

19 March 2021



Sebastian Roberts
General Manager, Transmission and Gas
Australian Energy Regulator
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Melbourne VIC 3000

Jemena Electricity
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Dear Mr Roberts,

Re: Jemena Electricity Networks (Vic) Ltd, 2021-26 Electricity Distribution Price Review – Update for changes in the treatment of Energy Safe Victoria levies

Jemena Electricity Networks (Vic) Ltd (JEN) is committed to acting in the long term interests of our customers and have reflected this pledge in our 2021-26 revised regulatory proposal and subsequent updates to take the most current information into account when proposing regulated revenues.

Recently, the Australian Energy Regulator (AER) decided to treat Energy Safe Victoria (ESV) levies as a Jurisdictional Scheme¹ and this decision is effective during the 2021-26 regulatory control period (next regulatory period). In response to this change, and before the AER releases its final decision, we:

- are submitting an update to our revised proposal operating expenditure and post tax revenue models to remove the actual ESV levy from JEN's operating expenditure base year amount, *and*
- will apply for the recovery of actual ESV levies each year in our annual pricing proposal through the jurisdictional cost recovery mechanism.

These steps will comply with the AER's decision to treat ESV levies as a jurisdictional scheme and ensure our efficient costs are recovered only once.

Should the AER wish to discuss this proposal further, please contact Matthew Serpell at [REDACTED].

Kind regards,

[REDACTED]

Ana Dijanosic
General Manager, Regulation

¹ AER, *Determination - Request for the ESV Levy Scheme to be determined a jurisdictional scheme*, March 2021