Annual Information Order

Evoenergy written response

Annual Reporting AIO

Submission to the Australian Energy Regulator

28 November 2025

4.2 Policies and procedures

4.2.1. The *electricity distributor* must provide its policies and procedures, encompassing:

(a) regulatory accounting principles and policies,

(b) capitalisation policy,

(c) policy/procedures for the allocation of overheads, in accordance with the approved *cost allocation method*.

Response
Attachment A - Accounting for Capital Expenditure
Attachment B - Evoenergy - Cost allocation method application - 18 September 2018

4.2.2 The *electricity distributor* must identify any changes to the policies and procedures listed at 4.2.1 that have occurred in the *reporting period*, and describe:

(a) the reason for the change

(b) the impact of the change on the information being reported.

Response
Evoenergy advises that the substance of Evoenergy's Regulatory Accounting Principles, Capitalisation policy, and Cost allocation methodology have not changed.

4.2.3 If the policies and procedures required at 4.2.1 have previously been submitted to the *AER* and have not been amended since that submission the *electricity distributor* must report the previous submission date and does not have to provide the policies and procedures again.

Response
Evoenergy provided the policies and procedures to the AER as part of the EN24 regulatory submission.
Evoenergy (ActewAGL) - Cost allocation method 2018 | Australian Energy Regulator (AER)

4.3 Regulatory adjustments

4.3.1 For regulatory adjustments recorded in the data workbooks (Workbook 06 – Operating expenditure, Workbook 09 – Revenue and financial statements) the electricity distributor must provide information that reconciles and explains all adjustments between the audited statutory accounts and the Distribution business, set out in a regulatory adjustment reconciliation report.

Response
Evoenergy operates as a distribution partnership comprising two core entities: the Electricity and Gas Networks, and a Corporate Services Provider. In accordance with the basis of preparation and the AIO (Annual Information Order) spreadsheet, inter-entity transactions and balances between these entities are eliminated upon consolidation. This ensures that the financial statements reflect a true and fair view of the partnership's financial position and performance.

4.3.2 For each *regulatory adjustment* recorded in the *data workbooks* (Workbook 06 – Operating expenditure, Workbook 09 – Revenue and financial statements) the *regulatory adjustment* reconciliation report must include:

(a) a detailed explanation for the underlying reason for the *regulatory adjustment*

(b) methodology and assumptions used to quantify the *regulatory adjustment*

(c) details of relevant debits and credits associated with the *regulatory adjustment*.

Response There are no regulatory adjustments

4.3.3 If an *electricity distributor* has previously provided the *AER* with a *regulatory adjustments* journal in response to annual reporting obligations in place for the 2022-23 reporting year, then the *regulatory adjustment* reconciliation report must continue to be in the form of a *regulatory adjustments* journal.

Response There are no regulatory adjustments

4.4 Discretionary row descriptors

4.4.1 *Electricity distributors* should keep discretionary row descriptors (inputs) used to meet the information requirements in the *data workbooks* at Appendix A the same in each *reporting period*.

Response

- 6.9 STPIS GSL
- 8.2 CAPEX
- 8.4 OPEX

4.4.2 If an electricity distributor has varied the row descriptors (input) compared to those used in the previous *reporting period* or *regulatory year*, the *electricity distributor* must provide:

(a) an explanation of the relationship between the current row descriptors, and those used previously

(b) an explanation of why the change was made

(c) supporting material (or references to supporting material) driving the change (including for example policies, guidelines, or accounting standards).

Response

- 6.9 STPIS GSL – Additional lines added to accurately map to previous reporting and ICRC Consumer Protection Code.
- 8.2 CAPEX – Additional lines added to accurately map asset classes relevant to Evoenergy network
- 8.4 OPEX – Additional lines added to accurately map all Evoenergy relevant categories and map to previous reporting

4.5 Allocation of revenues and expenditures to distribution services

4.5.1 For each item of revenue or expenditure that is not directly attributable and is reported on a causal allocation basis to *distribution services* provide:

(a) a description of the causal basis of allocation

(b) the numeric quantity of the allocator

(c) an explanation of why the allocator was selected

Response

All revenue and expenditure across Evoenergy's Electricity and Gas Networks are directly allocated to the respective business units based on their operational activities. However, the Corporate Services Provider operates as a shared services entity supporting both networks. As such, its costs are not directly attributed to activities.

Instead, the Corporate Services expenditure is allocated to the Electricity and Gas Networks using an internal cost allocation methodology, which may include drivers such as headcount, asset base, or expenditure.

4.5.2 For each item of revenue or expenditure that is not directly attributable and is reported on a non-causal allocation basis to distribution services provide:

(a) a description of the non-causal basis of allocation

(b) the numeric quantity of the allocator

(c) an explanation of why the allocator was preferred over other possible allocators

(d) an explanation of why no causal basis of allocation could be established

(e) documents showing any approval previously granted by the AER to use the allocator.

Response

Table 4.10.5(a): Costs not allocated on a directly attributable basis but allocated on causal basis ($'000)

Division	Allocator and reason for allocation	FY25
Business Systems Division	Costs are allocated to divisions based on the actual time spent by staff on specific applications and projects, ensuring a direct and measurable link between resource usage and cost attribution	8,692

Table 4.10.5(b) Costs not allocated on a directly attributable basis and cannot be allocated on causal basis ($'000)

Division	Allocator and reason for allocation	FY25
Legal & Corporate Affairs	Internal audit costs are allocated to divisions based on the actual time spent working with each division, reflecting a direct causal relationship. All other corporate costs, which relate to non-division-specific activities and vary week to week, are allocated using a non-causal driver. This approach is necessary due to the absence of a consistent, measurable causal link between these activities and individual divisions.	1,500

Finance & Facilities	Economic Regulation costs are allocated to divisions based on the actual time spent working with each division, reflecting a direct causal relationship. In contrast, other Corporate Finance costs are allocated using a non-causal driver due to their corporate-wide nature and the absence of a reliable causal link to individual divisions. These activities are non-division-specific and vary from week to week, making causal allocation impractical. Interest revenue is directly allocated to divisions (where applicable) as a proportion of annual revenue, ensuring alignment with divisional financial performance.	10,703
People & Safety	HR costs are allocated to divisions based on Full-Time Equivalent (FTE) numbers, excluding Corporate Services, which provides a reasonable causal basis for distribution. However, salary and HR costs associated with Corporate Services employees are allocated using a non-causal driver due to the corporate-wide, non-division-specific nature of their work. These activities do not have a consistent or measurable link to individual divisions and therefore cannot be allocated on a causal basis.	3,861

4.6 Allocation of revenues and expenditures to distribution services

4.6.1 For each item of revenue or expenditure reported on a causal allocation basis from *distribution services* to a service segment provide:

(a) a description of the causal basis of allocation

(b) the numeric quantity of the allocator

(c) an explanation of why the allocator was selected

Response N/A

4.6.2 For each item of revenue or expenditure reported on a non-causal allocation basis from
distribution services to a service segment provide:

(a) a description of the non-causal basis of allocation

(b) the numeric quantity of the allocator

(c) an explanation of why the allocator was preferred over other possible allocators

(d) an explanation why no causal basis of allocation could be established

(e) documents showing any approval previously granted by the *AER* to use the allocator.

Response N/A

4.7 Material differences

4.7.1 Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the target performance measure specified in the *service target performance incentive scheme* and actual performance reported in the *data workbooks*.

Response • SAIDI • SAIFI • GSL Payments
4.7.2 Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the *AER*'s forecast operating expenditure and actual operating expenditure reported in *Workbook 06 - operating expenditure*.
Response In 2024-25, the forecast opex for distribution and transmission was $73.48m (adjusted for the AER's forecast inflation of 2.66%), and actual opex was $57.65m. The difference is $15.83m or 22%.
4.7.3 Identify each difference (where the difference is equal to or greater than ± 10 per cent) between the *AER*'s forecast capital expenditure by purpose and actual capital expenditure by purpose reported in *Workbook 07 - capital expenditure*.
Response The difference between forecast capex (adjusted based on the AER's forecast inflation of 2.66%) and actual capex varies by ≥±10% for the following categories: • -15% for replacement/asset renewal • -18% for augmentation (including reliability and quality improvement) • -20% for ICT • +20% for property • -91% for fleet • -67% for other non-network • +67% for capitalised overheads
4.7.4 Explain the reasons for each difference identified in the response to section 4.7.1, 4.7.2 and 4.7.3.
Response <u>SAIDI (System Average Interruption Duration Index):</u> • The average SAIDI decreased compared to the previous year and is now more closely aligned with the five-year average. • This decrease correlates with a reduction in the threshold SAIDI value under the service target performance incentive scheme. • Shorter outage durations contributed to the improved performance. • However, the highest unplanned outage duration experienced by the single worst-served customer in 2024–25 was higher than in 2023–24.   ○ This metric is highly variable as it reflects the experience of an outlier within a large customer base. <u>SAIFI (System Average Interruption Frequency Index):</u> • The average unplanned SAIFI in 2024–25 was lower than the trend observed over the past four years.

- This improvement is attributed to fewer large outages and the absence of storm events, which typically cause residual network damage.
- The highest number of unplanned outages experienced by any single customer was 7 in 2024–25, compared to 6 in 2023–24.
    - While this represents a large percentage increase, the absolute difference is only one additional outage.

Guaranteed Service Levels (GSL):

- GSL E1 (Missed Connection Times): Reduction in events due to improved processes and efficiencies that enabled Evoenergy to meet connection timeframes more consistently.
- GSL E2 (Wrongful Disconnections): Small increase of 4 events in 2024–25; however, this remains significantly lower than 2022–23 levels.
- GSL E4 (Planned Interruption Notifications): Reduction in events due to system improvements that reduced the risk of missed notifications.
- GSL E5 & E6 (Extended Unplanned Interruptions): A system error resulted in missed GSL payments from 2023–24 being processed in 2024–25.
    - These payments relate to interruptions that occurred in the previous year.
    - If correctly allocated across the two financial years, the GSL payment amounts would average out to be consistent with historical trends.

Opex variation between forecast and actual opex in 2024-25 was driven by:

- Efficiency savings, delivered through a range of initiatives, including introduction of improved asset management practices, procurement and delivery efficiencies, and optimising our operating model; and
- Transfer of some cost centre and network overhead (activities such as control room operations, network switching, network planning, and asset standards development) functions to align with the AER's RIN definition and industry best practice.

Capex variation between forecast and actual capex in 2024-25 was driven by:

- Replacement/asset renewal – Timing delay due to resource reprioritisation to higher customer impact projects
- Augmentation (including reliability and quality improvement) – Timing delay due to hardware and equipment lead times and procurement process for an outsourced contractor to support capacity uplift required for works delivery
- ICT –timing delay of planned investments in the Advanced Distribution Management System (ADMS) and ArcGIS platform upgrades
- Property – construction of an offsite training yard
- Fleet – timing delay to consider optimal fleet strategy
- Other non-network – timing delay of planned investment in floor consolidation works at the Bunda Street Site.
- Capitalised overheads – transfer of some cost centre and network overhead (activities such as control room operations, network switching, network planning, and asset standards development) functions to align with the AER's RIN definition and industry best practice.

4.8 Compliance

4.8.1 Explain the procedures and processes used by the *electricity distributor* to

ensure the *distribution services* have been classified in accordance with the *electricity distributor's* current *distribution determination*.
Response The Cost Allocation Methodology (CAM) for the 2024-29 regulatory period approved by the AER in 2024 shows the basis on which costs are allocated and the method for allocating costs not allocated on a directly attributable basis.
4.8.2 Explain the procedures and processes used by the *electricity distributor* to ensure the *negotiated service criteria,* as set out in the *electricity distributor's* current *distribution determination*, have been applied.
Response Evoenergy approaches all negotiations in good faith and in accordance with the NCC specified in the distribution determination. Component prices are determined in accordance with Evoenergy's approved pricing proposal unless terms and conditions vary significantly from those used for the approved pricing proposal. Evoenergy has a procedure which defines standard supply arrangements for electrical load supplied from the Evoenergy network. The procedure allows for customer specific requirements in addition to the standard supply arrangements. Any customer requirements which are above the specified standard are subject to negotiation with customers. In addition, Evoenergy is committed to the ongoing reliability and safety of the network and approaches all negotiations with this consideration. Where applicable, Evoenergy also considers compensation, consistent with clauses 5.5(f) (4) (ii) to (iii) of the NER. Evoenergy's processes consider fair access to the distribution network as well as the need to recover efficient costs of compliance with all regulatory obligations.
4.8.3 Describe the process the *electricity distributor* has in place to identify a *negative change event* under clause 6.6.1(f) of the *NER* and the *materiality* threshold applied to these events.
Response Evoenergy approaches all negotiations in good faith and in accordance with the Negative change event (NCE) specified in the distribution determination. Component prices are determined in accordance with Evoenergy's approved pricing proposal unless terms and conditions vary significantly from those used for the approved pricing proposal. Evoenergy has a procedure which defines standard supply arrangements for electrical load supplied from the Evoenergy network. The procedure allows for customer specific requirements in addition to the standard supply arrangements. Any customer requirements which are above the specified standard are subject to negotiation with customers. In addition, Evoenergy is committed to the ongoing reliability and safety of the network and approaches all negotiations with this consideration. Where applicable, Evoenergy

also considers compensation, consistent with clauses 5.5(f) (4) (ii) to (iii) of the NER. Evoenergy's processes consider fair access to the distribution network as well as the need to recover efficient costs of compliance with all regulatory obligations.

4.9 Demand management incentive scheme

4.9.1 Identify each *demand management incentive scheme (DMIS)* eligible project and committed project for which the *electricity distributor* seeks approval.

Response

Projects are listed in 7.11 of the AIO and DMIS report.
The only DMIS project is a committed project.

4.9.2 For each *DMIS* eligible project identified in the response to section 4.9.1:

(a) explain how it complies with the *AER's RIT-D* or the minimum project evaluation requirements detailed at section 2.2.1 of the *DMIS;*

(b) submit a demand management compliance report in accordance with section 2.4 of the *DMIS*.

Response

Please see Attachment D - Evoenergy DMIS Report 2025 v1.0 for further detail.

4.9.3 For each committed project identified in the response to section 4.9.1:

(a) explain how it complies with committed project requirements as detailed at section 2.2.2 of the *DMIS*;

(b) calculate the project incentive that each committed project can receive, in accordance with section 2.3 of *the DMIS;*

(c) calculate total financial incentive that a distributor can accrue across all committed projects for the *reporting period* in accordance with section 2.5 of *the DMIS;*

(d) submit a demand management compliance report in accordance with section 2.4 of the *DMIS*.

Response

Please see Attachment D - Evoenergy DMIS Report 2025 v1.0 for further detail.

4.9.4 Provide an overview of developments in relation to projects or programs completed in previous years of the current *regulatory control period*, and of any results to date

Response

Please see Attachment D - Evoenergy DMIS Report 2025 v1.0 for further detail.

4.9.5 Provide any other required information as specified by the *DMIS*.

Response Please see Attachment D - Evoenergy DMIS Report 2025 v1.0 for further detail.

4.10 Demand management innovation allowance mechanism
4.10.1 Identify each *demand management innovation allowance mechanism* (*DMIAM*) eligible project for which the *electricity distributor* seeks approval.
Response Please see Attachment G - Evoenergy DMIA Report 2025 v1.0 for further detail.
4.10.2 For each *DMIAM* eligible project identified in the response to section 4.10.1: (a) explain how it complies with project criteria detailed at section 2.2.1 of the *DMIAM;* (b) submit a compliance report in accordance with section 2.3 of the *DMIAM*.
Response Please see Attachment G - Evoenergy DMIA Report 2025 v1.0 for further detail.
4.10.3 Provide an overview of developments in relation to *projects* or programs completed in previous years of the current *regulatory control period*, and of any results to date.
Response Please see Attachment G - Evoenergy DMIA Report 2025 v1.0 for further detail.
4.10.4 Provide any other required information as specified by the *DMIAM*.
Response Please see Attachment G - Evoenergy DMIA Report 2025 v1.0 for further detail.

4.11 Tax standard asset lives
4.11.1 Identify all tax standard asset lives applied to asset classes that differ from those contained in the *AER* approved *Post Tax Revenue Model* for the *reporting period*.
Response There are no tax standard asset lives applied to asset classes that differ from those contained in the AER approved PTRM for Evoenergy's current regulatory control period.
4.11.2 Explain the reasons for each difference identified in section 4.11.1 including reasons for any departure from the Australian Tax Office's most recent determination of effective life.
Response There are no differences. Evoenergy understands that the ATO's most recent determination of effective life applied only to Gas Distribution.

4.12 Tax reporting – immediate expensing

4.12.1 List and explain the types of capital expenditure (such as refurbishment capital expenditure and capitalised overheads) associated with the *immediate expensing capital expenditure* as reported in the *data workbooks*, if any.

Response

Evoenergy apply the immediate expensing capital expenditure per Tax Determination TD 2002/5 on composite items are repair in natural. Such as replacing broken parts (e.g. poles, cables, pillars) with functionally equivalent items. Additionally, fixing leaks, repainting, or restoring damaged components to their original state.

4.12.2 State if the *electricity distributor* has, since the last *reporting period*, changed and/or intends to change its tax policy on *immediate expensing capital expenditure* and explain the rationale for the change and impact of the change.

Response

There has been no change in tax policy on immediate expensing capital expenditure.

4.13 Regulatory investment test expenditure

4.13.1 For each project where the electricity distributor has incurred expenditure during the *reporting period* relating to a project that has undergone a *RIT-D* in accordance with r.5.17 of the *NER* and the *AER*'s *RIT-D application guidelines* provide the following details:

(a) the name of the *RIT-D* and the date on which the *RIT-D* process was concluded; and

(b) whether the expenditure on the project is classified as *augmentation* expenditure or replacement expenditure.

Response

RIT-D name	Project (grouped by RIT-D)	RIT-D completion date	Expenditure category
Molonglo RIT-D	17519206 - FY25 Molonglo Zone Substation 1 TX 20011833 - Molonglo Zone Substation Second 132/11 kV 55 MVA transformer	December 2020	Augmentation
Gold Creek Zone Capacity	20003254 - Gold Creek 3rd Transformer	February 2024	Augmentation

City Centre Feeder Capacity	20007697 - 11kV Feeder from Civic ZS to S96 City North 20009666 - 11kV Feeder from Civic ZS to S63 City West 20009678 - 11kV Feeder from City East ZS to Canberra CBD S3 & S37 Parkes 20009755 - 11kV Feeder from Civic ZS to Canberra CBD (Feeder 1)	May 2025	Augmentation	

4.14 Related party information

4.14.1 For each *related party transaction* reported in *Workbook 09 – Revenue and financial statements*, the *electricity distributor* must confirm that the contract or arrangement with the *related party* requires the *related party* to provide all relevant information to enable the *electricity distributor* to meet its reporting obligations (including allocation or attribution of costs of that *related party* contract) under this Order.

Response
N/A

4.15 Reporting of fines and penalties

4.15.1 Where any fine or penalty has been incurred by the electricity distributor during the reporting period as a result of non-compliance with:

(a) a distribution safety standard; or

(b) a distribution reliability standard; or

(c) a distribution service standard; or

(d) the NEL or NER; or

(e) the National Energy Retail Law or National Energy Retail Rules; or

(f) any Act or instrument referred to in s.2D(1)(b)(ii) to (v) of the NEL,

the electricity distributor must identify and itemise each fine or penalty (including a description of the non-compliance, the size of each fine or penalty, and the relevant authority that levied each fine or penalty).

Response

Yes, one penalty as per (f) any Act or instrument referred to in s.2D(1)(b)(ii) to (v) of the NEL, "Judgement - Penalties from NSD1279/2023 - CEPU v Jemena Networks (ACT) Pty Ltd & Ors".

4.15.2 For all such fines or penalties identified in response to section 4.15.1, the *electricity distributor* must provide a statement attesting that:

(a) The *electricity distributor* has not included any of that expenditure or cost, or any part of that expenditure or cost, in the operating expenditures contained in its response to this *Order*; and

(b) The *electricity distributor* has not recovered any of that expenditure or cost, or any part of that expenditure or cost, from end users; and (c) The *electricity distributor* has not sought to pass through any of that expenditure or cost, or any part of that expenditure or cost, to end users.
Response (a) Yes. The amounts of $32,865 and $4,695, representing the Fair Work Orders penalty payable to the CEPU, have been included in the operating costs of this AIO Order. This inclusion is necessary to ensure the total operating expenditure reconciles with our financial statements, which is also a requirement under this Order. (b) No. These costs were not included in the operating expenditure base year (2022–23) and therefore have not been recovered from end users. (c) No pass-through applications have been made in relation to this expenditure.
4.15.3 Where no such fines or penalties have been identified in response to section 4.15.1, the *electricity distributor* must provide a statement attesting that no such fine or penalty has been incurred.
Response N/A
4.15.4 The fines or penalties identified in section 4.15.1 exclude any payments made in accordance with the *AER's* incentive schemes (including guaranteed service level payments under Chapter 6 of the *AER's service target performance incentive scheme*) or any relevant jurisdictional guaranteed service level scheme.

4.16 Tariff variations
4.16.1 The *electricity distributor* must provide an explanation of the timing and nature of any *material changes* in the level and structure of tariffs in the *reporting period.*
Response Evoenergy's network tariffs were updated on 1 July 2024 in accordance with the Tariff Structure Statement (TSS) approved by the AER for the 2024-29 regulatory period. The TSS provides detailed explanations of the changes to the structure of Evoenergy's tariffs, including new tariffs introduced in 2024-29. Price levels for 2024-25 were set according to Evoenergy's approved 2024-25 pricing proposal which explains the reasons for the price changes.
4.16.2 The *electricity distributor* must provide an explanation of any *material*

tariff re- assignments in the *reporting period*.

Response
In 2024, two new tariffs were introduced for residential customers with smart meters: Residential TOU Stepped and Residential TOU kW Demand. The Residential TOU kW Demand tariff was designated as the default for all new premises with newly installed smart meters, including those initiated by customers.

This change, coupled with an increase in legacy meter replacements, resulted in a shift in tariff allocations. Specifically, there was an increase in the number of customers assigned to the new Residential TOU Stepped and Residential TOU kW Demand tariffs, and a corresponding reduction in customers on tariffs which are closed to new customers such as Residential 5000, Residential Basic, Residential TOU, and Residential kW Demand.

4.17 Vegetation Management

4.17.1 The *electricity distributor* must provide a list of regulations that result in a material cost on performing vegetation management works (including, but not limited to, bushfire mitigation regulations).

Response

- Utilities Act 2000
- Utilities (Technical Regulation) Act 2014, 41D – 41M
- Utilities (Technical Regulation) (Electricity Powerline Vegetation Management Code) Approval 2018
- Emergencies Act 2004
- Urban Forest Act 2023
- Utilities (Management of Electricity Network Assets Code) Determination 2013

4.17.2 The *electricity distributor* must provide a list of self-imposed standards from the *electricity distributor's* vegetation management program.

Response

- Electrical Safety Rules
- Tree Safety Management Plan
- Vegetation clearance requirements for Evoenergy low voltage UG & OH network assets in NSW - 3811-021
- Vegetation clearance requirements for Evoenergy high voltage UG & OH network assets in NSW - 3811-020
- Fall in Hazardous Vegetation in ACT & NSW – 3811 -019
- Vegetation clearance requirements for UG & OH transmission line assets in ACT - 3811-018
- Vegetation clearance requirements for Evoenergy low voltage underground and overhead network assets in ACT - 3811-017
- Vegetation clearance requirements for Evoenergy high voltage underground and overhead network assets in ACT - 3811-016
- Vegetation clearance requirements for Evoenergy ground assets in ACT and NSW - 3811-015

• Vegetation clearance requirements for Evoenergy zone substations in ACT and NSW - 3811-014
4.17.3 The *electricity distributor* must provide an explanation of the cost impact of regulations and self-imposed standards on performing vegetation management work in the *reporting period*.
Response During the reporting period, Evoenergy conducted vegetation management activities in accordance with regulatory obligations and internal standards. These included inspections and proactive clearing of vegetation under Evoenergy's management, issuing Network Protection Notices (NPNs) to customers whose vegetation encroached on required clearances, and undertaking reactive clearing where customers failed to act on NPNs. These activities have a direct cost impact on Evoenergy. While approximately 60% of reactive clearing costs were recovered, the majority of these recoveries were from ACT Housing Commission properties, which consistently comply with payment obligations. In contrast, recovery rates from other customer groups remain significantly lower, resulting in a financial burden for Evoenergy. This affects operational planning and resource allocation, as unrecovered costs must be absorbed internally while maintaining compliance and network safety.

4.18 Reconciliation of expenditure
4.18.1 The electricity distributor must identify all non-network operating expenditures items that have been reported against more than one operating expenditure category. The report must specify the relevant categories and expenditure amounts, for each non-network expenditure item allocated to multiple categories and enable reconciliation to total non-network operating expenditure reported on a mutually exclusive/collectively exhaustive basis to meet the requirement for Opex by purpose.
Response Refer to 2.6.1 of Evoenergy's AIO submission FY24-25

4.19 Benchmarking asset base
4.19.1 If the *electricity distributor* wishes to report benchmarking asset base values in accordance with the Optional additional approach set out in Appendix A Data workbook instructions, Section 8.1.5 Optional additional approach, it must: a) Submit the economic benchmarking asset base tables prepared using the optional additional approach as a separate data submission b) Provide a *basis of preparation* detailing the estimation of the asset base data.
Response

N/A. Evoenergy use the standard approach to report benchmarking asset base values.

4.20 Taxable income adjustments

4.20.1 The *electricity distributor* must provide in its *basis of preparation*, the methodology used to determine the permanent differences due to disallowed interest expenditure, and specify the interest expenditures it has assessed to be non-deductible.

Response

All interest expenses are deductible for tax purpose.

4.20.2 The *electricity distributor* must provide in its *basis of preparation*, details of the prior year tax adjustments, including the reasons for the change (e.g. change in legislation, court judgment or Australian Tax Office correspondence where relevant).

Response

No prior year tax adjustments for Evoenergy.

4.20.3 If the *electricity distributor* has reported tax losses carried forward in *Workbook 09 - Revenue and financial statements* it must provide an explanation of the factors that have resulted in the carried forward tax losses.

Response

Tax losses carried forward is not applicable to Evoenergy since the company structure is Partnership.

4.20.4 The *electricity distributor* must report any tax losses that have been used by the *electricity distributor* during the regulatory year. The *electricity distributor* must provide supporting calculations for the tax losses used.

Response

Tax losses utilisation is not applicable to Evoenergy since the company structure is Partnership.

4.21 Interest expenditure

4.21.1 The electricity distributor must provide in its basis of preparation, in relation to its interest expenditure:

a) a description and explanation of the methodology used to allocate the interest expenditure. This methodology should provide:

i. the specific debt that has been allocated to the electricity distributor’s core regulated services;

ii. the general debt that has been allocated to the electricity distributor’s core regulated services;

iii. the method used to allocate the specific debt and general debt between the regulated and unregulated assets held at the group level and also to the core regulated services; and

iv. the method used to allocate related party interest to the electricity distributor's core regulated services, to the extent related party debt has been included in the specific or general debt allocations; and

b) if available or applicable to the electricity distributor, details of the characteristics of the portfolio of debt being allocated to the electricity distributor, including:

i. the value of drawn debt allocated to the electricity distributor's core regulated services;

ii. the portfolio-weighted average term of debt instruments giving rise to interest expense reported; and

iii. any additional detail in its basis of preparation, that electricity distributor would consider

Response
The source of information is based on financial statement and information from our fleet provider Toyota Fleet Management (TFM). The methodology for total interest identified, related to motor vehicle leases held by Evoenergy which is calculated based on individual lease contract.

4.22 Small scale incentive schemes

Customer service incentive scheme

4.22.1 For every reporting year for which a *customer service incentive scheme* applies to the *electricity distributor*, the *electricity distributor* must report the information specified in the *AER's* regulatory determination that applied the scheme (applicable regulatory determination). The information must be reported in a form consistent with the requirements set out in the applicable regulatory determination, or as otherwise agreed with the *AER*.

Response
Evoenergy does not partake in any Customer Service Incentive Scheme

4.22.2 Information reported under section 4.22.1 is required to be included in the *basis of preparation* submitted by the *electricity distributor*.

Response

N/A

4.22.3 Information reported under 4.22.1 is subject to the assurance requirements set out in the applicable regulatory determination.

Response

N/A

Export service incentive scheme

4.22.4 For every reporting year for which an *export service incentive scheme* applies to the *electricity distributor*, the *electricity distributor* must report the information

specified in the applicable regulatory determination that applied the scheme. The information must be reported in a form consistent with the requirements set out in the applicable regulatory determination, or as otherwise agreed with the *AER*.
Response Evoenergy does not partake in any Export Service Incentive Scheme
4.22.5 Information reported under section 4.22.4 is required to be included in the *basis of preparation* submitted by the *electricity distributor*.
Response N/A
4.22.6 Information reported under 4.22.4 is subject to the assurance requirements set out in the applicable regulatory determination.
Response N/A

4.23 Large projects
4.23.1 For each large project reported in Workbook 07 – Capital expenditure the electricity distributor must report: a) the date of an AER determination to incorporate the expenditure forecast for the large project into the maximum allowed revenues for the electricity distributor b) whether the project is a contingent project (as defined in the NER) c) the expenditure forecast for the reporting year; the difference between forecast and actual expenditure; and drivers of the difference.
Response The Molonglo Zone Substation project was included in the 2024–29 Final Decision and was not classified as a contingent project. The approved forecast for the project was $28.4 million (nominal), while actual expenditure amounted to $22.6 million (nominal). The variance was primarily due to the deferral of expenditure into the 2025/26 financial year. The project will be completed in December 2025.

4.24 Circuit capacity
4.24.1 The *electricity distributor* must describe in its *basis of preparation* the methodology used to estimate circuit capacities reported in Workbook 03 – Network metrics – Circuit capacity.
Response As per basis of preparation provided for 3.5
4.24.2 The *electricity distributor* must explain any changes in methodology used to estimate circuit capacity implemented for the *reporting period*.
Response Methodology for circuit capacity is consistent with previous years