



# Jemena Electricity Networks (Vic) Ltd

## JEN 2026-27 Pricing Proposal



## Table of Contents

<b>1.</b>	<b>Introduction</b> .....	<b>1</b>
1.1	JEN's pricing approach .....	1
1.2	Submission structure and rule compliance .....	1
1.2.1	Submission structure.....	1
1.2.2	Rule compliance.....	2
1.2.3	Submission values and terminology .....	5
<b>2.</b>	<b>Tariff classes and tariffs</b> .....	<b>6</b>
2.1	Distribution use of system services.....	6
2.2	Alternative control services (ACS) .....	7
2.3	Sub-threshold tariffs.....	7
<b>3.</b>	<b>Approach to setting tariffs</b> .....	<b>8</b>
3.1	Recovering efficient costs .....	8
3.2	Impact on customers.....	8
<b>4.</b>	<b>Designated pricing proposal, pass-throughs and jurisdictional scheme outcomes</b> .....	<b>9</b>
4.1	Tariff variation for pass-throughs .....	9
4.1.1	Rule requirements .....	9
4.1.2	Potential tariff variation for pass-throughs.....	9
4.2	Designated pricing proposal costs .....	10
4.2.1	Rule requirements.....	10
4.2.2	Designated pricing proposal charges .....	10
4.2.3	System strength connection points .....	10
4.3	Jurisdictional scheme recoveries .....	11
4.3.1	Rule requirements .....	11
4.3.2	Relevant jurisdictional schemes .....	11
4.3.3	Jurisdictional scheme tariffs .....	11

## List of tables

Table 1–1: JEN 2026-27 pricing proposal submission document suite .....	2
Table 1–2: Rule compliance submission references .....	2
Table 2–1: Tariff classes for DUoS standard control services .....	6
Table 2–2: Alternative control services tariff classes .....	7
Table 3–1: Proposed typical customer bill impacts (\$, nominal).....	8
Table 4–1: Unpaid charges resulting from retailer insolvency events.....	9
Table 4–2: Estimated TUoS revenue increase (\$M, nominal) .....	10

# 1. Introduction

Jemena Electricity Networks (Vic) Ltd (**JEN**) has submitted this document (together with its attachments) as our initial pricing proposal for the first regulatory year of the regulatory control period (**annual pricing proposal**) to the Australian Energy Regulator (**AER**) for approval in accordance with clause 6.18.2(a)(1) of the National Electricity Rules (**NER or the Rules**).<sup>1</sup> requires that JEN after the publication of the distribution determination, a pricing proposal. The AER regulates our network tariffs and reviews our proposed network tariffs to ensure compliance with the requirements of the NER and that they promote the long-term interests of customers.

In developing our tariffs for the current regulatory period (1 July 2026 to 30 June 2031), JEN engaged with customers, stakeholders, and the community to better understand what they want and value and to help us make decisions that reflect their priorities and long-term interests.

Customers may not see our network tariff itemised on their electricity bill, as retailers generally incorporate our tariffs in their end prices and charges, along with the other costs of generating and supplying electricity. This annual pricing proposal seeks to provide greater visibility to customers and other stakeholders on our network tariffs applicable from 1 July 2026 to 30 June 2031.

## 1.1 JEN's pricing approach

In accordance with the Rules<sup>2</sup>, JEN established its tariff classes and the tariff structures within its Tariff Structure Statement (**TSS**)<sup>3</sup> approved by the AER for the 2026-31 regulatory period.<sup>4</sup> This annual pricing proposal applies those approved tariff structures to 2026-27 tariffs and establishes tariff levels (prices) that meet the network pricing objective<sup>5</sup> and pricing principles.<sup>6</sup>

JEN intends to introduce two new sub-threshold/trial tariffs in the 2026-27 regulatory year. Further details are included in section 2.3 below.

## 1.2 Submission structure and rule compliance

### 1.2.1 Submission structure

JEN has structured this submission to demonstrate compliance with each of the requirements of rule 6.18.2(b) of the NER and the AER's 2026-31 final decision.<sup>7</sup> The submission dedicates a section to each of the key areas of rule compliance:

- Section 2 – Tariff classes, tariffs and charging parameters
- Section 3 – Approach to setting tariffs
- Section 4 – Designated pricing proposal, pass-throughs and jurisdictional scheme recoveries

<sup>1</sup> National Electricity Rules (NER) clause 6.18.2(a)(1)<sup>1</sup> requires submission of the initial pricing proposal to the AER as soon as practicable, and in any case within 15 business days, after the publication of the distribution determination.

<sup>2</sup> NER, cl 6.8.2.

<sup>3</sup> AER, Final Decision, Jemena distribution determination 2026-31, Revised Tariff Structure Statement April 2026 - Clean, 30 April 2026.

<sup>4</sup> Ibid.

<sup>5</sup> NER, cl 6.18.5(a).

<sup>6</sup> NER, cl 6.18.5(e)-(j).

<sup>7</sup> AER, Final Decision, Jemena distribution determination 2026-31, Revised Tariff Structure Statement April 2026 - Clean, 30 April 2026.

Supporting attachments are listed in Table 1–1 below.

**Table 1–1: JEN 2026-27 pricing proposal submission document suite**

Document	Title
Proposal (this document)	JEN - 2026-27 Pricing proposal
Attachment 1	JEN - 2026-27 Statement of compliance
Attachment 2	JEN - 2026-27 SCS pricing model (public and confidential)
Attachment 3	JEN - 2026-27 Network tariff schedule
Attachment 4	JEN - 2026-27 Schedule of services - Alternative control and public lighting
Attachment 5	JEN - 2026-27 TUOS letter
Attachment 6	JEN - 2026-27 TUOS charges
Attachment 7	JEN - AEMO invoice for South Morang terminal station
Attachment 8	JEN - Actual and indicative AusNet charges
Attachment 9	JEN - Costs of service confirmation
Attachment 10	JEN - 2023-24 F factor fire start template
Attachment 11	JEN - 2025-26 ESV levy invoice
Attachment 12	JEN - 2024-25 ESC license fee
Attachment 13	JEN - 2026-27 Confidentiality template

## 1.2.2 Rule compliance

Table 1–2 below sets out the specific rule requirement and where in this pricing proposal JEN has demonstrated compliance.

**Table 1–2: Rule compliance submission references**

Topic	Relevant rules	Submission reference
Pricing proposal elements	6.18.2(b)(2) of the NER requires that the pricing proposal set out the proposed tariffs for each tariff class;	Section 2, Attachment 2
	6.18.2(b)(3) of the NER requires that the pricing proposal set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates;	Section 2, Attachment 2
	6.18.2(b)(4) of the NER requires that the pricing proposal 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;	Attachment 2
	6.18.2(b)(5) of the NER requires that the pricing proposal set out the nature of any variation or adjustment to the tariff that could occur during the regulatory year and the basis on which it could occur;	Attachment 1
	6.18.2(b)(6) of the NER requires that the pricing proposal set out how designated pricing proposal charges are to be passed on to customers and	Attachment 2

Topic	Relevant rules	Submission reference
	any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year;	
	6.18.2(b)(6A) of the NER requires that the pricing proposal set out how jurisdictional scheme amounts for each approved jurisdictional scheme are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts;	Attachment 2
	6.18.2(b)(6B) of the NER requires that the pricing proposal describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria;	Section 4
	6.18.2(b)(6C) of the NER requires that the pricing proposal set out how system strength charges for system strength connection points on its network are to be passed through as described in clause 6.20.3A;	Section 4
	6.18.2(b)(7) of the NER requires that the pricing proposal demonstrate compliance with the Rules and any applicable distribution determination;	All
	6.18.2(b)(7A) of the NER requires that the pricing proposal demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them;	Attachment 2
	6.18.2(b)(8) of the NER requires that the pricing proposal 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.	Attachment 2
	6.18.2(d) of the NER requires the Distribution Network Service Provider to submit a revised indicative pricing schedule which sets out, for each tariff and each of the remaining regulatory years of the regulatory control period, the indicative price levels determined in accordance with the Distribution Network Service Provider's tariff structure statement for that regulatory control period and updated to take into account that pricing proposal.	Attachment 2
	6.18.2(e) of the NER requires that where the Distribution Network Service Provider submits an annual pricing proposal, the revised indicative pricing schedule referred to in paragraph (d) must also set out, for each relevant tariff under clause 6.18.1C, the indicative price levels for that relevant tariff for each of the remaining regulatory years of the regulatory control period, updated to take into account that pricing proposal.	Attachment 2
Pricing principles	6.18.5(a) of the NER describes the network pricing objective, which 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. 6.18.5(b) of the NER states that tariffs must also comply with the pricing principles set out in 6.18.5(e) to (j).	Section 3
	6.18.5(e) of the NER describes that the revenue for each tariff class is expected to be recovered should lie on or between: (1) an upper bound representing the stand-alone cost of serving the customers who belong to that class; and	Attachment 2

Topic	Relevant rules	Submission reference
	(2) a lower bound representing the avoidable cost of not serving those customers.	
	<p>6.18.5(f) of the NER describes that 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 how that method is applied to be determined having regard to:</p> <p>(1) the costs and benefits associated with calculating, implementing and applying that method as proposed;</p> <p>(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</p> <p>(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>	Attachment 1
	<p>6.18.5(g) of the NER requires the revenue expected to be recovered from each tariff must:</p> <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>	Attachment 2
	<p>6.18.5(h) of the NER requires a Distribution Network Service Provider to 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 can mitigate the impact of changes in tariffs through their usage decisions.</p>	Section 3
	6.18.5(i) of the NER requires that tariffs must be capable of being understood and incorporated into retailers' contract terms.	JEN's 2026-31 TSS
	6.18.5(j) of the NER requires tariffs to comply with the Rules and all applicable regulatory instruments.	Attachment 1
Side constraint	The price control mechanism requires a side constraint to apply to each tariff class related to the provision of standard control services. The side constraint formula is provided in the AER's 2026-31 final decision. <sup>8</sup>	Attachment 2

<sup>8</sup> AER, Attachment 12- Control mechanisms | Final decision – AusNet Services, Jemena, CitiPower, Powercor and United Energy distribution determinations 2026-31, April 2026.

Topic	Relevant rules	Submission reference
	<p>6.18.6(d) of the NER states that in deciding whether the permissible percentage has been exceeded in a particular regulatory year, the following are to be disregarded:</p> <p>(1) the recovery of revenue to accommodate a variation to the distribution determination under rule 6.6 or 6.13;</p> <p>(2) the recovery of revenue to accommodate the pass through of designated pricing proposal charges to customers; and</p> <p>(3) the recovery of revenue to accommodate the pass through of jurisdictional scheme amounts for approved jurisdictional schemes.</p>	Attachment 2
Designated Pricing Proposal Charges (includes recovery for transmission charges, inter DB charges and avoided transmission payments)	6.18.7(a) of the NER requires a pricing proposal to provide for tariffs designed to pass on to customers the designated pricing proposal charges to be incurred by the Distribution Network Service Provider.	Attachment 2
	6.18.7(b) of the NER determines that the amount to be passed on to 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).	Attachment 2
	<p>6.18.7(c) of the NER requires the over and under recovery amount to be calculated in a way that:</p> <p>(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;</p> <p>(2) ensures a Distribution Network Service Provider can recover from customers no more and no less than the designated pricing proposal charges it incurs; and</p> <p>(3) adjusts for an appropriate cost of capital that is consistent with the rate of return used in the relevant distribution determination for the relevant regulatory year.</p>	Attachment 2
Jurisdictional scheme	<p>6.18.7A(a) of the NER requires a pricing proposal to provide for tariffs designed to pass on to customers a Distribution Network Service Provider's:</p> <p>(1) jurisdictional scheme amounts for approved jurisdictional schemes; and</p> <p>(2) jurisdictional scheme refund amounts for approved jurisdictional schemes.</p>	Attachment 2
	6.18.7A(b) and 6.18.7A(c) of the NER requires the jurisdictional scheme amount and jurisdictional refund to be passed on to customers for a particular regulatory year (year t) must not exceed the estimated amount of jurisdictional scheme amounts and jurisdictional scheme refund for a Distribution Network Service Provider's approved jurisdictional schemes for year t adjusted for over or under recovery in accordance with paragraph 6.18.7(c1).	Attachment 2

### 1.2.3 Submission values and terminology

This submission employs the following standards:

- All cost estimates and revenue values are expressed in \$2026-27 unless otherwise stated.
- All prices are expressed in \$2026-27.
- The term 'customer' should be interpreted as an end user of electricity rather than an electricity retailer.

## 2. Tariff classes and tariffs

In this section, JEN sets out its tariff classes and tariffs for 2026-27, which are those outlined in our TSS.

### 2.1 Distribution use of system services

The tariff classes for distribution use of system (**DUoS**) standard control services are as set out in our TSS. Table 2–1 below sets out JEN’s 2026-27 DUoS tariff classes and the tariffs that are categorised within each of these.

**Table 2–1: Tariff classes for DUoS standard control services**

Tariff class	Relevant tariffs <sup>9</sup>	Class definition
Residential	A100 single rate A130 time-of-use daytime saver A10E export tariff A180 off-peak heating only (dedicated circuit)	Only available to residential customers. A180 is not available to new customers.
Small and medium business	A200 small business single rate A210 small business time of use weekdays A230 medium business time of use weekdays – demand A23N medium business time of use weekdays demand (opt-out) A270 small business time of use – extended demand A290 Public lighting and street furniture	Tariffs A200 and A210 are available to network customers (embedded or non-embedded) with annual consumption < 40 MWh. Tariffs A230 and A23N are available to customers with annual consumption greater than or equal to 40MWh but less than 160MWh. A270 is not available to new customers.
Large business - low voltage	A30B LV large business storage tariff A30C LV <=0.8 GWh A32C LV 0.8+ - 2.2 GWh A34C LV 2.2+ - 6.0 GWh A34T LVMS 2.2+/- 6.0 GWh (SDIC) A37C LV 6.0+ GWh (SDIC) A37T LVMS 6.0+ GWh (SDIC)	Only available to embedded network customers OR non-embedded network customers: with annual consumption >= 0.4 GWh <u>or</u> maximum demand >= 120 kVA. A30B is available upon application and at JEN’s discretion to customers with storage capacity <=500kVA. A34T and A37T are not available to new customers.
Large business - high voltage	A40C HV cost-reflective (SDIC) A40T HV <sub>RF</sub> cost-reflective (SDIC) A48C HV - annual consumption >= 55 GWh (SDIC) A40S HV site-specific tariff	Only available to customers taking High Voltage supply (nominal voltage >= 1,000 volts AND < 22,000 volts) Demand charge in this tariff class is subject to a minimum chargeable demand of 1,000kVA. A40T is not available to new customers.
Large business - sub-transmission	A50C sub-transmission (SDIC) A50M sub-transmission – multiple connections A50T sub-transmission MA (SDIC) A50X sub-transmission EG (SDIC) A50S – Sub-transmission site-specific tariff	Only available to customers taking supply from a nominal voltage >= 22,000 volts Demand charge in this tariff class is subject to a minimum chargeable demand of 15,000 kVA.

<sup>9</sup> AER, Final Decision, Jemena distribution determination 2026-31, Revised Tariff Structure Statement April 2026 - Clean, 30 April 2026.

## 2.2 Alternative control services (ACS)

JEN has a single alternative control services tariff class as set out in our TSS. Within this tariff class, there are multiple user-requested services, each with their own associated price or unit rates that are proposed by us, but approved by the AER. The method for determining prices for these services takes two different forms as described in Table 2–2 below.

**Table 2–2: Alternative control services tariff classes**

Service	Relevant services	Definition
Fee-based services	Include: <ul style="list-style-type: none"> <li>Ancillary Network Services for which the AER has applied a cap on prices, for example, services such as basic connections, de-energisations, re-energisations</li> <li>Metering services for ‘small customers’ (Type 5, 6 and AMI meters), Type 7 metering and other auxiliary metering services provided on a customer-requested basis</li> <li>The operation, maintenance and replacement (<b>OM&amp;R</b>) services for public lighting, including type 9 metering services, for which the AER has applied a cap on the price per lighting type.</li> </ul>	Services for which the AER has applied a cap on the price per service.
Quoted services	Services for which the AER has placed a cap on the applicable labour rates (inclusive of labour on-costs and overheads). Prices for quoted services are based on quantities of labour plus materials and contractor services.	Services for which the AER has placed a cap on the applicable labour rates. <sup>10</sup>

## 2.3 Sub-threshold tariffs

NER 6.18.1C allows distributors to conduct tariff trials within a regulatory period, provided the expected revenue from such tariffs does not exceed certain revenue thresholds. The following two trial tariffs will be introduced in 2026-27:

- Kerbside EV charging trial tariff (A20E)
- High-voltage large business storage trial tariff (A40B).

These tariffs will be updated annually, and maintained until 30 June 2031, the end of the current regulatory period. In accordance with Rule 6.18.1C, we notified the AER and retailers in our network about these trial tariffs as part of the revised TSS submitted to the AER in December 2025 and provided retailers guidance on these trial tariff structures in a factsheet.

<sup>10</sup> Cap does not apply to materials and contracts.

### 3. Approach to setting tariffs

As required by the Rules, JEN has had regard to several other relevant pricing principles when determining our 2025-26 tariff levels.

#### 3.1 Recovering efficient costs

Rule 6.18.5(g) requires that we only recover our efficient costs and that tariffs reflect the total efficient costs of serving retail customers assigned to each tariff. It also requires that allowed revenue is recovered in a way that seeks to minimise distortions to efficient price signals.

Attachment 2<sup>11</sup> demonstrates that our expected revenue falls within our efficient allowance (total allowed revenue or **TAR**).

Calculating our expected revenue requires we forecast customer numbers, consumption and demand for:

- 1 July 2025 to 30 June 2026 (t-1) – this estimate impacts the unders and overs account via the t-1 under or over recovery.
- 1 July 2026 to 30 June 27 – this forecast affects the expected 2026-27 revenue, and therefore, 2026-27 price levels.

#### 3.2 Impact on customers

JEN has considered the impact on retail customers (Rule 6.18.5(h)) of changes in tariffs between 2025-26 and 2026-27. JEN's DUoS revenue is higher than expected for the 2025-26 regulatory year, and on this basis, we are proposing to recover our full allowable STPIS amount. Banking STPIS to a future year would increase volatility in prices. Table 3–1 below shows the proposed typical customer DUoS bill impacts for our small customer tariff classes from 2025-26 to 2026-27.

**Table 3–1: Proposed typical customer bill impacts (\$, nominal)**

Tariff class	2025-26 bill	2026-27 bill	Bill change from 2025-26 to 2026-27	% change
Residential	\$475	\$458	-\$17	-3.6%
Small business	\$1,467	\$1,425	-\$42	-2.8%

<sup>11</sup> JEN, 2026-27 Annual SCS pricing model - 7 May 2026, sheet 'Prop.revenue', Calculation tables 16 and 17.

## 4. Designated pricing proposal, pass-throughs and jurisdictional scheme outcomes

### 4.1 Tariff variation for pass-throughs

#### 4.1.1 Rule requirements

Rule 6.18.2(b)(5) requires that a DNSP's pricing proposal must:

*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*

#### 4.1.2 Potential tariff variation for pass-throughs

##### 4.1.2.1 Possible pass-through events

Chapter 6 of the Rules specifies that the following pass-through events apply to all distribution determinations:

- regulatory change event
- a service standard event
- a tax change event
- a retailer insolvency event.

In addition to the pass-through events and provisions set out in the Rule, the AER has determined the following pass-through events are also applicable to JEN:<sup>12</sup>

- an insurance cap event
- an insurer credit risk event
- a natural disaster event
- a terrorism event.

##### 4.1.2.2 Retailer insolvency events

There were no retailer insolvency events in regulatory year 2025-26.

**Table 4–1: Unpaid charges resulting from retailer insolvency events**

	2024-25	2025-26
NUoS charges	\$47,344	\$0
Metering charges	\$802	\$0
<b>Total</b>	<b>\$48,146</b>	<b>\$0</b>

<sup>12</sup> AER, Overview | Final decision – Jemena distribution determination 2026-31, p. 24.

## 4.2 Designated pricing proposal costs

### 4.2.1 Rule requirements

Rule 6.18.2(b)(6) requires that a DNSP's pricing proposal must:

*set out how designated pricing proposal charges are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year.*

Rule 6.18.2(b)(6C) of the NER requires that the pricing proposal must:

*set out how system strength charges for system strength connection points on its network are to be passed through as described in clause 6.20.3A.*

### 4.2.2 Designated pricing proposal charges

JEN has set out a schedule of its proposed Designated Pricing Proposal Charges (incorporating TUoS tariffs) in Attachment 2<sup>13</sup> of this submission. These tariffs are set to recover JEN's required transmission revenue as calculated in accordance with the mechanism specified in the AER's final determination<sup>14</sup> and shown in Attachment 2.<sup>15</sup>

As shown in Table 4–2 below, TUoS revenue is expected to increase by 25.67% from 2025-26 to 2026-27. This is mostly driven by the inclusion of regulated Basslink interconnector revenue from a market service to a prescribed transmission service on 1 July 2026 for VicGrid. JEN is required to pass through this cost to our customers.

**Table 4–2: Estimated TUoS revenue increase (\$M, nominal)**

	2025-26	2026-27
Total forecast DPPC	\$99.0	\$127.9
Over/under recovery adjustment from the previous year	-\$4.7	-\$9.3
Allowed revenue	\$94.4	\$118.6
<b>% change</b>		<b>25.67%</b>

Attachment 2<sup>16</sup> provides the full unders and overs account for TUoS.

### 4.2.3 System strength connection points

System strength charges apply only to Chapter 5 connections (see Chapter 5 of the NER), of which there are none on Jemena's network. If system strength charges arise, Jemena will pass through these charges in accordance with NER clauses 6.20.3A(b) and 6.20.3A(c). We will bill Distribution Network Users, identifying the relevant system strength connection points and providing other information required by the Distribution Network Users to verify the charges. The bills will be on a pass-through basis, and replicate as far as is reasonably possible the amount, structure and timing of the corresponding system strength charges billed to us by the relevant System Strength Service Provider (AEMO or AusNet). We have no system strength charges forecast for 2026-27.

<sup>13</sup> JEN, 2026-27 Annual SCS pricing model - 7 May 2026, sheet 'Tariff Schedule', Tariff schedule 3, Tariff schedule 4.

<sup>14</sup> AER, Attachment 12- Control mechanisms | Final decision – AusNet Services, Jemena, CitiPower, Powercor and United Energy distribution determinations 2026-31, April 2026.

<sup>15</sup> TUoS charges are made up of scheduled charges per the attachments from our transmission suppliers AEMO, VicGrid and AusNet, as well as connection charges relating to the South Morang Terminal Station (AEMO) and agreed augmentation costs (AusNet).

<sup>16</sup> JEN, 2026-27 Annual SCS pricing model - 7 May 2026, Accounts, Calculation table 7.

## 4.3 Jurisdictional scheme recoveries

### 4.3.1 Rule requirements

Rules 6.18.2(b)(6A) and 6.18.2(b)(6B) require that a DNSP's pricing proposal must:

*(6A) set out how jurisdictional scheme amounts for each approved jurisdictional scheme are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts; and*

*(6B) describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria.*

### 4.3.2 Relevant jurisdictional schemes

There are two relevant jurisdictional schemes:

- ESV levy
- ESC licence fee.

On 19 March 2021, the AER determined that the treatment of ESV levies established by section 8 of the Electricity Safety Act 1998 (Vic) (ESA) would become a jurisdictional scheme.

As per the AER's decision on 19 July 2024,<sup>17</sup> we will continue to treat the ESC licence fee amount as a jurisdictional scheme amount in future annual pricing proposals.

### 4.3.3 Jurisdictional scheme tariffs

JEN has set out a schedule of its proposed tariffs to recover costs incurred through relevant jurisdiction schemes in Attachment 2<sup>18</sup>. These tariffs are set to recover JEN's required jurisdictional scheme revenue as calculated in accordance with the mechanism specified in the AER's Final Decision<sup>19</sup> and reflected in Attachment 2<sup>20</sup>. We propose to recover jurisdictional scheme revenue from customer segments in broadly the same proportion as we have historically.

<sup>17</sup> AER, Jurisdictional scheme determination - Licence fees payable under the Electricity Industry Act 2000 (Vic), July 2024.

<sup>18</sup> JEN, 2026-27 Annual SCS pricing model - 7 May 2026, Tariff Schedule, Tariff schedule 3, Tariff schedule 4.

<sup>19</sup> AER, Attachment 12- Control mechanisms | Final decision – AusNet Services, Jemena, CitiPower, Powercor and United Energy distribution determinations 2026-31, April 2026.

<sup>20</sup> JEN, 2026-27 Annual SCS pricing model - 7 May 2026, Tariff Schedule, Tariff schedule 3, Tariff schedule 4.