents/kWh	4.56	4.38		
Peak period maximum demand	cents/kW/day	36.70	42.05		
HIGH VOLTAGE TARIFFS					
High voltage time of use demand network with Evoenergy low voltage network					
111 HV TOU Demand Network				0.13	2.3%
Network access per connection point	\$/day	19.60	20.00		
Maximum demand charge	c/KVA/day	14.50	14.50		
Capacity charge	c/KVA/day	14.50	14.50		
Energy at business times	cents/kWh	5.14	5.35		
Energy at evening times	cents/kWh	2.55	3.04		
Energy at off-peak times	cents/kWh	1.82	1.77		
High voltage time of use demand network without Evoenergy low voltage network					
121 HV TOU Demand Network – Customer LV				0.12	2.2%
Network access per connection point	\$/day	19.60	20.00		
Maximum demand charge	c/KVA/day	14.50	14.50		
Capacity charge	c/KVA/day	14.50	14.50		
Energy at business times	cents/kWh	4.63	4.80		
Energy at evening times	cents/kWh	2.35	2.84		
Energy at off-peak times	cents/kWh	1.75	1.71		
122 HV TOU Demand Network – Customer HV and LV				0.01	0.2%
Network access per connection point	\$/day	19.60	20.00		
Maximum demand charge	c/KVA/day	13.70	13.00		
Capacity charge	c/KVA/day	13.70	13.00		
Energy at business times	cents/kWh	4.63	4.80		
Energy at evening times	cents/kWh	2.35	2.84		
Energy at off-peak times	cents/kWh	1.75	1.71		

Table 3.12 reflects the changes in DUOS, TUOS and jurisdictional scheme charges in 2018/19. Average DUOS charges increase by 2.1 per cent from 2017/18, primarily due to the CPI increase in the AAR.

Average TUOS charges increased by 49 per cent and average jurisdictional scheme charges decreased by 17 per cent in 2018/19.

4 Charges for alternative control services

4.1 Ancillary services

There are two types of ancillary network services – fee based services and quoted services. Each of these are discussed below.

4.1.1 Fee based services

Charges for fee-based services are typically fixed by the AER to reflect the cost of providing the service. In accordance with the 2018/19 Undertaking, charges for fee-based services in 2018/19 have been set in accordance with the AER's Final Decision³⁷. The 2018/19 charges are shown in Table 4.1 below. The 2018/19 charges are then compared to 2017/18 charges in Table 4.2.

As a result of the Power of Choice reforms, Evoenergy ceased receiving orders for the installation of Type 5 meters from 1 December 2017, and has until 31 March 2018 to complete any orders received before 1 December 2017. Service orders for new meters from 1 December 2017 were directed to metering coordinators. As a result, Evoenergy will continue to perform business functions associated with the existing installed Type 5 and Type 6 meters, and these functions will remain subject to price cap regulation. These services include: meter reading, meter testing, data validation and compliance activities. However the services previously offered as codes 507 -513 are no longer applicable due to the Power of Choice reforms. This change is reflected in Tables 4.1 and 4.2.

Table 4.1 Ancillary services charges 2018/19

Code	Description	Unit	Proposed	Proposed
			Prices excl GST 2018/19	Prices incl.GST 2018/19
Premise Re-energisation – Existing Network Connection -These charges also apply where Evoenergy responds to a customer initiated call out and determines that the premise is energised at the connection point.				
501	Re-energise premise – Business Hours	per visit	\$71.74	\$78.92
502	Re-energise premise – After Hours	per visit	\$90.94	\$100.04
Premise De-energisation – Existing Network Connection				
503	De-energise premise – Business Hours	per visit	\$71.74	\$78.92
505	De-energise premise for debt non-payment	per test	\$143.50	\$157.85
Meter installation				
507	Install single phase, single element manually read interval meter	per meter	na	na
508	Install subsequent single phase, single element meter - same location & visit	per meter	na	na
509	Install single phase, two element meter	per meter	na	na
511	Install subsequent single phase, two element meter - same location & visit	per meter	na	na
512	Install three phase meter	per meter	na	na
513	Install subsequent three phase meter - same location & visit	per meter	na	na
Meter Investigations				

³⁷ Australian Energy Regulator, *Final Decision ActewAGL distribution Determination*, Attachment 16, Tables 16.17 and 16.22 inflated by CPI. 30 April 2015.

504	Meter Test (Whole Current) – Business Hours	per test	\$287.00	\$315.69
510	Meter Test (CT/VT) – Business Hours	per test	\$332.38	\$365.61
Special metering services				
506	Special Meter Read	per read	\$33.18	\$36.50
Temporary Network Connections				
520	Temporary Builders Supply – Overhead (Business Hours) (excludes meter cost)	per installation	\$644.88	\$709.36
522	Temporary Builders Supply – Underground (Business Hours) (excludes meter costs)	per installation	\$1,407.81	\$1,548.59
New Network Connections				
523	New Underground Service Connection – Greenfield	per installation	\$0.00	\$0.00
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	\$846.98	\$931.68
527	New Underground Service Connection – Brownfield from Front	per installation	\$1,407.81	\$1,548.59
528	New Underground Service Connection – Brownfield from Rear	per installation	\$1,407.81	\$1,548.59
Network Connection Alterations and Additions				
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	\$808.40	\$889.24
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	\$1,616.79	\$1,778.47
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	\$808.40	\$889.24
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	\$846.98	\$931.68
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	\$1,369.24	\$1,506.17
546	Underground Service Upgrade – Service Cable Replacement Required	per installation	\$1,407.81	\$1,548.59
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	\$1,407.81	\$1,548.59
548	Install surface mounted point of entry (POE) box	per installation	\$651.08	\$716.18
Temporary De-energisation				
560	Temporary de-energisation – LV (Business Hours)	per occurrence	\$430.49	\$473.54
561	Temporary de-energisation – HV (Business Hours)	per occurrence	\$430.49	\$473.54
Supply Abolishment / Removal				
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	\$606.31	\$666.94
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	\$1,095.40	\$1,204.93
Miscellaneous Customer Initiated Services				
564	Install & Remove Tiger Tails – Per Installation (Business Hours)	per installation	\$1,423.78	\$1,566.16
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	\$716.75	\$788.42
566	Install & Remove Warning Flags – Per Installation (Business Hours)	per installation	\$1,212.59	\$1,333.85
567	Install & Remove Warning Flags - Per Span (Business Hours)	per installation	\$614.35	\$675.78
Embedded Generation - Operational & Maintenance Fees				
568	Small Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%
569	Small Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%
Connection Enquiry Processing - PV Installations				

570	PV Connection Enquiry – LV Class 1 (<= 10kW Single Phase / 30kW Three Phase)	per installation	\$0.00	\$0.00
571	PV Connection Enquiry – LV Class 2 to 5 (> 30kW <= 1500kW Three Phase)	per installation	\$589.44	\$648.38
572	PV Connection Enquiry – HV	per installation	\$1,178.88	\$1,296.77
573	Provision of information for Network technical study for large scale installations	per installation	\$11,788.83	\$12,967.71
Network Design & Investigation / Analysis Services - PV Installations				
574	Design & Investigation - LV Connection Class 1 PV (<= 10kW Single Phase / 30kW Three Phase)	per installation	\$0.00	\$0.00
575	Design & Investigation - LV Connection Class 2 PV (> 30kW and <= 60kW Three Phase)	per installation	\$3,929.61	\$4,322.57
576	Design & Investigation - LV Connection Class 3 PV (> 60 kW and <= 120kW Three Phase)	per installation	\$5,894.40	\$6,483.84
577	Design & Investigation - LV Connection Class 4 PV (> 120 kW and <= 200kW Three Phase)	per installation	\$7,859.22	\$8,645.14
578	Design & Investigation - LV Connection Class 5 PV (> 200kW and <= 1500kW Three Phase) – Evoenergy Network Study	per installation	\$11,788.83	\$12,967.71
579	Design & Investigation - HV Connection Class 5 PV (>200kW and <= 1500kW Three Phase) – Customer Network Study	per installation	\$14,736.03	\$16,209.63
Residential Estate Subdivision Services*				
580	URD Subdivision Electricity Distribution Network Reticulation - Multi-Unit Blocks	per block	\$0.00	\$0.00
581	URD Subdivision Electricity Distribution Network Reticulation - Blocks <= 650 m ²	per block	\$1,733.52	\$1,906.88
582	URD Subdivision Electricity Distribution Network Reticulation - Blocks 650 - 1100m ² with average linear frontage of 22-25 meters	per block	\$2,271.19	\$2,498.31
Upstream Augmentation*				
585	HV Feeder	per KVA	\$37.55	\$41.31
586	Distribution substation	per KVA	\$21.74	\$23.92
Rescheduled Site Visits				
590	Rescheduled Site Visit – One Person	per site visit	\$143.50	\$157.85
591	Rescheduled Site Visit – Service Team	per site visit	\$606.31	\$666.94
Trenching charges				
592	Trenching - first 2 meters	per visit	\$550.36	\$605.39
593	Trenching - subsequent meters	per meter	\$127.99	\$140.79
Boring charges				
594	Under footpath	per occurrence	\$998.33	\$1,098.16
595	Under driveway	per occurrence	\$1,190.32	\$1,309.35

* The above 2018/19 prices have been calculated by applying CPI of 1.95% and an X factor of -1.22 (as per Table 16.19 of AER Final Decision (April 2015)) to 2017/18 prices.

Codes 580-582 and 585-586 relate to standard control services, not alternative control services, and are therefore not included in the AER's table of charges for ancillary network services (classified as alternative control services) in the Final Decision (i.e. Table 16.17). In the 2015/16 pricing proposal, these charges were included in this list for completeness. For the 2015/16 pricing proposal, these charges were calculated in accordance with Evoenergy's Connection Policy 2015-19, approved by the AER in the Final Decision. For 2016/17 and 2017/18, these charges were increased by CPI only, and in 2018/19 these charges have again been increased by CPI only, as per the Enforceable Undertaking given by Evoenergy and accepted by the AER.

Table 4.2 Changes to ancillary services charges

Code	Service	Unit	Prices	Prices excl.	Change (%)
			excl. GST (\$)	GST (\$)	
			2017/18	2018/19	
Premise Re-energisation – Existing Network Connection -These charges also apply where Evoenergy responds to a customer initiated call out and determines that the premise is energised at the connection point.					
501	Re-energise premise – Business Hours	per visit	69.52	71.74	3.2%
502	Re-energise premise – After Hours	per visit	88.13	90.94	3.2%
Premise De-energisation – Existing Network Connection					
503	De-energise premise – Business Hours	per visit	69.52	71.74	3.2%
505	De-energise premise for debt non-payment	per test	139.06	143.50	3.2%
Meter Reconfiguration					
507	Install single phase, single element manually read interval meter	per meter	522.25	na	na
508	Install subsequent single phase, single element meter - same location & visit	per meter	330.17	na	na
509	Install single phase, two element meter	per meter	635.12	na	na
511	Install subsequent single phase, two element meter - same location & visit	per meter	443.04	na	na
512	Install three phase meter	per meter	764.76	na	na
513	Install subsequent three phase meter - same location & visit	per meter	572.66	na	na
Meter Investigations					
504	Meter Test (Whole Current) – Business Hours	per test	278.12	287.00	3.2%
510	Meter Test (CT/VT) – Business Hours	per test	322.09	332.38	3.2%
Special metering services					
506	Special Meter Read	per read	32.16	33.18	3.2%
Temporary Network Connections					
520	Temporary Builders Supply – Overhead (Business Hours) (excludes meter cost)	per installation	624.93	644.88	3.2%
522	Temporary Builders Supply – Underground (Business Hours) (excludes meter costs)	per installation	1,364.26	1,407.81	3.2%
New Network Connections					
523	New Underground Service Connection – Greenfield	per installation	0.00	0.00	3.2%
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	820.78	846.98	3.2%
527	New Underground Service Connection – Brownfield from Front	per installation	1,364.26	1,407.81	3.2%
528	New Underground Service Connection – Brownfield from Rear	per installation	1,364.26	1,407.81	3.2%
Network Connection Alterations and Additions					
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	783.39	808.40	3.2%
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	1,566.77	1,616.79	3.2%
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	783.39	808.40	3.2%
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	820.78	846.98	3.2%
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	1,326.88	1,369.24	3.2%

546	Underground Service Upgrade – Service Cable Replacement Required	per installation	1,364.26	1,407.81	3.2%
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	1,364.26	1,407.81	3.2%
548	Install surface mounted point of entry (POE) box	per installation	630.93	651.08	3.2%
Temporary De-energisation					
560	Temporary de-energisation – LV (Business Hours)	per occurrence	417.17	430.49	3.2%
561	Temporary de-energisation – HV (Business Hours)	per occurrence	417.17	430.49	3.2%
Supply Abolishment / Removal					
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	587.55	606.31	3.2%
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	1,061.51	1,095.40	3.2%
Miscellaneous Customer Initiated Services					
564	Install & Remove Tiger Tails – Per Installation (Business Hours)	per installation	1,379.74	1,423.78	3.2%
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	694.57	716.75	3.2%
566	Install & Remove Warning Flags – Per Installation (Business Hours)	per installation	1,175.08	1,212.59	3.2%
567	Install & Remove Warning Flags - Per Span (Business Hours)	per installation	595.34	614.35	3.2%
Embedded Generation - Operational & Maintenance Fees					
568	Small Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%	na
569	Small Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%	na
Connection Enquiry Processing - PV Installations					
570	PV Connection Enquiry – LV Class 1 (<= 10kW Single Phase / 30kW Three Phase)	per installation	0.00	0.00	3.2%
571	PV Connection Enquiry – LV Class 2 to 5 (> 30kW <= 1500kW Three Phase)	per installation	571.20	589.48	3.2%
572	PV Connection Enquiry – HV	per installation	1,142.41	1178.97	3.2%
573	Provision of information for Network technical study for large scale installations	per installation	11,424.12	11789.69	3.2%
Network Design & Investigation / Analysis Services - PV Installations					
574	Design & Investigation - LV Connection Class 1 PV (<= 10kW Single Phase / 30kW Three Phase)	per installation	0.00	0.00	3.2%
575	Design & Investigation - LV Connection Class 2 PV (> 30kW and <= 60kW Three Phase)	per installation	3,808.04	3,929.61	3.2%
576	Design & Investigation - LV Connection Class 3 PV (> 60 kW and <= 120kW Three Phase)	per installation	5,712.05	5,894.40	3.2%
577	Design & Investigation - LV Connection Class 4 PV (> 120 kW and <= 200kW Three Phase)	per installation	7,616.08	7,859.22	3.2%
578	Design & Investigation - LV Connection Class 5 PV (> 200kW and <= 1500kW Three Phase) – Evoenergy Network Study	per installation	11,424.12	11,788.83	3.2%
579	Design & Investigation - HV Connection Class 5 PV (>200kW and <= 1500kW Three Phase) – Customer Network Study	per installation	14,280.14	14,736.03	3.2%
Residential Estate Subdivision Services*					
580	URD Subdivision Electricity Distribution Network Reticulation - Multi-Unit Blocks	per block	0.00	\$0.00	na

581	URD Subdivision Electricity Distribution Network Reticulation - Blocks <= 650 m2	per block	1,700.39	\$1,733.52	1.9%
582	URD Subdivision Electricity Distribution Network Reticulation - Blocks 650 - 1100m2 with average linear frontage of 22-25 meters	per block	2,227.78	\$2,271.19	1.9%
Upstream Augmentation**					
585	HV Feeder	per KVA	36.83	\$37.55	1.9%
586	Distribution substation	per KVA	21.33	\$21.74	1.9%
Rescheduled Site Visits					
590	Rescheduled Site Visit – One Person	per site visit	139.06	143.50	3.2%
591	Rescheduled Site Visit – Service Team	per site visit	587.55	606.31	3.2%
Trenching charges					
592	Trenching - first 2 meters	per visit	533.33	550.36	3.2%
593	Trenching - subsequent meters	per meter	124.03	127.99	3.2%
Boring charges					
594	Under footpath	per occurrence	967.44	998.33	3.2%
595	Under driveway	per occurrence	1153.49	1,190.32	3.2%

*These charges were not included in the AER's schedule of ancillary services in the Final Decision. However they are included here for completeness (they were also included in Evoenergy's (formerly ActewAGL Distribution's) subsequent and revised regulatory proposals). The charges are calculated in accordance with Evoenergy's *Connection Policy 2015-19*, approved by the AER in the Final Decision. The per block prices have been updated by CPI.

4.1.2 Quoted services

Charges for quoted services are based on the estimated time taken to perform the service. The quoted services formula is as follows.

$$\text{Price} = \text{Labour} + \text{Contractor Services} + \text{Materials} + \text{Other Costs} + \text{Risk Margin}^{38}$$

The labour component is based on the Final Decision maximum raw labour rates³⁹ and escalated by $(1-X_i)(1+\Delta\text{CPI}_i)$. For 2018/19, the X factor of -1.22 per cent (as per the AER Final Decision) and the ΔCPI of 1.95 per cent is applied to the 2017/18 rates. The 2018/19 rates are set out in the table below.

Table 4.3 Maximum allowable labour rates (including on costs and overheads)

Labour category	Corresponding Evoenergy labour categories	AER maximum allowable 2015/16 hourly total labour rates (\$2014-15)	2016/17	2017/18	2018/19
Electrical worker	Technical	142.81	146.6022	150.2857	155.0834
Electrical worker – labourer	Field worker	133.79	137.3427	140.7935	145.2882
Electrical apprentice	Field worker	133.79	137.3427	140.7935	145.2882
Office support service delivery	Administration	89.06	91.42491	93.72202	96.71403

³⁸ AER, Final Decision, Attachment 16, Figure 16.2, April 2015.

³⁹ AER, Final Decision, Attachment 16, Table 16.5, April 2015.

Project officer design section	Engineer	177.52	182.2339	186.8126	192.7765
Senior technical officer/engineer design section	Senior engineer	210.96	216.5619	222.0031	229.0904

Source for 2015/16: AER, Final Decision, Attachment 16, Table 16.5

The components of the quoted services formula are set out on pages 16-9 and 16-10 of the AER's Final Decision. Each component is summarised below.

- Labour component – includes labour costs (including on-costs and overheads) incurred when providing the quoted service.
- Contractor services – includes all costs (including overheads) associated with external labour used in the provision of the quoted service.
- Materials – includes the cost of materials incurred (including overheads) in providing the quoted service.
- Other costs – includes costs that arise due to special requirements of the quoted service job, or services provided as per Evoenergy's approved Connection Policy.
- Risk Margin – includes a margin to reflect the risk associated with the quoted service job.

With the Metering Rule Change taking effect during 2017/18 (1 December 2017), there were expected to be additional ancillary services required by customers. Evoenergy proposes to treat these additional ancillary services as quoted services during this regulatory period. In the regulatory proposal submitted to the AER in January 2018, Evoenergy proposed to classify these additional services as fee-based services in the next regulatory control period (2019/20-2023/24).

4.2 The structure and basis of Evoenergy's metering charges

In accordance with the Metering Rule Change,⁴⁰ smart meters became the standard electricity meter in the ACT for all new connections and for all meter replacements from 1 December 2017. This change effects the regulated metering charges applied to customers with smart meters installed from 1 December 2017. Specifically, a customer with a type 4 meter after 1 December 2017 no longer pays the non-capital component of the regulated annual metering charge (assuming they are not receiving ongoing meter operating and maintenance services from Evoenergy). However, a customer with a regulated type 5 or 6 meter installed before 1 July 2015 will continue to pay Evoenergy the capital component of the regulated annual metering charge (as per the AER's Final Decision, which states that these customers must continue to make a contribution to the recovery of the value of the existing meter asset base).

There are two types of metering service charges (as per the AER's Final Decision).

- Upfront capital charge (for all new and upgraded meters installed by Evoenergy from 1 July 2015).
- Annual charge comprising of two components:
 - capital — metering asset base recovery; and
 - non-capital — operating expenditure and tax.

⁴⁰ AEMC, National Electricity Amendment (Expanding competition in metering and related services) Rule 2015, 26 November 2015.

For existing regulated meters installed before 30 June 2015, Evoenergy has paid upfront for the capital costs of the meters which were then added to the asset base and recovered gradually, over the life of the meter, through annual charges. These customers (with a regulated type 5 or 6 meter), will continue to pay the following charges.

- Capital component of regulated annual metering charge
- Non-capital component of the regulated annual metering charge

To facilitate these metering arrangements, Evoenergy includes the metering capital charge in its (non-XMC⁴¹) network tariffs.

For regulated new meter connections installed after 1 July 2015, the capital costs are paid upfront by the customer. Therefore, they pay only the non-capital component of the regulated annual metering charge. These customers are assigned to a network tariff that excludes metering capital charges (XMC tariffs). These XMC tariffs ensure that Evoenergy and Retailers are able to clearly identify, through the network billing system, which customers have paid for their meters and are therefore not liable for the metering capital charge.

The unmetered loads do not have an XMC tariff because Evoenergy has not connected meters to these loads. Also, the off-peak network tariffs do not have an equivalent XMC tariff because the metering costs are associated with the customer's substantive tariff, not the supplementary off-peak tariff. Furthermore, there are no high voltage XMC network tariffs, because 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. The application of the charges is summarised in Table 4.4.

⁴¹ XMC means the tariff excludes metering capital.

Table 4.4 Application of Metering Charges

TYPE OF CUSTOMER	Pays Evoenergy metering capital charge	Eligible for XMC tariffs	Pays Evoenergy metering non-capital charges
Existing connection at 30 June 2015, Evoenergy provides metering service.	Yes	No	Yes
Existing connection at 30 June 2015, switches to another metering provider.	Yes	No	No
Existing connection at 30 June 2015, pays for new meter for PV system, Evoenergy provides metering service.	Yes	No	Yes
Existing connection at 30 June 2015 pays for new meter for PV system, later switches to another metering provider.	Yes	No	No
New connection (from 1 July 2015) pays for new meter, Evoenergy provides metering service.	No	Yes	Yes
New connection (from 1 December 2017) pays for new meter.	No	Yes	No
Existing connection at 30 June 2015 requires a replacement meter after 1 December 2017	Yes	No	No
Existing connection after 30 June 2015 requires a replacement meter after 1 December 2017	No	Yes	No

As explained in sections 4.3 and 4.4 below, the capital and non-capital metering charges in 2018/19 are 1.95 per cent higher than metering charges in 2017/18, reflecting an increase by CPI.

4.3 Metering non-capital charges for 2018/19

The AER set caps for the annual metering non-capital charges in its Final Decision⁴². These 2015/16 charges were escalated by CPI in 2016/17 and 2017/18 (1.51 and 1.28 per cent, respectively) and have again been escalated by CPI (1.95 per cent) for 2018/19. Table 4-5 presents the proposed metering non-capital charges for 2018/19.

Table 4.5 Metering non-capital charges, 2018/19

Code	Description	Unit	Excluding GST	Including GST
			2018/19	2018/19
MP1	Quarterly basic metering rate			
	Accumulation and time-of-use meters read quarterly	cents per day per NMI *	3.880	4.268
MP2	Monthly basic metering rate			
	Accumulation and time-of-use meters read monthly	cents per day per NMI	6.800	7.480
MP3	Time-of-use metering rate			
	Time-of-use meters read monthly	cents per day per NMI	6.800	7.480

⁴² AER Final Decision, Attachment 16, (p16-61)

MP4	Monthly manually-read interval metering rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed monthly	cents per day per NMI	55.000	60.500
MP6	Quarterly manually-read interval metering rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed quarterly	cents per day per NMI	15.670	17.237
*National Meter Identifier				

4.4 Metering capital charges for 2018/19

The metering capital charges are shown below in Table 4.6 and were added to the network charges in Table 3.11. These charges were escalated by CPI (1.28 per cent) in 2017/18 and have again been escalated by CPI (1.95 per cent) for 2018/19.

Table 4.6 Metering capital charges, 2018/19

Code	Description	Unit	Excluding	Including
			GST	GST
			2018/19	2018/19
MP7	Quarterly basic metering rate			
	Accumulation and time-of-use meters read quarterly	cents per day per NMI *	7.890	8.679
MP8	Monthly basic metering rate			
	Accumulation and time-of-use meters read monthly	cents per day per NMI	13.800	15.180
MP9	Time-of-use metering rate			
	Time-of-use meters read monthly	cents per day per NMI	13.800	15.180
MP10	Monthly manually-read interval metering rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed monthly	cents per day per NMI	111.410	122.551
MP11	Monthly manually-read interval metering rate			
	Interval meters recording at either 15- or 30-minute intervals, read manually and processed monthly	cents per day per NMI	31.788	34.967
*National Meter Identifier				

5 Indicative customer impacts

5.1 Changes in network and metering charges

Clause 6.18.2 (8) (d) of the Rules states that a pricing proposal must ‘describe the nature and extent of a change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.

Table 5.1 shows network charges (DUOS, TUOS, jurisdictional schemes and metering capital) plus metering non-capital charges for 2018/19 and the comparable charges for 2017/18, excluding GST.

The access charges for the LV TOU Demand and LV TOU Capacity tariffs (codes 101 and 103) were incorrectly published in 2015/16 to 2017/18. However, the price was charged correctly to customers. This administrative error was made in the metering non-capital charge which was shown as a one-hundredth of the actual charge (i.e. published as 0.54 cents per day rather than 54 cents per day in 2017/18). The previous separate tables containing metering charges have shown the correct prices (i.e. past versions of Tables 4.5 and 4.6). Evoenergy will correct this publication error in the access charges for 2018/19.

High voltage charges do not include metering charges as metering services to customers consuming more than 160 MWh per annum are open to competition and not regulated.

Table 5.1 Network and metering charges 2018/19

		Network & metering charges	Network & metering charges	Average Change	Average Change
	Unit	2017/18	2018/19	c/kWh	%
RESIDENTIAL TARIFFS					
010 Residential Basic Network				0.26	2.7%
Network access charge	cents/day	37.600	38.400		
Energy consumption	cents/kWh	7.160	7.370		
015 Residential TOU Network				0.27	2.9%
Network access charge	cents/day	37.600	38.400		
Energy at max times	cents/kWh	12.120	13.168		
Energy at mid times	cents/kWh	6.110	6.000		
Energy at economy times	cents/kWh	3.060	2.940		
020 Residential 5000 Network				0.25	2.9%
Network access charge	cents/day	59.100	59.900		
Energy for the first 60 kWh per day	cents/kWh	5.860	6.070		
Energy above 60 kWh per day	cents/kWh	7.160	7.370		
025 Residential Demand Network				-0.96	-9.3%
Network access charge	cents/day	33.790	34.520		
Energy consumption	cents/kWh	3.680	2.930		
Peak period maximum demand	cents/kW/day	15.100	14.196		
030 Residential with Heat Pump Network				0.23	3.2%
Network access charge	cents/day	102.400	103.200		
Energy for the first 165 kWh per day	cents/kWh	4.400	4.610		
Energy above 165 kWh per day	cents/kWh	7.160	7.370		
060 Off-Peak (1) Night Network				0.03	1.5%
Energy consumption	cents/kWh	2.000	2.030		
070 Off-Peak (3) Day & Night Network				0.12	4.0%
Energy consumption	cents/kWh	3.000	3.120		

Renewable Energy Generation				0.000	0.0%
Gross metered energy	cents/kWh	0.000	0.000		
COMMERCIAL LOW VOLTAGE TARIFFS					
040 General Network				0.36	2.9%
Network access charge	cents/day	67.900	69.300		
Energy for the first 330 kWh per day	cents/kWh	10.910	11.240		
Energy above 330 kWh per day	cents/kWh	14.150	14.600		
135 Small Unmetered Loads Network				0.14	1.2%
Network access charge	cents/day	38.800	39.600		
Energy consumption	cents/kWh	11.342	11.481		
080 Streetlighting Network				0.04	0.5%
Network access charge	cents/day	61.530	62.800		
Energy consumption	cents/kWh	7.810	7.850		
090 General TOU Network				0.20	2.0%
Network access charge	cents/day	67.900	69.300		
Energy at business times	cents/kWh	16.420	17.784		
Energy at evening times	cents/kWh	8.300	8.050		
Energy at off-peak times	cents/kWh	4.290	3.640		
Low voltage time of use demand network					
101 LV TOU kVA Demand Network				0.25	3.2%
Network access per connection point	cents/day	162.728	221.129		
Maximum demand charge	c/KVA/day	42.300	42.304		
Energy at business times	cents/kWh	6.210	6.720		
Energy at evening times	cents/kWh	3.190	3.710		
Energy at off-peak times	cents/kWh	2.190	2.020		
103 LV TOU Capacity Network				0.16	2.5%
Network access per connection point	cents/day	162.728	221.129		
Maximum demand charge	c/KVA/day	19.800	19.612		
Capacity charge	c/KVA/day	19.800	19.612		
Energy at business times	cents/kWh	6.210	6.720		
Energy at evening times	cents/kWh	3.190	3.710		
Energy at off-peak times	cents/kWh	2.190	2.020		
106 LV Demand Network				0.46	5.0%
Network access charge	cents/day	61.230	62.500		
Energy consumption	cents/kWh	4.560	4.380		
Peak period maximum demand	cents/kW/day	36.700	42.046		
HIGH VOLTAGE TARIFFS					
High voltage time of use demand network with Evoenergy LV network					
111 HV TOU Demand Network				0.13	2.3%
Network access per connection point	\$/day	19.600	20.000		
Maximum demand charge	c/KVA/day	14.500	14.497		
Capacity charge	c/KVA/day	14.500	14.497		
Energy at business times	cents/kWh	5.140	5.350		
Energy at evening times	cents/kWh	2.550	3.040		
Energy at off-peak times	cents/kWh	1.820	1.770		
High voltage time of use demand network without Evoenergy LV network					
121 HV TOU Demand Network – Customer LV				0.12	2.2%
Network access per connection point	\$/day	19.600	20.550		
Maximum demand charge	c/KVA/day	14.500	14.497		
Capacity charge	c/KVA/day	14.500	14.497		

Energy at business times	cents/kWh	4.630	4.800		
Energy at evening times	cents/kWh	2.350	2.840		
Energy at off-peak times	cents/kWh	1.750	1.710		
122 HV TOU Demand Network – Customer HV and LV				0.01	0.2%
Network access per connection point	\$/day	19.600	20.550		
Maximum demand charge	c/KVA/day	13.700	12.997		
Capacity charge	c/KVA/day	13.700	12.997		
Energy at business times	cents/kWh	4.630	4.800		
Energy at evening times	cents/kWh	2.350	2.840		
Energy at off-peak times	cents/kWh	1.750	1.710		

5.2 Estimated impacts on average customer electricity network bills

The proposed 2018/19 increase in network and metering charges would increase the electricity network bill for an average residential customer consuming 7,000 kWh on the Residential Basic network tariff by \$0.37 per week (including GST), a real increase of 0.8 per cent (2.8 per cent nominal).

For a commercial customer consuming 30 MWh per annum on the General network tariff, the network and metering charges would increase their electricity network bill by \$2.20 per week (including GST) implying an increase of 1.0 per cent in real terms (3.0 per cent nominal increase).

5.3 Review of the basis on which a retail customer is charged

In its Final Decision⁴³, the AER required that:

Where the charging parameters for a particular tariff result in a basis of charge varying according to the retail customer's usage or load profile, ActewAGL must set out in its annual pricing proposal a method by which it will review and assess the basis on which a retail customer is charged.

Evoenergy does not have any tariffs in which the basis of the charge varies according to the retail customer's usage or load profile. Even the streetlight tariff, which applies only to usage for public lighting loads that operate at night, and not to public lighting in tunnels, etc., the basis of the charge does not vary with usage, or its load profile. Therefore, there is no need for Evoenergy to propose any method to review the basis on which a retail customer is charged.

⁴³ Final Decision, Attachment 14 (p 14.25)

6 Indicative pricing schedule

In the following table (Table 6.1) the actual 2018/19 network prices (excluding metering) are presented, as well as the indicative prices for 2019/20. The indicative prices for 2019/20 are based on Evoenergy's second Tariff Structure Statement submitted to the AER as an appendix to the regulatory proposal in January 2018.

Table 6.1 Actual (2018/19) and indicative (2019/20) network charges (excl. GST)

			2018/19 Actual	2019/20 Indicative ⁴⁴	Change 18/19 to 19/20
010	Residential Basic Network				
	Network access charge	cents/day	27	28	1
	Energy consumption	cents/kWh	7	9	2
015	Residential TOU Network				
	Network access charge	cents/day	27	28	1
	Energy consumption at max times	cents/kWh	13	9	-4
	Energy consumption at mid times	cents/kWh	6	28	22
	Energy consumption at economy times	cents/kWh	3	9	6
020	Residential 5000 Network				
	Network access charge	cents/day	48	49	1
	Energy consumption for the first 60 kWh per day	cents/kWh	6	7	1
	Energy consumption above 60 kWh per day	cents/kWh	7	9	2
025	Residential Demand Network				
	Network access charge	cents/day	27	28	1
	Energy consumption	cents/kWh	3	4	1
	Peak period maximum demand	cents/kW	14	16	2
030	Residential with Heat Pump Network				
	Network access charge	cents/day	91	93	2
	Energy consumption for the first 165 kWh per day	cents/kWh	5	6	1
	Energy consumption above 165 kWh per day	cents/kWh	7	9	2
040	General Network				
	Network access charge	cents/day	49	51	2
	Energy consumption for the first 330 kWh per day	cents/kWh	11	12	1
	Energy consumption above 330 kWh per day	cents/kWh	15	15	0
135	Small Unmetered Loads Network				
	Network access charge	cents/day	40	42	2
	Energy consumption	cents/kWh	11	11	0
060	Off-Peak (1) Night Network				
	Energy consumption	cents/kWh	2	2	0
070	Off-Peak (3) Day & Night Network				
	Energy consumption	cents/kWh	3	4	1
080	Streetlighting Network				
	Network access charge	cents/day	49	51	2

⁴⁴ Evoenergy Tariff Structure Statement, Indicative Pricing Schedule, January 2018.

	Energy consumption	cents/kWh	8	9	1
090	General TOU Network				
	Network access charge	cents/day	49	51	2
	Energy consumption at business times	cents/kWh	18	18	0
	Energy consumption at evening times	cents/kWh	8	9	1
	Energy consumption at off-peak times	cents/kWh	4	4	0
101	LV TOU kVA Demand Network				
	Network access charge per connection point	cents/day	55	59	4
	Maximum demand charge	c/KVA/day	42	44	2
	Energy consumption at business times	cents/kWh	7	9	2
	Energy consumption at evening times	cents/kWh	4	5	1
	Energy consumption at off-peak times	cents/kWh	2	3	1
103	LV TOU Capacity Network				
	Network access charge per connection point	cents/day	55	59	4
	Maximum demand charge	c/KVA/day	20	21	1
	Capacity charge	c/KVA/day	20	19	-1
	Energy consumption at business times	cents/kWh	7	9	2
	Energy consumption at evening times	cents/kWh	4	5	1
	Energy consumption at off-peak times	cents/kWh	2	3	1
106	LV Demand Network				
	Network access charge	cents/day	49	51	2
	Energy consumption	cents/kWh	4	6	2
	Peak period maximum demand	c/kW/day	42	32	-10
111	HV TOU Demand Network				
	Network access charge per connection point	\$/day	20	21	1
	Maximum demand charge	c/KVA/day	14	17	3
	Capacity charge	c/KVA/day	14	16	2
	Energy consumption at business times	cents/kWh	5	7	2
	Energy consumption at evening times	cents/kWh	3	4	1
	Energy consumption at off-peak times	cents/kWh	2	3	1
121	HV TOU Demand Network – Customer LV				
	Network access charge per connection point	\$/day	20	21	1
	Maximum demand charge	c/KVA/day	14	17	3
	Capacity charge	c/KVA/day	14	16	2
	Energy consumption at business times	cents/kWh	5	6	1
	Energy consumption at evening times	cents/kWh	3	4	1
	Energy consumption at off-peak times	cents/kWh	2	2	0
122	HV TOU Demand Network – Customer HV and LV				
	Network access charge per connection point	\$/day	20	21	1
	Maximum demand charge	c/KVA/day	13	13	0
	Capacity charge	c/KVA/day	13	13	0
	Energy consumption at business times	cents/kWh	5	6	1
	Energy consumption at evening times	cents/kWh	3	4	1
	Energy consumption at off-peak times	cents/kWh	2	2	0

7 Variation in pricing schedule

In accordance with Clause 6.18.2 (7A) of the Rules, Table 7.1 below compares the indicative NUOS charges published in the first TSS to the final 2018/19 NUOS charges. This variation is due to a range of factors including the following.

- Final 2018/19 NUOS prices are set according to the Undertaking, whereas the indicative prices were set according to the Final Decision.
- Final 2018/19 prices are based on up-to-date information about Jurisdictional scheme and TUOS costs, whereas indicative prices were based on earlier data.
- Final 2018/19 prices take into account updated CPI, rather than forecast CPI.

Table 7.1 Actual and indicative 2018/19 network and metering charges (excl. GST)

			Indicative (TSS)	Final	Change
010	Residential Basic Network				
	Network access charge	cents/day	34	35	1
	Energy consumption	cents/kWh	9	7	-2
015	Residential TOU Network				
	Network access charge	cents/day	34	35	1
	Energy consumption at max times	cents/kWh	14	13	-1
	Energy consumption at mid times	cents/kWh	7	6	-1
	Energy consumption at economy times	cents/kWh	4	3	-1
020	Residential 5000 Network				
	Network access charge	cents/day	56	56	0
	Energy consumption for the first 60 kWh per day	cents/kWh	7	6	-1
	Energy consumption above 60 kWh per day	cents/kWh	9	7	-2
025	Residential Demand Network				
	Network access charge	cents/day	34	35	1
	Energy consumption	cents/kWh	6	3	-3
	Peak period maximum demand	cents/kW	19	14	-5
030	Residential with Heat Pump Network				
	Network access charge	cents/day	99	99	0
	Energy consumption for the first 165 kWh per day	cents/kWh	6	5	-1
	Energy consumption above 165 kWh per day	cents/kWh	9	7	-2
040	General Network				
	Network access charge	cents/day	62	63	1
	Energy consumption for the first 330 kWh per day	cents/kWh	11	11	0
	Energy consumption above 330 kWh per day	cents/kWh	14	15	1
135	Small Unmetered Loads Network				
	Network access charge	cents/day	39	40	1
	Energy consumption	cents/kWh	12	12	0
060	Off-Peak (1) Night Network				
	Energy consumption	cents/kWh	3	2	-1
070	Off-Peak (3) Day & Night Network				
	Energy consumption	cents/kWh	4	3	-1
080	Streetlighting Network				
	Network access charge	cents/day	62	63	1

	Energy consumption	cents/kWh	9	8	-1
090	General TOU Network				
	Network access charge	cents/day	62	63	1
	Energy consumption at business times	cents/kWh	18	18	0
	Energy consumption at evening times	cents/kWh	9	8	-1
	Energy consumption at off-peak times	cents/kWh	4	4	0
101	LV TOU kVA Demand Network				
	Network access charge per connection point	cents/day	172	146	-26
	Maximum demand charge	c/KVA/day	39	42	3
	Energy consumption at business times	cents/kWh	8	7	-1
	Energy consumption at evening times	cents/kWh	5	4	-1
	Energy consumption at off-peak times	cents/kWh	2	2	0
103	LV TOU Capacity Network				
	Network access charge per connection point	cents/day	172	146	-26
	Maximum demand charge	c/KVA/day	18	20	2
	Capacity charge	c/KVA/day	18	20	2
	Energy consumption at business times	cents/kWh	8	7	-1
	Energy consumption at evening times	cents/kWh	5	4	-1
	Energy consumption at off-peak times	cents/kWh	2	2	0
106	LV Demand Network				
	Network access charge	cents/day	62	63	1
	Energy consumption	cents/kWh	6	4	-2
	Peak period maximum demand	c/kW/day	45	42	-3
111	HV TOU Demand Network				
	Network access charge per connection point	\$/day	20	20	0
	Maximum demand charge	c/KVA/day	16	14	-2
	Capacity charge	c/KVA/day	16	14	-2
	Energy consumption at business times	cents/kWh	7	5	-2
	Energy consumption at evening times	cents/kWh	4	3	-1
	Energy consumption at off-peak times	cents/kWh	2	2	0
121	HV TOU Demand Network – Customer LV				
	Network access charge per connection point	\$/day	20	20	0
	Maximum demand charge	c/KVA/day	16	14	-2
	Capacity charge	c/KVA/day	16	14	-2
	Energy consumption at business times	cents/kWh	7	5	-2
	Energy consumption at evening times	cents/kWh	4	3	-1
	Energy consumption at off-peak times	cents/kWh	2	2	0
122	HV TOU Demand Network – Customer HV and LV				
	Network access charge per connection point	\$/day	20	20	0
	Maximum demand charge	c/KVA/day	15	13	-2
	Capacity charge	c/KVA/day	15	13	-2
	Energy consumption at business times	cents/kWh	6	5	-1
	Energy consumption at evening times	cents/kWh	4	3	-1
	Energy consumption at off-peak times	cents/kWh	2	2	0

Attachment 1: Compliance with regulatory requirements

Table A1.1 provides a checklist of where the relevant requirements of Part I of chapter 6 of the Rules are met in this document.

One of the Rule requirements is that the pricing proposal demonstrates compliance with any applicable distribution determination (clause 6.18.2(7)). Table A1.2 provides a separate checklist of where the relevant requirements from the 2018/19 Enforceable Undertaking are addressed in this document.

Table A1.2 Compliance table

Rules	Requirement	Coverage in this document
6.18.2 (b)	<p>The pricing proposal must:</p> <ol style="list-style-type: none"> (1) set out the tariff classes that are to apply for the relevant regulatory year; and (2) set out the proposed tariffs for each tariff class; and (3) set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates; and (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; and (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; and (6) set out how charges incurred by the Distribution Network Service Provider for transmission use of system services 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; (and sub-clause (6A) mirrors this for jurisdictional scheme amounts) (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; (7A) demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant pricing schedule, or explain any material differences between them; and (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. 	<ol style="list-style-type: none"> (1) The tariff classes for standard control services are set out in Section 2.1. (2) Network tariffs are in Table 3.11. (3) Section 2.1 and Table 2.1, Table 2.2 and Table 2.3 set out each charging parameter and the element of service to which it relates. (4) Table 3.4 shows the weighted average DUOS revenue for each tariff class in 2017/18 and 2018/19. (5) Evoenergy does not propose any variations or adjustments to tariffs for 2018/19. (6) Section 3.3 provides an explanation of how TUOS charges are passed on to customers, and Evoenergy's adjustment for over recovery of TUOS costs in 2017/18. TUOS charges are provided in Table 3.6. Section 3.4 addresses the requirements for jurisdictional scheme amounts. (7) Sections 2.2, 2.3 and 2.4 provide an explanation regarding the way in which 2018/19 network pricing is consistent with the Rules and the TSS. (7A) Section 7 demonstrates the variation between the final 2018/19 charges and the indicative 2018/19 charges set out in the first TSS. (8) As per Clause 5.1.2.4 of the Enforceable Undertaking, Clause 6.18.2(b)(8) of the Rules is modified to provide that the pricing proposal describes only the nature and extent of the changes.

6.18.3	<p>(b) Each customer for direct control services must be a member of 1 or more tariff classes.</p> <p>(c) Separate tariff classes must be constituted for customers to whom standard control services are supplied and customers to whom alternative control services are supplied (but a customer for both standard control services and alternative control services may be a member of 2 or more tariff classes).</p> <p>(d) A tariff class must be constituted with regard to:</p> <ul style="list-style-type: none"> • the need to group customers together on an economically efficient basis; and • the need to avoid unnecessary transaction costs. 	<p>(b) Each customer is on one or more tariffs within one or more tariff classes.</p> <p>(c) Separate tariff classes and charges are specified for standard control services in Table 3.3 and alternative control services in Table 4.1.</p> <p>(d) Section 2.1 contains an explanation of the basis of the tariff classes.</p>
6.18.4	<p>(a) In formulating provisions of a distribution determination governing the assignment of customers to tariff classes or the re-assignment of customers from one tariff class to another, the AER must have regard to the following principles:</p> <p>(1) customers should be assigned to tariff classes on the basis of one or more of the following factors:</p> <ul style="list-style-type: none"> (i) the nature and extent of their usage; (i) the nature of their connection to the network; (i) whether remotely-read interval metering or other similar metering technology has been installed at the customer's premises as a result of a regulatory obligation or requirement; <p>(2) customers with a similar connection and usage profile should be treated on an equal basis;</p> <p>(3) however, customers with micro-generation facilities should be treated no less favourably than customers without such facilities but with a similar load profile;</p> <p>(4) a Distribution Network Service Provider's decision to assign a customer to a particular tariff class, or to re-assign a customer from one tariff class to another should be subject to an effective system of assessment and review.</p>	<p>(a) Section 2.1 and 5.3</p>

6.18.5	<p>(a) The network pricing objective is that the tariffs that a Distribution Network Service Provider charges in respect of its provision of direct control services to a retail customer should reflect the Distribution Network Service Provider's efficient costs of providing those services to the retail customer.</p> <p>(b) Subject to paragraph (c), a Distribution Network Service Provider's tariffs must comply with the pricing principles set out in paragraphs (e) to (j).</p> <p>(c) A Distribution Network Service Provider's tariffs may vary from tariffs which would result from complying with the pricing principles set out in paragraphs (e) to (g) only:</p> <ol style="list-style-type: none"> (1) to the extent permitted under paragraph (h); and (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j). <p>(d) A Distribution Network Service Provider must comply with paragraph (b) in a manner that will contribute to the achievement of the network pricing objective.</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"> (1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers. <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"> (1) the costs and benefits associated with calculating, implementing and applying that method as proposed; (2) the additional costs likely to be associated with meeting demand from retail customers that are assigned to that tariff at times of greatest utilisation of the relevant part of the distribution network; and (3) the location of retail customers that are assigned to that tariff and the extent to which costs vary between different locations in the distribution network. <p>(g) The revenue expected to be recovered from each tariff must:</p>	<p>(a) Section 3.1</p> <p>(b) Sections 2.3.1 to 2.3.6 show compliance with paragraph b.</p> <p>(c) Section 2.3 explains compliance with paragraphs (e) to (g) so this Clause doesn't apply</p> <p>(d) As per paragraph (b)</p> <p>(e) Section 2.3.2</p> <p>(f) Section 2.3.1</p> <p>(g) Section 2.3.3</p>
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<p>(1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff;</p> <p>(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</p> <p>(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).</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 (g) to the extent the Distribution Network Service Provider considers reasonably necessary having regard to:</p> <p>(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);</p> <p>(2) the extent to which retail customers can choose the tariff to which they are assigned; and</p> <p>(3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their usage decisions.</p> <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> <p>(1) the type and nature of those retail customers; and</p> <p>(2) the information provided to, and the consultation undertaken with, those retail customers.</p> <p>(j) A tariff must comply with the Rules and all applicable regulatory instruments.</p>	<p>(h) Section 2.3.4</p> <p>(i) Section 2.3.5</p> <p>(j) Section 2.3.6</p>
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<p>6.18.6</p>	<p>(a) This clause applies only to tariff classes related to the provision of standard control services.</p> <p>(b) The expected weighted average revenue to be raised from a tariff class for a particular regulatory year of a regulatory control period must not exceed the corresponding expected weighted average revenue for the preceding regulatory year by more than the permissible percentage.</p> <p>(c) The permissible percentage is the greater of the following:</p> <p style="padding-left: 40px;">(1) the CPI-X limitation on any increase in the Distribution Network Service Provider's expected weighted average revenue between the two regulatory years plus 2%;</p> <p>Note: The calculation is of the form $(1 + \text{CPI})(1 - X)(1 + 2\%)$</p> <p style="padding-left: 40px;">(2) CPI plus 2%.</p> <p>Note: The calculation is of the form $(1 + \text{CPI})(1 + 2\%)$</p> <p>(d) In deciding whether the permissible percentage has been exceeded in a particular regulatory year, the following are to be disregarded:</p> <p style="padding-left: 40px;">(1) the recovery of revenue to accommodate a variation to the distribution determination under rule 6.6 or 6.13;</p> <p style="padding-left: 40px;">(2) the recovery of revenue to accommodate pass through of charges for transmission use of system services to customers.</p> <p>(e) This clause does not, however, limit the extent a tariff for customers with remotely-read interval metering or other similar metering technology may vary according to the time or other circumstances of the customer's usage.</p>	<p>Compliance with the side constraint is depicted in section 3.2.1.</p>
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<p>6.18.7</p>	<p>(a) A pricing proposal must provide for tariffs designed to pass on to retail customers the designated pricing proposal charges to be incurred by the Distribution Network Service Provider for transmission use of system services.</p> <p>(b) The amount to be passed on to retail customers for a particular regulatory year must not exceed the estimated amount of the designated pricing proposal charges adjusted for over or under recovery in accordance with paragraph (c).</p> <p>(c) The over and under recovery amount must be calculated in a way that:</p> <ul style="list-style-type: none"> (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER in the relevant distribution determination for the Distribution Network Service Provider; (2) ensures a Distribution Network Service Provider is able to recover from retail customers no more and no less than the designated pricing proposal charges it incurs; and (3) adjusts for an appropriate cost of capital that is consistent with the allowed rate of return used in the relevant distribution determination for the relevant regulatory year. <p>(d) Notwithstanding anything else in this clause 6.18.7, a Distribution Network Service Provider may not recover charges under this clause to the extent these are:</p> <ul style="list-style-type: none"> (1) recovered through the Distribution Network Service Provider's annual revenue requirement; (2) recovered under clause 6.18.7A; or (3) recovered from another Distribution Network Service Provider. 	<p>Section 3.3 provides an explanation of how TUOS charges are passed on to customers. The overs and unders account is shown in Table 3.5. TUOS charges are provided in Table 3.6.</p>
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Table A1.2 Checklist of Requirements from the Enforceable Undertaking

Enforceable Undertaking requirement	Coverage in this document
<p><i>Control mechanisms</i></p> <p>Evoenergy's tariffs for alternative control services will be calculated in accordance with the Final Determination (Clause 5.1.2.13)</p> <p>The AER has applied a price cap for alternative control services. For fee based services it has applied a CPI – X factor control mechanism with an X factor of zero in the first year. (p16.8) For annual metering services, the AER has determined fixed charges for each year of the regulatory period (p16.61) which are to be inflated by CPI, except for 2015/16 (p16.26).</p>	<p>Chapter 4 demonstrates that an X factor of -1.22% has been applied in calculating the price caps for fee based alternative control services. This complies with the AER's Final Decision and the Enforceable Undertaking. Also, annual metering service charges have been escalated by CPI.</p>
<p><i>Compliance with the standard control services control mechanism.</i></p> <p>Evoenergy 's average revenues for standard control services must be consistent with the AARC formula in Attachment 14 of the Final Decision, (p14.13) and applied according to the Enforceable Undertaking (Clause 5.1.2.8, 5.1.2.9).</p>	<p>Table 3.3 demonstrates that revenue from 2018/19 prices matches allowable revenue calculated in section 3.1 and shown in Table 3.2.</p>
<p><i>Reporting on recovery of jurisdictional scheme amounts and designated pricing proposal charges</i></p> <p>Enforceable Undertaking Clause 5.1.2.12</p>	<p>Section 3.4</p>