Final decision

Evoenergy (ACT) access arrangement 2026 to 2031

(1 July 2026 to 30 June 2031)

Attachment 1 – Capital base, regulatory depreciation and corporate income tax

May 2026

AUSTRALIAN ENERGY REGULATOR

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Amendment record

Version	Date	Pages
1	21 May 2026	17

List of attachments

This attachment forms part of our final decision on the access arrangement that will apply for 1 July 2026 to 30 June 2031 (2026–31 period) for Evoenergy. It should be read with all parts of our final decision.

A number of issues were settled at the draft decision stage or required only minor updates so that detailed attachments to this final decision are not needed. Where this is the case, our draft decision reasons form part of this final decision. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision.

The final decision includes the following documents:

Overview

Attachment 1 – Capital base, regulatory depreciation and corporate income tax

– Appendix A – Regulatory depreciation

Attachment 2 – Capital expenditure

Attachment 3 – Operating expenditure

Attachment 5 – Reference services, tariffs and non-tariff components

Includes: Services covered by the access arrangement, reference tariff settings, reference tariff variation mechanism, and non-tariff components

Attachment 6 – Capital expenditure sharing scheme

Attachment 7 – Efficiency carryover mechanism

Contents

1 Capital base, Regulatory depreciation and Corporate income tax

This attachment sets out our final decision on the following aspects of Evoenergy's revised proposal for the 2026–31 access arrangement period (2026–31 period):

- The capital base, including the opening capital base as at 1 July 2026 and the projected capital base for the 2026–31 period.
- The regulatory depreciation amount, including the standard and remaining asset lives as at 1 July 2026 and its revised proposal on accelerated depreciation.
- The corporate tax income amount, including the opening tax asset base (TAB), and the standard tax asset lives used to estimate tax depreciation for the purpose of calculating tax expenses.

1.1 Capital base

The capital base roll forward accounts for the value of regulated assets in Evoenergy's gas distribution network in the ACT over the access arrangement period. The opening capital base value for a regulatory year within the access arrangement period is rolled forward by indexing it for inflation, adding any conforming capital expenditure (capex),[1] and subtracting depreciation and other possible factors (for example, disposals).[2] Following this process, we arrive at a closing value of the capital base at the end of the relevant year. The opening value of the capital base is used to determine the return of capital (regulatory depreciation) and return on capital building blocks.

1.1.1 Final decision

Our final decision approves an opening capital base value of $412.2 million ($ nominal) as at 1 July 2026 for Evoenergy. This amount is $2.8 million (0.7%) higher than Evoenergy's revised proposed opening capital base of $409.4 million as at 1 July 2026.[3] It reflects our updates to the roll forward model (RFM) for actual consumer price index (CPI) for 2025–26 and actual capex for 2024–25. This final decision is also $2.9 million (0.7%) higher than our draft decision opening capital base value of $409.3 million ($ nominal).[4]

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1 NGR, r. 79(1).

2 The term 'rolled forward' means the process of carrying over the value of the capital base from one regulatory year to the next.

3 Evoenergy, *Revised proposal, Appendix 6.3-RFM*, January 2026.

4 This increase is mainly driven by updates to the actual CPI of 3.63% for 2025–26, an increase from the estimated rate of 3.00% applied in our draft decision, which has resulted in an increase to the opening capital base value by about $2.6 million (0.6%) compared to the draft decision, all else being equal. Evoenergy also updated estimates of 2024–25 capex (including capital contributions) to reflect actual values and updated 2025–26 capex estimates (including capital contributions), which has resulted in an increase to the opening capital base value by about $0.3 million (0.1%) compared to the draft decision, all else being equal.

1.1.1.1 Opening capital base as at 1 July 2026

To determine the opening capital base value as at 1 July 2026, we have rolled forward the capital base over the 2021–26 period to arrive at a closing capital base value as at 30 June 2026 in accordance with our RFM.[5] This roll forward process includes an adjustment at the end of the 2021–26 period to account for the difference between actual 2020–21 capex and the estimates approved in the 2021–26 access arrangement.[6] All other adjustments are applied as part of the final year adjustments at 30 June 2026 to establish the opening capital base value at 1 July 2026.[7]

Table 1.1 sets out our final decision on the roll forward of Evoenergy's capital base over to the 2021–26 period.

Table 1.1 AER's final decision on Evoenergy's capital base for the 2021–26 period ($ million, nominal)

	2021–22	2022–23	2023–24	2024–25	2025–26[a]
Opening capital base	376.7	384.5	408.0	414.8	412.2
Net capex[b]	9.8	10.2	9.3	7.7	11.3
Inflation on opening capital base	13.2	30.1	16.5	10.1	14.9
Less: straight-line depreciation[c]	15.1	16.8	19.0	20.4	21.4
Interim closing capital base	384.5	408.0	414.8	412.2	417.0
Difference between estimated and actual capex in 2020–21	-	-	-	-	–3.4
Return on difference for 2020–21 capex	-	-	-	-	–1.4
Closing capital base as at 30 June 2026	**-**	**-**	**-**	**-**	**412.2**

Source: AER analysis.
(a) Based on estimated capex provided by Evoenergy. We will true-up the capital base for actual capex at the next access arrangement review.
(b) Net of disposals and capital contributions, and adjusted for actual CPI and half-year weighted average cost of capital (WACC).
(c) Adjusted for actual CPI. Based on forecast capex.

Figure 1.1 shows the key drivers of change in Evoenergy's capital base over the 2021–26 period for this final decision. Overall, the closing capital base at the end of the 2021–26 period is estimated to be 9% higher than the opening capital base at the start of that period, in nominal terms. The new net capex increases the capital base by 13%, while inflation

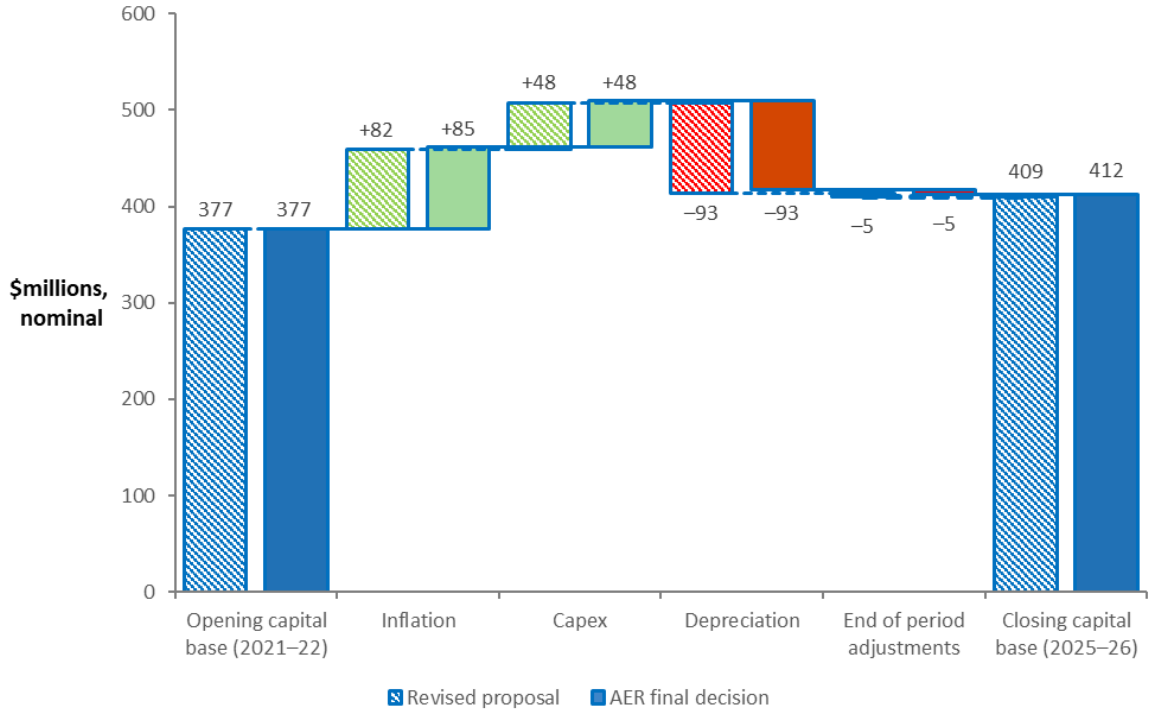
5 AER, *Gas Distribution roll forward model - v1.1*, May 2022.

6 The end of period adjustment will be positive (negative) if actual capex is higher (lower) than the estimate approved at the 2021–26 access arrangement review.

7 This includes adjustments for asset reallocations for accelerated depreciation purposes if any. This is a capital base reallocation and does not affect the total value of the opening capital base as at 1 July 2026. Our final decision allows accelerated depreciation from reduced asset lives only and does not require any asset reallocations for accelerated depreciation purposes.

indexation increases it by 23%. Depreciation,[8] on the other hand, reduces the capital base by 25%. End of period adjustments reduce the capital base by 1%.

Figure 1.1 Key drivers of changes in the capital base over the 2021–26 period – Evoenergy's revised proposal compared with the AER's final decision ($ million, nominal)



Source: AER analysis.
Note: Capex is net of disposals and capital contributions. It is inclusive of the half-year WACC to account for the timing assumptions in the RFM.

In the draft decision, we reduced Evoenergy's proposed opening capital base as at 1 July 2026 by $2.9 million (0.7%). This reduction is due to our update for a lower estimated CPI input for 2025–26 compared to Evoenergy's proposal in the RFM to reflect more up-to date economic conditions.[9] In addition, our draft decision amended the relevant inputs associated with accelerated depreciation in the RFM to reflect our draft decision on regulatory depreciation. These amendments did not affect the total opening capital base value.[10]

We also noted in the draft decision that the roll forward of Evoenergy's capital base included estimated capex for 2024–25 and 2025–26, and estimated inflation for 2025–26, because the actual values for these inputs were not yet available at the time.[11]

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8 This refers to straight-line depreciation. Regulatory depreciation is straight-line depreciation less the inflation indexation of the capital base.

9 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, p. 4.

10 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, p. 20.

11 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, p. 6.

In its revised proposal, Evoenergy updated the following inputs in its revised proposed RFM:[12]

- the estimated capex for 2024–25 with actuals
- the estimated capex for 2025–26 with revised estimates
- final year asset adjustments, reflecting its revised proposed accelerated depreciation amount for the 2026–31 period. This amendment to the final year adjustment only changes the reallocation of values between asset classes and therefore does not affect the total value of the opening capital base as at 1 July 2026.

For this final decision, we have checked the actual capex inputs for 2024–25 in Evoenergy's revised proposed RFM. We are satisfied that the capex inputs, except for the 'HP Services' asset class, reconcile with the values presented in Evoenergy's annual reporting regulatory information notice (RIN) for 2024–25. We made a minor amendment to the actual capex input for the 'HP Services' asset class to be consistent with the 2024–25 annual reporting RIN. In its response to our information request, Evoenergy agreed with this amendment.[13]

We also accept Evoenergy's revised 2025–26 net capex estimate of $11.3 million ($ nominal) for this final decision.[14] This is $1.4 million (14%) higher than the amount included in the draft decision RFM, reflecting more recent data. We note that the financial impact of any difference between actual and estimated capex for 2025–26 will be accounted for at the next access arrangement review for the 2031–36 period.

We have amended the relevant inputs associated with accelerated depreciation in the RFM, reflecting our final decision on regulatory depreciation. As discussed in Appendix A, our final decision is to not accept Evoenergy's revised proposed $35 million of accelerated depreciation beyond that arising from the reduced asset lives. As such, we made changes to the relevant inputs in the RFM to implement our final decision on accelerated depreciation. However, these input changes only affect the forecast straight-line depreciation amount for the 2026–31 period and do not affect the total opening capital base value as at 1 July 2026.[15]

For the reasons discussed in Attachment 2, we are satisfied that Evoenergy's actual capex for 2020–21 and actual capex for 2021–22 to 2024–25 are conforming and should be rolled into its capital base.[16] As such, we consider that conforming capex has been properly accounted for in the capital base roll forward, consistent with the requirements of the National Gas Rules (NGR).[17] As the capex for 2025–26 is currently an estimated value, we will assess whether the actual capex for 2025–26 is conforming and adjust for any

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12 Evoenergy, *Revised Proposal, Appendix 6.3-RFM*, January 2026.

13 Evoenergy, *Response to AER information request #018*, 20 February 2026.

14 This amount is net of disposals and capital contributions, and includes a half-year WACC allowance to compensate for the six-month period before capex is added to the capital base. It also reflects the updated actual inflation rate for 2025–26 in our final decision

15 We removed the 'Economic lives & accelerated depreciation' asset class and asset value re-allocation in the final year asset adjustment section of the RFM, reflecting our final decision on accelerated depreciation.

16 Please see section 2.5.1 of Attachment 2 of this final decision for further details.

17 NGR, rr. 77(2)(b).

differences between actual and estimated capex in the subsequent (2031–36) access arrangement review.[18]

We received no submissions on our approach to calculating the opening capital base. Our position in the final decision is limited to updates for more recent data in the RFM. This includes updating the 2025–26 estimated inflation input of 3.00% with actual CPI of 3.63% based on the December 2025 CPI from the Australian Bureau of Statistics, which became available after Evoenergy submitted its revised proposal.

1.1.1.2 Forecast closing capital base as at 30 June 2031

For this final decision, we approve a forecast closing capital base of $360.0 million ($ nominal) at 30 June 2031 for Evoenergy. This is $39.2 million (12.2%) higher than Evoenergy's revised proposal of $320.8 million ($ nominal). This is mainly due to the reduction in forecast straight-line depreciation, reflecting our final decision on accelerated depreciation (Appendix A). Our final decision on the forecast closing capital base also reflects our final decisions on the opening capital base as at 1 July 2026, forecast capex (Attachment 2) and expected inflation (section 3.2 of the Overview to this final decision).[19]

Table 1.2 sets out our final decision on the forecast capital base values for Evoenergy over the 2026–31 period and the closing capital base as at 30 June 2031.

Table 1.2 AER's final decision on Evoenergy's capital base for the 2026–31 period ($ million, nominal)

	2026–27	2027–28	2028–29	2029–30	2030–31
Opening capital base	412.2	404.0	394.7	383.4	371.8
Net capex[a]	6.6	6.7	6.0	7.0	8.2
Inflation on opening capital base	10.2	10.0	9.8	9.5	9.2
Less: straight-line depreciation	25.0	26.1	27.2	28.0	29.2
Closing capital base	**404.0**	**394.7**	**383.4**	**371.8**	**360.0**

Source: AER analysis.

(a) Net of forecast disposals and capital contributions. In accordance with the timing assumptions of the PTRM, the capex includes a half-year WACC allowance to compensate for the six-month period before capex is added to the capital base for revenue modelling.

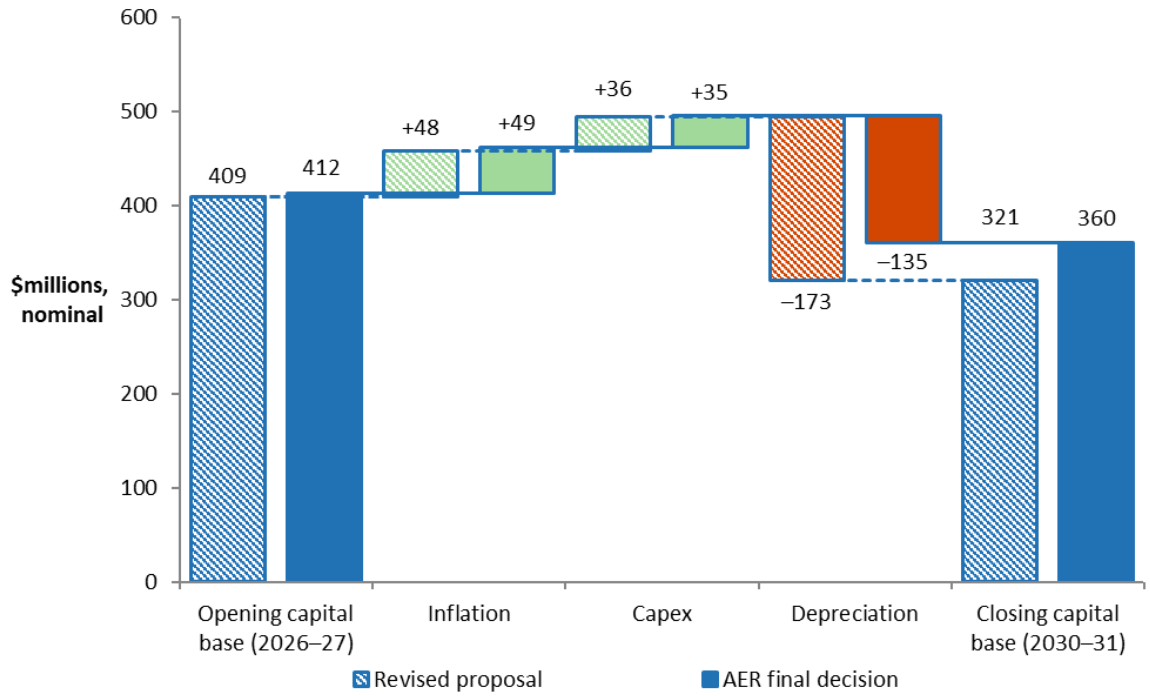
Figure 1.2 shows the key drivers of change in Evoenergy's projected capital base over the 2026–31 period for this final decision. Overall, the closing capital base value at the end of the 2026–31 period is estimated to be 13% lower than the opening capital base at the start of that period, in nominal terms. The approved forecast net capex increases the capital base by

18 NGR, rr. 77(2), 79.

19 Capex enters the capital base net of forecast disposals. It includes equity raising costs (where relevant) and the half-year WACC to account for the timing assumptions in the PTRM. Therefore, our final decision on the forecast capital base also reflects our amendments to the rate of return for the 2026–31 period (section 3.2 of the Overview to this final decision).

8%, while expected inflation increases it by 12%. Forecast depreciation,[20] on the other hand, reduces the capital base by 33%.

Figure 1.2 Key drivers of changes in the capital base over the 2026–31 period – Evoenergy's revised proposal compared with the AER's final decision ($ million, nominal)



Source: AER analysis.
Note: Capex is net of forecast disposals and capital contributions. It is inclusive of the half-year WACC to account for the timing assumptions in the PTRM.

Forecast depreciation reduces the capital base and largely depends on the level of accelerated depreciation and the depreciation of the opening capital base. The opening capital base, in turn, depends on capex in the past. Depreciation associated with forecast capex is a relatively smaller amount. The reduction in the projected capital base over the 2026–31 period is mainly driven by forecast straight-line depreciation being greater than the new capex added to the capital base over the period. In our final decision, we determine a lower amount of accelerated depreciation than that proposed by Evoenergy in its revised proposal. Our final decisions on regulatory depreciation and forecast capex are set out in Appendix A to this Attachment and Attachment 2 of this final decision, respectively.

1.1.1.3 Depreciation approach for establishing the opening capital base at the next access arrangement review

For this final decision, we maintain our draft decision position that Evoenergy's opening capital base at the commencement of the 2031–36 period will be established using straight-

[20] This refers to straight-line depreciation. Regulatory depreciation is straight-line depreciation less the inflation indexation of the capital base.

line depreciation based on approved forecast capex at the asset-class level for the 2026−31 period.[21]

In our draft decision, we did not accept Evoenergy's initial proposal to establish the opening capital base as at 1 July 2031 using actual depreciation based on actual capex over the 2026–31 period, as we determined that the Capital Expenditure Sharing Scheme (CESS) would apply over that period. [22] In its revised proposal, Evoenergy maintained its initial position to not apply the CESS and to use an actual depreciation approach to establish the opening capital base as at 1 July 2031.[23]

As discussed in Attachment 6 to this final decision, we confirm that the CESS will apply to Evoenergy for the 2026–31 period. Accordingly, we maintain the use of forecast depreciation to establish the opening capital base as at 1 July 2031.[24] We consider that this approach together with the application of the CESS and our conforming capex assessment, provides sufficient incentives for Evoenergy to achieve efficient capex over the 2026–31 period.

1.1.2 Assessment approach

We did not change our assessment approach for the capital base from our draft decision. Attachment 1 (appendix A.1) of our draft decision details that approach.[25]

21 NGR, r. 90.

22 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, pp. 8–9.

23 Evoenergy, *Revised Proposal, Attachment 4-Capital Expenditure,* January 2026, pp.16–17.

24 NGR, r. 90.

25 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, pp. 37–39.

1.2 Regulatory depreciation

Regulatory depreciation is the amount provided so capital investors recover their investment over the economic life of the asset (return of capital). When determining the total revenue for Evoenergy, we include an amount for the depreciation of the projected capital base.[26] Under the building block framework, regulatory depreciation consists of the net total of the straight-line depreciation less the indexation of the capital base.

Appendix A sets out our final decision on Evoenergy's regulatory depreciation for the 2026–31 period, including our assessment of accelerated depreciation under demand uncertainty and our determination of expected economic lives for forecasting depreciation.

1.3 Corporate income tax

Our determination of the total revenue for Evoenergy includes the estimated cost of corporate income tax for the 2026–31 period.[27] Under the post-tax framework, the cost of corporate income tax is calculated as part of the building block assessment using our PTRM. This amount allows Evoenergy to recover the estimated corporate income tax for the 2026–31 period.

This section sets out our final decision on Evoenergy's estimated corporate income tax for the 2026–31 period, including our assessment of Evoenergy's revised proposed inputs required in the PTRM for estimating the cost of corporate income tax.

1.3.1 Final decision

Our final decision on Evoenergy's estimated cost of corporate income tax is $11.1 million ($ nominal) over the 2026–31 period. This is a reduction of $4.9 million (30.6%) from Evoenergy's revised proposal of $16.0 million. This decrease is mainly due to our final decision to allow a lower regulatory depreciation amount (Appendix A).[28] This decrease is partially offset by our final decision on a higher return on equity amount[29] and a lower tax depreciation amount.[30]

For this final decision, we determine an opening tax asset base (TAB) value as at 1 July 2026 of $239.1 million ($ nominal). This amount is $0.2 million (0.1%) higher than Evoenergy's revised proposed opening TAB of $238.9 million. It reflects a minor update we

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26 NGR, r. 76(b).

27 NGR, r. 76(c).

28 The lower regulatory depreciation is mainly driven by our final decision to reduce the revised proposed accelerated depreciation from $65 million to $30 million ($2025–26). See Appendix A for further details. All else being equal, a lower regulatory depreciation decreases the cost of corporate income tax as it is a component of revenue for tax purposes

29 The higher return on equity amount is driven by a higher rate of return on equity and lower regulatory depreciation amount determined in our final decision compared to Evoenergy's revised proposal. All else being equal, a higher return on equity amount increases the cost of corporate income tax as it is a component of revenue for tax purposes.

30 The lower tax depreciation amount is driven by a lower forecast capex determined in our final decision compared to Evoenergy's revised proposal. All else being equal, a lower tax depreciation increases the cost of corporate income tax as it is a component of tax expense.

made to the 2024–25 actual capex value for the 'HP Services' asset class in the RFM (section 1.3.1.1).

For the final decision, we accept Evoenergy's revised proposed standard tax asset lives for its existing asset classes (section 1.3.1.3) and a zero amount of immediately expensed capex for the 2026–31 period (section 1.3.1.2), as they are consistent with the draft decision.

In the draft decision, we made limited changes to Evoenergy's modelling of its cost of corporate income tax.[31] These were limited to not accepting Evoenergy's proposed standard tax asset life of 19 years for the 'Equity raising costs', 'TRS & DRS – Valves & Regulators', and 'HP and MP pipelines' asset classes:[32]

- For the 'TRS & DRS – Valves & Regulators', 'HP and MP pipelines' asset classes, we determined a standard tax asset life of 20 years, consistent with the statutory cap on the effective life of 20 years for gas pipeline assets.[33]
- For the 'Equity raising costs' asset class, we determined a standard tax asset life of 5 years for the 'Equity raising costs' asset class, consistent with section 40.880 of the *Income Tax Assessment Act 1997* (ITAA).

Evoenergy's revised proposal adopted the changes required by the draft decision. In addition, it updated the opening TAB value as at 1 July 2026 (section 1.3.1.1).[34]

1.3.1.1 Opening tax asset base at 1 July 2026

Our final decision is to determine an opening TAB value as at 1 July 2026 of $239.1 million ($ nominal) for Evoenergy, which is $0.2 million (0.1%) higher than Evoenergy's revised proposal value of $238.9 million.[35]

In our draft decision, we accepted Evoenergy's proposed method to establish the opening TAB value as at 1 July 2026. We noted that the opening TAB value may be updated as part of the final decision to reflect actual capex for 2024–25 and any revised capex estimate for 2025–26.[36]

Evoenergy's revised proposal adopted our draft decision changes. In addition, it updated the opening TAB as at 1 July 2026 to reflect the actual capex (including capital contributions) and asset disposals for 2024–25 and a revised estimated capex (including capital contributions) and asset disposals for 2025–26.[37]

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31 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, p. 31.

32 This consists of the 'HP mains', 'HP services', 'MP mains', and 'MP services' asset classes.

33 ATO, *Legislative Instrument LI2025/20 – Income Tax Assessment (Effective Life of Depreciating Assets) Determination 2025*, September 2025; Section 40.102 of the ITAA 1997.

34 Evoenergy, *Revised Proposal, Appendix 6.3-RFM, Appendix 6.4-Depreciation Tracking Module*, January 2026.

35 Evoenergy, *Revised Proposal, Appendix 6.2-PTRM model Step 2*, January 2026.

36 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, p. 33.

37 Evoenergy, *Revised Proposal, Appendix 6.3-RFM, Appendix 6.4-Depreciation tracking module*, January 2026.

Our final decision largely accepts the changes Evoenergy made in its revised proposal to update the opening TAB. We made one minor amendment to the actual capex input for the 'HP Services' asset class to be consistent with the 2024–25 annual reporting RIN. In its response to our information request, Evoenergy agreed with this amendment.[38] We will update the estimated capex, asset disposals and immediately expensed capex for 2025–26 with actual values at the next access arrangement review for the 2031–36 period.

Table 1.3 sets out our final decision on the roll forward of Evoenergy's TAB over the 2021–26 period.

Table 1.3 AER's final decision on Evoenergy's TAB roll forward for the 2021–26 period ($ million, nominal)

	2021–22	2022–23	2023–24	2024–25	2025–26[a]
Opening TAB	256.1	254.9	252.8	248.9	242.6
Capital expenditure[b]	9.9	10.0	9.3	7.9	11.1
Less: tax depreciation	11.0	12.2	13.2	14.1	14.6
Closing TAB	**254.9**	**252.8**	**248.9**	**242.6**	**239.1**

Source: AER analysis.
(a) Based on estimated capex. We expect to update the TAB roll forward with actual capex at the next access arrangement review.
(b) Net of disposals.

1.3.1.2 Forecast immediately expensed capex

For this final decision, we determine that a zero amount of Evoenergy's forecast capex is to be immediately expended for tax purposes in the 2026–31 period, consistent with our draft decision.

Evoenergy did not propose any forecast capex to be immediately expensed for tax purposes over the 2026–31 period in its initial proposal. In the draft decision, we accepted this aspect of the proposal. We considered that Evoenergy's proposal is consistent with its current approach and informed by the actual amount of capex immediately expensed historically.

We will continue to collect actual data relating to this expenditure in our annual reporting RINs to inform our decision on the amount of forecast immediately expensed capex in the next access arrangement review for Evoenergy.

1.3.1.3 Standard tax asset lives

Our final decision accepts Evoenergy's revised proposed standard tax asset lives assigned to its existing asset classes for the 2026–31 period. Consistent with our draft decision, we accept these standard tax asset lives because they are:

[38] Evoenergy, *Response to AER information request #018*, 20 February 2026.

- broadly consistent with the tax asset lives prescribed by the Commissioner of Taxation in ATO Legislative Instrument 2025/20, including the statutory cap on the effective life of 20 years for gas pipeline assets [39]
- for non-pipeline asset classes—consistent with the approved standard tax asset lives for the 2021–26 period.

Consistent with Evoenergy's revised proposal and our draft decision, we apply a standard tax asset life of:

- 5 years for the 'Equity raising costs' asset class, based on section 40.880 of the ITAA.
- 20 years for the 'TRS & DRS – Valves & Regulators', 'HP and MP pipelines' asset classes consistent with the ATO Legislative Instrument 2025/20, including the statutory cap on the effective life of 20 years for gas pipeline assets.[40]

Our final decision PTRM sets out Evoenergy's standard tax asset lives for each asset class over the 2026–31 period.[41] We note the asset classes we have assigned with a standard tax asset life of 'n/a' (not applicable) is because the capex allocated to them is either not subject to depreciation, or they have zero forecast capex allocated to them. We are satisfied that the standard tax asset lives are appropriate for application over the 2026–31 period. We are also satisfied that the standard tax asset lives provide an estimate of the tax depreciation amount that would be consistent with the tax expenses used to estimate the annual taxable income for a benchmark efficient service provider.[42]

1.3.2 Assessment approach

We did not change our assessment approach for the cost of corporate income tax from our draft decision. Attachment 1 (appendix A.3) of our draft decision details that approach.[43]

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39 ATO, *Legislative Instrument LI2025/20 – Income Tax Assessment (Effective Life of Depreciating Assets) Determination 2025*, September 2025; Section 40.102 of the ITAA 1997.

40 ATO, *Legislative Instrument LI2025/20 – Income Tax Assessment (Effective Life of Depreciating Assets) Determination 2025*, September 2025; Section 40.102 of the ITAA 1997.

41 AER, *Final decision – Evoenergy access arrangement determination 2026–31 – PTRM Step 2*, May 2026.

42 NGR, r. 87A(1).

43 AER, *Draft decision - Evoenergy access arrangement 2026–31 - Attachment 1 - Capital base, Regulatory depreciation and Corporate income tax*, November 2025, pp. 45–51.

1.4 Revisions

We require the following revisions to make the access arrangement proposal acceptable as set out in Table 1.4, Table 1.5 and Table 1.6.

Table 1.4 Evoenergy's capital base revisions

Revision	Amendments
Revision 1.1	Make all necessary amendments to reflect this final decision on the roll forward of the capital base for the 2021–26 access arrangement period, and to reflect this final decision on the projected capital base for the 2026–31 access arrangement period.
Revision 1.2	Make all necessary amendments to reflect this final decision on the depreciation approach for establishing the opening capital base at the commencement of the 2031–36 access arrangement period.

Table 1.5 Evoenergy's regulatory depreciation revisions

Revision	Amendments
Revision 1.3	Make all necessary amendments to reflect this final decision on the regulatory depreciation amounts for the 2026–31 access arrangement period.

Table 1.6 Evoenergy's corporate income tax revisions

Revision	Amendments
Revision 1.4	Make all necessary amendments to reflect this final decision on the cost of corporate income tax amounts for the 2026–31 access arrangement period.

Shortened forms

Term	Definition
AER	Australian Energy Regulator
ACT	Australian Capital Territory
ATO	Australian Tax Office
capex	capital expenditure
CESS	capital expenditure sharing scheme
CPI	consumer price index
ITAA	*Income Tax Assessment Act 1997*
NGR	National Gas Rules
PTRM	post-tax revenue model
RFM	roll forward model
TAB	tax asset base
WACC	weighted average of the cost of capital (rate of return)