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Our Ref: #31004759
Contact Officer: [REDACTED]
Contact Phone: [REDACTED]

12 February 2026

[REDACTED]
Manager Regulation
ElectraNet
PO Box 7096
Adelaide SA 5000

By email: [REDACTED]
[REDACTED]

Dear Bec

Re: AER Determination – ElectraNet – 2024–25 network support cost pass through

I am writing to advise you of the AER's determination in relation to ElectraNet's negative network support cost pass through application submitted on 18 September 2025 in relation to network support payments made in 2024–25.

In accordance with clause 6A.7.2(f) of the National Electricity Rules (NER), the AER has determined that a negative change event has occurred, and the required negative pass through amount is \$1,922,520 (\$Dec 2026). This amount should be reflected in ElectraNet's maximum allowed revenue for 2026-27.

The approved negative pass through amount is the difference between ElectraNet's allowed and actual network support payments incurred in the 2024-25 regulatory year. We have approved a network support pass through amount based on ElectraNet's revised calculation of costs incurred solely in 2024–25 of \$359,463, in accordance with clauses 6A.7.2(a), (h) & (i) of the NER.

Details of the AER's assessment against the relevant factors set out in the NER are set out in Attachment A. If you have any queries in relation to this matter, please contact [REDACTED]

[REDACTED] at [REDACTED]

Yours sincerely

[REDACTED]

Kami Kaur
General Manager
Network Expenditure
Sent by email on: 12.02.2026

Attachment A: Requirements for determining a negative network support event

Requirement of the NER	Our consideration
Is the pass through event a network support event? ¹	Yes. The pass through event is a negative network support event as defined in the NER, cl 6A.7.2 and Chapter 10.
What is the date on which the negative change event occurred?	We consider that the network support event occurred in the regulatory year concluding on 30 June 2025.
Did ElectraNet submit a written statement of its pass through application within 60 business days of the negative change event occurring? ²	Yes. ElectraNet made its pass-through application on 18 September 2025.
Did ElectraNet specify details of the network support event including whether the event was a negative network support event or a positive network support event? ³	Yes. ElectraNet's written statement is available on our website.
Did ElectraNet specify in its written statement the amount it proposes should be passed through to Transmission Network Users as a result of the network support event? ⁴	Yes. ElectraNet proposed an eligible negative pass through amount of \$449,454 (\$Dec 2026) to be returned to network users in 2026–27.
Did ElectraNet specify in its written statement evidence of the actual costs of system security network support payments? ⁵	Yes. ElectraNet's written statement included evidence of the costs it incurred in 2024–25 as a result of the requirement to provide network support services for fast frequency response and managing system strength. ElectraNet also set out how it calculated its proposed pass through amount using the AER's template. ElectraNet's written statement and proposed pass through amount included costs incurred in prior regulatory years. A network support event as defined in the NER relates to payments made for the previous regulatory year (in this case, the 2024-25 year). For the purposes of calculating a network support pass through, we are not able to account for costs incurred in other regulatory years. Clause 6A.7.2(i)(3a)(i) requires that, in making a determination, the AER must take into account the total costs incurred in the preceding regulatory year (i.e. 2024–25). Clause 6A.7.2(i)(5) requires that the AER ensure the provider only recovers incremental costs incurred solely as a consequence of a network support event, which is defined with reference to the preceding regulatory year.
Was there a regulatory information instrument applicable to the pass through application? ⁶	No

¹ NER cl. 6A.7.2(a)

² NER cl. 6A.7.2(c)

³ NER cl. 6A.7.2(c)(1)

⁴ NER cl. 6A.7.2(c)(2)

⁵ NER cl. 6A.7.2(c)(4)(i)

⁶ NER cl. 6A.7.2(c)(5)

We must take into account the matters and proposals set out by ElectraNet in its written application provided to the AER on 18 September 2025. ⁷	We have had regard to the matters set out by ElectraNet in its application in making our determination.
We must take into account the time cost of money. ⁸	To account for the time cost of money, WACC escalations are applied for a period of one and a half years when determining the pass through amount. Therefore, in our calculation we applied: • 2025–26 nominal WACC of 5.70% over one year, which represents the year in which the network support cost pass through application is submitted and assessed by the AER • a further 2026–27 nominal WACC of 5.87% for half a year, which represents the period where the pass through amount is passed through to customers.
We must take into account the need to ensure that the pass through amount reflects only the network support costs incurred solely as a consequence of the network support event. ⁹	On 30 January 2026, ElectraNet provided a revised calculation of the negative pass through amount, with reference to costs incurred solely in the 2024-25 regulatory year, of \$1,922,520. We consider that this amount reflects solely the costs attributable to network support payments in the 2024-25 regulatory year being lower than forecast in ElectraNet's 2023–28 revenue determination for that year.
We must consider whether any other factors are relevant. ¹⁰	We do not consider any other matters to be relevant.

⁷ NER cl. 6A.7.2(i)(1)

⁸ NER cl. 6A.7.2(i)(4)

⁹ NER cl. 6A.7.2(i)(5)

¹⁰ NER cl. 6A.7.2(i)(6)