FINAL DECISION
Evoenergy
Distribution Determination

2019 to 2024

Attachment 15
Alternative control services

April 2019

AUSTRALIAN ENERGY REGULATOR

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Note

This attachment forms part of the AER's final decision on the distribution determination that will apply to Evoenergy for the 2019–2024 regulatory control period. It should be read with all other parts of the final decision.

As a number of issues were settled at the draft decision stage or required only minor updates, we have not prepared all attachments. The attachments have been numbered consistently with the equivalent attachments to our longer draft decision. In these circumstances, our draft decision reasons form part of this final decision.

The final decision includes the following attachments:

Overview

Attachment 1 – Annual revenue requirement

Attachment 2 – Regulatory asset base

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 6 – Operating expenditure

Attachment 7 – Corporate income tax

Attachment 9 – Capital expenditure sharing scheme

Attachment 10 – Service target performance incentive scheme

Attachment 12 – Classification of services

Attachment 13 – Control mechanisms

Attachment 15 – Alternative control services

Attachment A – Negotiated framework

Attachment B – Pricing methodology

Contents

Shortened forms

Shortened form	Extended form
AER	Australian Energy Regulator
capex	capital expenditure
CCP	Consumer Challenge Panel (sub-panel 10)
CPI	consumer price index
distributor	distribution network service provider
EBSS	efficiency benefit sharing scheme
NEL	National Electricity Law
NEM	national electricity market
NEO	national electricity objective
NER	National Electricity Rules
NSP	network service provider
opex	operating expenditure
PPI	partial performance indicators
PTRM	post-tax revenue model
RAB	regulatory asset base
RFM	roll forward model
RIN	regulatory information notice
WACC	weighted average cost of capital

15 Alternative control services

This attachment sets out our final decision on the prices Evoenergy is allowed to charge customers for the provision of alternative control services (ancillary network services and metering).

Alternative control services are customer specific or customer requested services, so the full cost of the service is attributed to a particular customer, or group of customers, benefiting from the service. We set service specific prices to provide a reasonable opportunity to the distributor to recover the efficient cost of each service from customers using that service. This is in contrast to standard control services where costs are spread across the general network customer base.

15.1 Final decision

Our final decision is to accept Evoenergy's revised proposal for metering services, which is consistent with our draft decision.

In relation to ancillary network services, we accept Evoenergy's revised proposal to shift certain ancillary network services to cost-reflective pricing in 2019–20. However, our final decision rejects Evoenergy's revised proposal to apply bespoke X factors to ancillary network (fee-based) services, and to substitute a single set of X factors.

The detail of our final decision is set out in the following sections:

- 15.4 – Ancillary network services
- 15.5 – Metering.

15.2 Evoenergy's revised proposal

For ancillary network services, Evoenergy's revised proposal accepted our draft decision labour rates and incorporated them into their pricing model. Consequently, Evoenergy no longer proposed gradually transitioning some ancillary services to cost reflectivity. Instead, all ancillary network services are proposed to be cost reflective from 1 July 2019.[1] This means that Evoenergy has proposed increased prices for the services shifting to cost reflective pricing compared to our draft decision. Evoenergy also proposed different sets of X factors for different services.

For metering, Evoenergy's revised proposal accepted our draft decision.

15.3 Assessment approach

Our final decision assessment approach is the same as for our draft decision. In terms of labour rates, in our draft decision we indicated that while our consultant, Marsden

[1] Evoenergy, *Revised Regulatory Proposal,* November 2018, p. 91.

Jacob, had provided maximum reasonable labour rates, we considered them efficient for our purposes.[2] We maintain this view for our final decision.

In reaching our final decision, we have considered additional information submitted by Evoenergy, both with its revised proposal and in response to our information requests.

15.4 Ancillary network services

Ancillary network services share the common characteristic of being non-routine services provided to individual customers as requested. Ancillary network services are either grouped as 'fee based' or 'quoted' services, depending on how the service price is determined.

We determine fee based service prices for the next regulatory control period as part of our determination, based on the cost inputs and the average time taken to perform each service. These services tend to be homogenous in nature and scope, and can be costed in advance of supply with reasonable certainty. By comparison, prices for quoted services are based on quantities of labour and materials, with the quantities dependent on a particular task. Prices for quoted services are determined at the time of a customer's enquiry and reflect the individual requirements of the customer's service request. For this reason, it is not possible to list prices for quoted services in this decision.

15.4.1 Ancillary network services—Final decision

Fee-based services

Evoenergy's revised proposal accepted our draft decision on labour rates and incorporated them into its pricing model for fee-based services. This means that most of the revised proposal prices are largely the same as our draft decision (except for minor impacts from inflation). We note that Evoenergy misapplied one of our labour rates that applied to some fee-based services. We have corrected this modelling error in our final decision with Evoenergy's agreement.

Transition to cost-reflective pricing

Evoenergy's revised proposal accepts our reduced labour rates. Consequently, Evoenergy proposed shifting all ancillary network services to cost reflective pricing from 1 July 2019, rather than transitioning services to cost reflective pricing throughout the 2019–24 regulatory control period.[3] Our final decision is to accept this proposal.

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2 AER, *Draft Decision: Ausgrid distribution determination 2019 to 2024 - Attachment 15 - Alternative Control Services*, November 2018, p.15-14.

3 Evoenergy, *Revised Regulatory Proposal,* November 2018, p. 91.

Service specific X factors

Evoenergy's revised proposal calculated different sets of X factors for each service. Our final decision is to apply a single set of X factors to all ancillary network services based on our labour escalator.[4] Our final decision X factors are set out in Appendix A.

New ancillary network services

Consistent with our draft decision, if new services during the 2019–24 regulatory control period with characteristics that are the same or essentially the same as other alternative control services,[5] we consider that they should be priced as a quoted service until the next regulatory period. Any new ancillary network service and pricing methodology should be disclosed through each distributor's annual pricing process.

Quoted services

Evoenergy accepted our draft decision labour rates as set out in Appendix A.[6]

15.4.2 Ancillary network services—Reasons for final decision

Transition to cost-reflective pricing

In our draft decision, we accepted Evoenergy's proposal to transition charges for certain ancillary network services to cost reflectivity across the regulatory period. In its revised proposal, Evoenergy, in adopting our draft decision labour rates, proposed shifting all ancillary network services to cost reflective pricing from 1 July 2019, given the magnitude of the price changes (in aggregate) is now less significant.[7]

In considering this issue, we have reviewed the change in prices for affected services, as well as the expected volume of these services. As illustrated in Table 15.1, services that have significant price increases by moving to cost reflective pricing have low customer demand, whereas services with marginal price increases have high customer demand. This suggests that there will be relatively small price impacts on customers. We also consider that it is administratively simpler to shift to cost reflective pricing in one year than to transition over time. We therefore accept Evoenergy's proposal to make all ancillary network service prices cost reflective from 1 July 2019.

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4 Except for 568 - Embedded Generation OPEX Fees - Connection Assets and 569 - Embedded Generation OPEX Fees - Shared Network Asset where the proposed fee is a fixed percentage.

5 Service classification is set out in attachment 12 of our final decision. We generally classify services in groupings rather than individually. This obviates the need to classify services one-by-one and instead defines a service cluster, such that where a service is similar in nature it would require the same regulatory treatment. This provides distributors with flexibility to alter the exact specification (but not the nature) of a service during a regulatory control period.

6 Evoenergy, *Revised Regulatory Proposal,* November 2018, p. 91.

7 Evoenergy, *Revised Regulatory Proposal,* November 2018, p. 96.

Table 15.1 Impact of shifting to cost-reflective pricing from 1 July 2019, 2019–20

	AER draft decision price	AER final decision price	Difference (%)	2019–20 volumes
501 Re-energise premises – Business Hours	77.26	78.37	1.44%	10,556
502 Re-energise premises – After Hours	97.55	97.85	0.30%	465
503 De-energise premises – Business Hours	77.26	78.37	1.44%	3,643
504 Meter Test (Whole Current) – Business Hours	309.09	313.50	1.43%	12
505 De-energise premises for debt non-payment	154.55	156.75	1.43%	590
510 Meter Test (CT/VT) – Business Hours	368.51	470.38	27.64%	1
526 New Overhead Service Connection – Brownfield (Business Hours)	745.30	745.30	0.00%	37
560 Temporary de-energisation – LV (Business Hours)	504.70	626.99	24.23%	4
561 Temporary de-energisation – HV (Business Hours)	504.70	626.99	24.23%	1
563 Supply Abolishment / Removal - Underground (Business Hours)	1,174.23	1,175.61	0.12%	39
565 Install & Remove Tiger Tails - Per Span (Business Hours)	1,004.00	1,808.37	80.12%	0
567 Install & Remove Tiger Tails - Per Span (Business Hours)	869.61	1,565.36	80.01%	0
576 Embedded Generation Network Technical Study - Class 3	6,422.05	6,896.77	7.39%	0
577 Embedded Generation Network Technical Study - Class 4	8,856.24	10,345.15	16.81%	0
578 Embedded Generation Network Technical Study - Class 5	12,844.11	13,793.53	7.39%	1
579 Embedded Generation - Network Technical Study - Class 6	16,055.13	17,241.92	7.39%	0
590 Rescheduled Site Visit – One Person	154.55	156.75	1.43%	427
591 Rescheduled Site Visit – Service Team	650.35	674.33	3.69%	61
597 Embedded Generation Connection Enquiry – Class 3	631.19	646.57	2.44%	0
598 Embedded Generation Connection Enquiry – Class 4	658.71	754.33	14.52%	0
599 Embedded Generation Connection Enquiry – Class 5	686.23	862.10	25.63%	0

Source: AER Analysis; Evoenergy, *Revised proposal-Ancillary services cost build up-November 2018_Public*, Evoenergy, *RIN - Workbook 1 - Regulatory determination - 20180131 - 4.3 - Fee-based services.*

Service specific X factors

Our draft decision applied a labour escalator as the X factor, consistent with our approach to other distribution businesses.[8] However, we noted that Evoenergy may propose specific X factors for individual services that they proposed to transition to cost reflective pricing across the 2019–24 regulatory control period. This was because those individual services would not reach a cost reflective price by the end of the regulatory period under a standard set of X factors.[9]

In its revised proposal, Evoenergy proposed a range of bespoke X factors for its ancillary network services, notwithstanding that services are no longer transitioning to cost reflective pricing across the regulatory period.[10] This approach leads to 47 different sets of X factors. Therefore, our final decision is to adopt a single set of X factors across the regulatory period which are based on a labour escalator as:

- There is no longer a need for fee-based service prices to increase at different rates across the regulatory period for the purposes of reaching cost reflectivity.
- Managing multiple sets of X factors imposes a larger administrative burden on Evoenergy and the AER for annual tariff approvals.
- The price impact of shifting to a single set of X factors is negligible.

15.5 Metering services

Metering assets are used to measure electrical energy flows at a point in the network to record consumption data for billing purposes. We are responsible for the economic regulation of type 5 to 7 metering services provided by Evoenergy. Evoenergy's type 5 and 6 metering services are classified as alternative control services, while type 7 metering services are classified as standard control services.[11]

Since the introduction of the Power of Choice reforms on 1 December 2017, Evoenergy is no longer permitted to install or replace type 5 and 6 meters. Therefore, our final decision settles the prices for type 5 and 6 metering services Evoenergy provides to support the continued operation of existing type 5 and 6 meters.

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8 AER, *Draft Decision: Evoenergy Distribution Determination 2019 to 2024 – Attachment 15 – Alternative Control Services*, September 2018, p. 15-9.

9 AER, *Draft Decision: Evoenergy Distribution Determination 2019 to 2024 – Attachment 15 – Alternative Control Services*, September 2018, p. 15-10.

10 Evoenergy, *Revised Regulatory Proposal,* November 2018, p. 96; Evoenergy, *Revised Regulatory Proposal - Appendix 11.1 - ACS pricing schedule - Table 2,* November 2018, pp. 5-8.

11 AER, *Evoenergy 2019-24 Draft decision – Attachment 12 – Classification of services*, September 2018, p. 6.

15.5.1 Metering—Final decision

Evoenergy accepted our draft decision on metering,[12] including our adjusted opex allowance. In response to an information request, Evoenergy provided updated capital expenditure figures for the current regulatory period, as well as updated forecast customer numbers for the next regulatory control period.

Our final decision includes Evoenergy's metering model, updated with actual metering expenditure in 2017–18, corrections for capex and customer numbers as provided by Evoenergy, our final decision on weighted average cost of capital, and the most recent CPI escalation. The final decision metering prices, effective for the first year of the 2019–24 regulatory period, is set out in Appendix B.

15.5.2 Metering—Reasons for final decision

Operating expenditure

In our draft decision, we adjusted Evoenergy's metering opex allowance, reducing the forecast base year amount for opex related to condition monitoring. Evoenergy has accepted this change in their revised proposal, updated to reflect actual 2017–18 data. These revised opex figures do not materially differ from our draft decision, as can be seen in Table 15.2, and we therefore accept these proposed amounts, adjusted for updated labour escalation factors.

Table 15.2 Proposed metering operating expenditure

Opex (2018-19 $m)	2019-20	2020-21	2021-22	2022-23	2023-24
Proposal	4.54	4.54	4.56	4.57	4.58
Draft Decision	4.03	4.01	3.99	3.97	3.96
Revised Proposal	4.00	3.99	3.99	3.99	4.00
Final Decision	4.06	4.06	4.05	4.05	4.05

Source: Evoenergy - Metering PTRM - January 2018; AER - Evoenergy 2019-24 - Draft decision - Metering PTRM - September 2018; Evoenergy - Revised proposal - Metering PTRM - November 2018; AER Analysis.

Capital expenditure

During our analysis of Evoenergy's revised proposal, we brought some inconsistencies relating to capex figures to Evoenergy's attention through an information request. These inconsistencies related to capex and customer contribution figures used in the metering roll forward model.

[12] Evoenergy, *Revised regulatory proposal – ACT electricity distribution network 2019-24,* November 2018, pp. 91-93.

Evoenergy advised that there were errors made with these figures, and provided corrected figures, as shown in Table 15.3.[13] We have incorporated these updated inputs into Evoenergy's final decision metering model. In correcting these figures, the opening asset value for the 2019–24 regulatory period has decreased by $1.62 million (nominal), and the opening tax asset value has increased by $2.51 million.[14] A two per cent reduction in the total annual revenue requirement for the period can be directly attributed to these corrected figures.

Table 15.3 Corrected metering capital expenditure figures

Capex (nominal $m)	2014-15	2015-16	2016-17	2017-18	2018-19
Gross capex	4.86	2.66	3.51	1.37	0
Customer Contributions	0.04	2.19	2.80	1.43	0
Net capex	4.82	0.48	0.71	-0.06	0

Source: Evoenergy response to AER information request IR048.

Customer forecasts

During our analysis of Evoenergy's revised proposal, we identified inconsistent trends in their customer forecasts, differences in methodologies between the original and revised proposal, as well as increasing forecasts for some classes of capital charges. We requested Evoenergy clarify these issues.

Evoenergy advised that they used the Jacobs' forecasts of customer numbers at the tariff class level, decomposed them to tariff level and then meter type level, and then built the metering customer forecasts from there.[15] At the time of Evoenergy's initial proposal, there was no data on churn to type 4 meters in the ACT, as only one month had elapsed since the introduction of metering competition. Since then, Jacobs has updated their forecasts with actual data on the churn of customers to type 4 meters. This is shown through the variances between the original and revised proposal forecasts.

Evoenergy acknowledged that there were errors in the forecasts relating to capital charges (MP7-10). The newly provided forecasts see the capital forecasts remaining constant over the period, representing the continuation of capital cost collection for type 5 and 6 meters until the metering RAB is depleted. Evoenergy's updated customer forecasts are shown in Table 15.4. These updated forecasts have been incorporated into Evoenergy's final decision metering model. With all other inputs remaining constant, the updated customer forecasts (calculated with an updated initial X factor) would see a decrease in prices of 1.31 per cent.

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13 Evoenergy, *response to information request #048*.

14 Minimal changes in the remaining asset lives can also be observed in our updated roll-forward model.

15 Evoenergy, *response to information request #048*.

Table 15.4 Updated customer forecasts

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
MP1: Quarterly non-capital rate	173,133	170,387	167,641	164,895	162,149	159,403
MP2: Monthly non-interval non-capital rate	12,456	11,971	11,486	11,002	10,517	10,032
MP3: Monthly interval non-capital rate	2,346	2,346	2,346	2,346	2,346	2,346
MP4: Monthly manually-read interval non-capital rate	1,814	1,814	1,814	1,814	1,814	1,814
MP6: Quarterly manually-read interval non-capital rate	0	0	0	0	0	0
MP7: Quarterly manually-read interval capital rate	167,650	167,650	167,650	167,650	167,650	167,650
MP8: Monthly non-interval capital rate	12,460	12,460	12,460	12,460	12,460	12,460
MP9: Monthly multi-register non-interval capital rate	1,479	1,479	1,479	1,479	1,479	1,479
MP10: Monthly manually-read interval capital rate	545	545	545	545	545	545

Source: Evoenergy response to AER information request IR048.

A Ancillary network services charges

Table 15.5 Fee based ancillary network service charges for 2019–20, AER final decision ($2019–20)

Fee based service			AER final decision
Premise Re-energisation – Existing Network Connection			
501	Re-energise premises – Business Hours	per visit	$78.37
502	Re-energise premises – After Hours	per visit	$97.85
Premise De-energisation – Existing Network Connection			
503	De-energise premises – Business Hours	per visit	$78.37
505	De-energise premises for debt non-payment	per test	$156.75
Meter Investigations			
504	Meter Test (Whole Current) – Business Hours	per test	$313.50
510	Meter Test (CT/VT) – Business Hours	per test	$470.38
Special meters Services			
506	Special Meter Read	per read	$33.91
Power of Choice services			
515	Move, remove, inspect or reconfigure meter	Per movement, inspection or re-configure	$156.75
516	Establish supply	Per establishment	$117.56
517	Faults investigation (meter malfunction)	per investigation	$117.56
518	Faults investigation (meter bypassed)	per investigation	$156.75
519	Faults investigation (customer's side of network boundary)	per investigation	$78.37
Temporary Network Connections			
520	Temporary Builders' Supply – Overhead (Business Hours)	per installation	$509.49
522	Temporary Builders' Supply – Underground (Business Hours)	per installation	$979.73
New Network Connections			
523	New Underground Service Connection – Greenfield	per installation	$- *
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	$745.30
527	New Underground Service Connection – Brownfield from	per installation	$1,214.85

Fee based service			AER final decision
	Front		
528	New Underground Service Connection – Brownfield from Rear	per installation	$1,214.85
Network Connection Alterations and Additions			
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	$626.99
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	$1,253.99
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	$626.99
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	$666.23
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	$470.25
546	Underground Service Upgrade – Service Cable Replacement Required	per installation	$1,214.85
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	$1,214.85
548	Install surface mounted point of entry (POE) box	per installation	$575.39
549	Overhead Service Temporary Disconnect Reconnect same day (Business Hours)	per installation	$940.49
Temporary De-energisation			
560	Temporary de-energisation – LV (Business Hours)	per occurrence	$626.99
561	Temporary de-energisation – HV (Business Hours)	per occurrence	$626.99
Supply Abolishment / Removal			
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	$470.25
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	$1,175.61
Miscellaneous Customer Initiated Services			
564	Install & Remove Tiger Tails – Establishment (Business Hours)	per installation	$1,174.82
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	$1,808.37
566	Install & Remove Warning Flags – Installation (Business Hours)	per installation	$1,174.82
567	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	$1,565.36

	Fee based service		AER final decision
Operational & Maintenance Fees - Export Only Embedded Generation Installations up to 5MW			
568	Embedded Generation OPEX Fees - Connection Assets	per annum	2%
569	Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%
Connection Enquiry Processing - Embedded Generation Installations			
570	Embedded Generation Connection Enquiry – Class 1 (Commercial)	per installation	$431.05
596	Embedded Generation Connection Enquiry – Class 2	per installation	$538.81
597	Embedded Generation Connection Enquiry – Class 3	per installation	$646.57
598	Embedded Generation Connection Enquiry – Class 4	per installation	$754.33
599	Embedded Generation Connection Enquiry – Class 5	per installation	$862.10
600	Embedded Generation Connection Enquiry – Class 6	per installation	$969.86
Network Design & Investigation / Analysis Services - Embedded Generation Installations			
574	Embedded Generation Network Technical Study - Class 1 (Commercial)	per installation	$1,724.19
575	Embedded Generation Network Technical Study - Class 2	per installation	$3,448.38
576	Embedded Generation Network Technical Study - Class 3	per installation	$6,896.77
577	Embedded Generation Network Technical Study - Class 4	per installation	$10,345.15
578	Embedded Generation Network Technical Study - Class 5	per installation	$13,793.53
579	Embedded Generation - Embedded Generator Network Technical Study - Class 6	per installation	$17,241.92
Contract Administration, Commissioning and Testing - Embedded Generation Installations up to 5MW			
601	Embedded Generation - Connection Contract Establishment - Class 1 (Commercial) to Class 6	per establishment	$3,448.38
Provision of Data for Network Technical Study - Embedded Generation Installations over 5MW			
602	Embedded Generator Network Technical Study - Embedded Generation over 5MW	per provision	$17,241.92
Rescheduled Site Visits			
590	Rescheduled Site Visit – One Person	per site visit	$156.75
591	Rescheduled Site Visit – Service Team	per site visit	$674.33
Trenching charges			

	Fee based service		AER final decision
592	Trenching - first 2 meters	per visit	$559.78
593	Trenching - subsequent meters	per meter	$130.18
Boring charges			
594	Under footpath	per occurrence	$1,015.42
595	Under driveway	per occurrence	$1,210.69
Cable Testing			
603	Spiking/Cable Testing (Business Hours) - Evoenergy network cables only	per test	$922.29
604	Spiking/Cable Testing (After Hours) - Evoenergy network cables only	per test	$1,186.92
Testing of Substation HV/LV Earthing or Soil Resistivity			
605	Substation HV/LV Earthing/Soil Resistivity Testing (Business Hours)	per test	$1,087.68
606	Substation HV/LV Earthing/Soil Resistivity Testing (After Hours)	per test	$1,418.47
Termination of Consumer Mains - up to 50mm² Al or Cu - Note 1			
607	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	$1,279.38
608	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	$1,610.16
Termination of Consumer Mains - Above 50mm² Cu or Al - Note 1			
609	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	$1,610.16
610	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	$2,073.27
611	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (Business Hours)	per termination	$1,940.95
612	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (After Hours)	per termination	$2,536.37
613	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (Business Hours)	per termination	$2,271.74
614	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (After Hours)	per termination	$2,999.47
615	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (Business Hours)	per termination	$2,437.13
616	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (After Hours)	per termination	$3,231.02

Fee based service			AER final decision
LV Underground Network Disconnection (permanent disconnection of existing network)			
617	Including Capping/Abandoning - Underground (Business Hours)	per disconnection or per visit	$1,775.56
618	Including Capping/Abandoning - Underground (After Hours)	per disconnection or per visit	$2,304.82
Consumer Mains Disconnection at Evoenergy Network Asset such as Point of Entry/Substation			
619	Temporary or Permanent Consumer Mains as a Separate Request (Business Hours)	per disconnection or per visit	$1,775.56
620	Temporary or Permanent Consumer Mains as a Separate Request (After Hours)	per disconnection or per visit	$2,304.82
Substation Supervised Access			
621	1- 4 (Business Hours)	per visit per substation	$1,122.78
622	1- 4 (After Hours)	per visit per substation	$1,453.57
623	4- 8 (Business Hours)	per visit per substation	$1,784.36
624	4- 8 (After Hours)	per visit per substation	$2,379.78
Temporary De-energisation/Isolation of Overhead LV Network			
625	Business Hours Work	Per isolation or de-energisation and re-energisation on a same day	$1,415.97
626	After Hours Work	Per isolation or de-energisation and re-energisation on a same day	$1,812.92
Temporary De-energisation/Isolation of Overhead HV Network2			
627	Business Hours Work	Per isolation or de-energisation and re-energisation on a same day	$2,550.39
628	After Hours Work	Per isolation or de-energisation and re-energisation on a same day	$3,211.97
Temporary De-energisation/Isolation of Underground/Overhead SLCC supply3			
629	Business Hours Work	Per isolation or de-energisation and re-energisation on a same day	$626.60

Fee based service			AER final decision
630	After Hours Work	Per isolation or de-energisation and re-energisation on a same day	$758.92
Temporary De-energisation/Isolation of Underground HV Or LV Network3			
631	Business Hours Work	Per isolation or de-energisation and re-energisation on a same day	$1,250.58
632	After Hours Work	Per isolation or de-energisation and re-energisation on a same day	$1,581.37
Temporary De-energisation/Isolation of Underground HV Network - If HV Cable Insulation Test Required (Isolation for more than 7 days)4			
633	Business Hours Work	Per isolation or de-energisation and re-energisation on a same day	$1,746.76
634	After Hours Work	Per isolation or de-energisation and re-energisation on a same day	$2,276.02
Temporary Pole Support Work - Using Lifter/Borer5			
635	Business Hours Work	Per pole support per day as well as per visit	$3,608.94
636	After Hours Work	Per pole support per day as well as per visit	$4,208.87
Temporary Pole Support Work - Using Concrete Blocks5			
637	Business Hours Work	per Pole per Installation as well as per visit	$2,771.26
638	After Hours Work	per Pole per Installation as well as per visit	$3,172.72
Pole Stay Replacement			
639	With Standard Stay -Business Hours	per pole stay	$4,012.80
640	With Standard Stay -After Hours	per pole stay	$4,941.43
641	With Side Walk Stay -Business Hours	per pole stay	$4,729.25
642	With Side Walk Stay -After Hours	per pole stay	$5,671.06
LVABC Replacement			
643	1 Span- Business Hours	Charge per installation	$9,301.19

Fee based service			AER final decision
644	1 Span - After Hours	Charge per installation	$11,947.50
645	2 Span- Business Hours	Charge per installation	$13,844.33
646	2 Span - After Hours	Charge per installation	$17,615.31
647	3 Span- Business Hours	Charge per installation	$18,261.47
648	3 Span - After Hours	Charge per installation	$23,090.97
649	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - Business Hours	Charge per installation	$1,245.78
650	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - After Hours	Charge per installation	$1,572.05
651	Installation of LV Fuse Switch Disconnector for LVABC Replacement Work- Business Hours	Charge per installation	$1,432.57
652	Installation of LV Fuse Switch Disconnector for LVABC Replacement Work- After Hours	Charge per installation	$1,758.84
653	Installation of LV termination cross- arm for LVABC Replacement Work - Business Hours	Charge per installation	$1,449.21
654	Installation of LV termination cross- arm for LVABC Replacement Work - After Hours	Charge per installation	$1,813.08
655	Installation of LV double strain cross -arm for LVABC Replacement Work - Business Hours	Charge per installation	$1,662.30
656	Installation of LV double strain cross -arm for LVABC Replacement Work - After Hours	Charge per installation	$2,220.12
657	1 Way 630A Weber Fuse Switch Disconnector Installation for consumer mains termination work - Business Hours	Charge per installation	$763.70
658	1 Way 630A Weber Fuse Switch Disconnector Installation for consumer mains termination work - After Hours	Charge per installation	$829.86
659	1 Way 1000A Weber Fuse Switch Disconnector Installation for consumer mains termination work - Business Hours	Charge per installation	$873.65
660	1 Way 1000A Weber Fuse Switch Disconnector Installation for consumer mains termination work - After Hours	Charge per installation	$939.80
661	1 Way 1250A Jean Muller Installation for consumer mains termination work - Business Hours	Charge per installation	$4,098.13
662	1 Way 1250A Jean Muller Installation for consumer mains termination work - After Hours	Charge per installation	$4,197.37
663	1 Way Weber POE Kit Installation for consumer mains termination work- Business Hours	Charge per installation	$2,493.45
664	1 Way Weber POE Kit Installation for consumer mains	Charge per installation	$2,559.61

Fee based service			AER final decision
	termination work- After Hours		
665	3 Way Weber POE Kit Installation for consumer mains termination work - Business Hours	Charge per installation	$3,253.57
666	3 Way Weber POE Kit Installation for consumer mains termination work - After Hours	Charge per installation	$3,319.73
667	Holec Fuse Kit Installation for Termination of Consumer Mains - Business Hours	Charge per installation	$290.41
668	Holec Fuse Kit Installation for Termination of Consumer Mains - After Hours	Charge per installation	$356.57

Source: AER revisions to Evoenergy, *Revised proposal-Ancillary services cost build up-November 2018-Public*.

* 523 New Underground Service Connection – Greenfield - Evoenergy's revised proposal (p. 94) advised that this service should not have a fee, despite one being allocated to it in their original proposal

Notes as per Evoenergy's model:

1 Includes termination of temporary supply consumer mains. Crimp Lugs to be supplied by Customer/Applicant. Charges includes disconnection of existing temporary consumer mains if present.

2 Includes establishment of temporary earthing to overhead network and includes plant as required.

3 Excludes the type of work done by supply and installation officer. Excludes streetlight controller isolation work by C & I Officer.

4 Includes insulation testing of isolated HV cable prior re-energisation.

5 Includes plant operator as required * Temporary network isolation charges to apply separately.

Table 15.6 Quoted service ancillary network services hourly labour rates for 2019–20, final decision ($2019–20)

Evoenergy labour category	AER labour category[1]	AER final decision - maximum hourly rate (base plus on-costs)	AER final decision - maximum total hourly rate (base plus on-costs plus overheads)[2]
Office support service delivery	Admin	$68.96	$111.03
Electrical apprentice[3]	Field Worker	$80.33	$149.33
Electrical worker	Technician	$97.36	$156.75
Electrical worker - labourer	Field Worker	$80.41	$149.46
Project officer design section	Engineer	$116.70	$187.89
Senior technical officer/engineer design section	Senior Engineer	$133.87	$215.52

Source: AER, *Draft Decision: Evoenergy Distribution Determination 2019 to 2024 – Attachment 15 – Alternative Control Services*, September 2018, p. 15-10.

1 AER labour categories are based on Marsden Jacob recommendations.

2 Consistent with Marsden Jacob's recommendations, we have applied an overhead rate of 61 per cent, which is equivalent to the overhead rate that Evoenergy usually applies. Per Marsden Jacob's recommendations, an additional $20 vehicle allowance has been applied as an overhead to the Field Worker labour category.

3 The labour rate for Electrical apprentice has been revised to the rate proposed by Evoenergy in its revised proposal and the maximum total hourly rate recalculated.

Table 15.7 AER final decision on X factors for each year of the 2020–24 regulatory control period for ancillary network services (per cent)

	2020–21	2021–22	2022–23	2023–24
X factor	-0.7684%	-0.9796%	-0.9536%	-0.8669%

Source: AER analysis.

Note: To be clear, labour escalators themselves are positive for each year of the regulatory control period. However, the labour escalators in this table are operating as de facto X factors. Therefore, they are negative.

Except for 568 - Embedded Generation OPEX Fees - Connection Assets and 569 - Embedded Generation OPEX Fees - Shared Network Asset where the proposed fee is a fixed percentage.

B Metering prices

Table 15.8 Metering X factors for 2020–24

Period	2020-21	2021-22	2022-23	2023-24
Metering X factor	0%	0%	0%	0%

Note: We do not apply an X factor for 2019-20 because we set the 2019-20 metering charges in this decision.

Table 15.9 Annual Metering Charges for 2019–20

	2019-20
MP1: Quarterly metering non-capital rate	$16.24
MP2: Monthly non-interval metering non-capital rate	$28.44
MP3: Monthly interval metering non-capital rate	$28.44
MP4: Monthly manually-read interval metering non-capital rate	$230.24
MP6: Quarterly manually-read interval metering non-capital rate	$65.53
MP7: Quarterly manually-read interval metering capital rate	$33.01
MP8: Monthly non-interval metering capital rate	$57.73
MP9: Monthly multi-register non-interval metering capital rate	$57.73
MP10: Monthly manually-read interval metering capital rate	$465.94

Source: AER analysis.

Note: Prices for the remaining years of the period will be adjusted for actual CPI during the AER's annual pricing approval process.