Evoenergy 2020/21 Network Pricing Proposal

Evoenergy: Australian Capital Territory electricity distribution network

Submission to the Australian Energy Regulator

Second Pricing Proposal for the Regulatory Control Period 2019–24

April 2020

evoenergy

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Glossary

Term	Definition
ACT	Australian Capital Territory
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
c	cents
CNG	Compressed Natural Gas
C and I	Commercial and Industrial
CT	Current Transformer
Cu	copper
DPPC	Designated Pricing Proposal Charges
DUOS	Distribution Use of System
FiT	Feed-in Tariff
GST	Goods and Services Tax
HV	High Voltage
JS	Jurisdictional Schemes
kVA	kilovolt-ampere
kW	kilowatt
kWh	kilowatt hour
LRMC	long run marginal cost
LV	Low Voltage
LVABC	Low Voltage Aluminum Bundled Conductors
m	million
mm	millimeter
MW	megawatt
NMI	National Metering Identifier
NUOS	Network Use of System
POE	Point Of Entry
PTRM	Post tax revenue model
PV	photovoltaic
SLCC	Streetlight Control Cubicle
TAR	Total allowable revenue
TNSP	Transmission network service provider
TOU	Time of Use
TSS	Tariff Structure Statement
TUOS	Transmission Use of System
VT	Voltage Transformer
XMC	Excludes Metering Charge

Overview

This pricing proposal is submitted to the Australian Energy Regulator (AER) for review as required under Chapter 6 of the National Electricity Rules (Rules). This document has been prepared in accordance with the AER's Final Decision for the 2019–24 regulatory control period, released on 30 April 2019.[1] The proposed changes to Evoenergy's network tariff levels on 1 July 2020, as set out in this Pricing Proposal, are consistent with the AER's Final Decision on Evoenergy's Revised Proposed Tariff Structure Statement (TSS) and its determinations to approve three cost pass-throughs.

The proposed network use of system (NUOS) charges for 2020/21 are, on average, 1.9 per cent higher in nominal terms than charges in 2019/20.[2] The proposed NUOS charges for 2020/21 are comprised of the following components.

- The proposed distribution use of system (DUOS) charges are 8.2 per cent higher (in nominal terms) than DUOS charges for 2019/20.
- The proposed transmission use of system (TUOS) charges[3] are 17.9 per cent higher (in nominal terms) than the charges for 2019/20.
- The proposed charges for jurisdictional schemes (JS)[4], reflecting ACT Government taxes and renewables policies, are 16.4 per cent lower (in nominal terms) than the charges for 2019/20.

Evoenergy also provides regulated metering services to the majority of residential and small business customers in the ACT. The proposed metering capital and metering non-capital charges for 2020/21 are proposed to increase by 1.8 per cent (nominal), in line with the Consumer Price Index (CPI).

Evoenergy estimates that the proposed 2020/21 network and metering charges will increase the electricity network bill for an average residential customer, consuming 7,500 kWh per annum on the Residential Basic tariff, by $0.28 per week (excluding GST)—a real increase of 0.1 per cent (1.9 per cent in nominal terms).

Evoenergy estimates that the proposed 2020/21 network and metering charges will increase the electricity network bill for an average low voltage commercial customer, consuming 30,000 kWh per annum on the General Network tariff, by $1.44 per week (excluding GST)—a real increase of 0.1 per cent (1.9 per cent in nominal terms).

[1] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, April 2019.
[2] This is calculated by comparing the forecast NUOS revenue in 2020/21 against estimated NUOS revenue in 2019/20. Both revenue estimates are calculated using 2020/21 forecast volumes.
[3] Referred to as Designated Pricing Proposal Charges in the Rules, they include charges levied on Evoenergy by TransGrid, as well as transmission costs on Evoenergy's network within the ACT.
[4] Jurisdictional schemes are expenses incurred by Evoenergy pursuant to ACT Government requirements, such as the large scale feed-in tariff.

1. Introduction

The AER is responsible for the economic regulation of distribution services provided by Evoenergy and requires Evoenergy to publish a pricing proposal that contains detailed information on the tariffs and charges to apply to Evoenergy's regulated network services from 1 July 2020 to 30 June 2021 (2020/21). This revised version of the 2020/21 Pricing Proposal takes into account the ACT Government's recent change to the Utilities Network Facilities Tax (UNFT), in response to COVID-19. The pricing proposal covers Evoenergy's Standard Control Services and Alternative Control Services, as classified in the AER's Final Decision Evoenergy Determination 2019-24 (Final Decision). A checklist of the regulatory requirements and where they are met in this document is provided as Attachment 3.

Standard Control Services are services that are central to the electricity supply and therefore relied upon by most (if not all) customers. This service classification includes network services (e.g. construction, maintenance and repair of the network), some connection services (e.g. small customer connections) and Type 7 metering services (i.e. unmetered connections such as traffic lights). Alternative Control Services include metering and ancillary network services specific to a particular customer.

This document should be read in conjunction with Evoenergy's Revised Proposed Tariff Structure Statement[5] as it sets out in detail how the tariff structures have been developed.

The structure of this document is outlined below.

- Section 2 sets out the calculation of Evoenergy's Total Allowable Revenue for 2020/21.
- Section 3 outlines the structure of Evoenergy's network tariffs.
- Section 4 presents Evoenergy's proposed network tariff levels for 2020/21.
- Section 5 outlines Evoenergy's proposed Alternative Control Service charges.
- Section 6 explains how Evoenergy's proposed network tariffs are consistent with the pricing principles in the Rules.
- Attachment 1 sets out the proposed 2020/21 NUOS tariffs including metering.
- Attachment 2 set out indicative NUOS tariffs for future years.
- Attachment 3 provides a compliance checklist.

[5] Evoenergy 2018, *Revised Regulatory Proposal 2019–24,* Appendix 1.1 Revised Tariff Structure Statement – Explanatory Statement.

2. Total Allowable Revenue for 2020/21

This section presents the calculations of Evoenergy's Total Allowable Revenue (TAR) for DUOS and TUOS, the legislated amount to be recovered through JS charges, as well as the price caps for Type 5 and Type 6 metering services.

2.1 DUOS

For the 2019–24 regulatory control period, Evoenergy's DUOS prices are regulated using a TAR revenue cap. This is a departure from the 2014–19 period when Evoenergy's distribution services were subject to an average revenue cap (i.e. revenue yield) form of control.

The following formula is used to determine Evoenergy's DUOS TAR.[6]

$$TAR_t \geq \sum_{i=1}^{n}\sum_{j=1}^{m} p_t^{ij} q_t^{ij} \qquad i = 1, \dots, n \text{ and } j = 1, \dots, m \text{ and } t = 1, 2 \dots, 5$$

$$TAR_t = AAR_t + I_t + B_t + C_t + RV_t \qquad t = 1, 2 \dots 5$$

$$AAR_t = AR_t \times (1 + S_t) \qquad t = 1$$

$$AAR_t = AAR_{t-1} \times (1 + \Delta CPI_t) \times (1 - X_t) \times (1 + S_t) \qquad t = 2, \dots, 5$$

where:

TAR_t *is the total allowable revenue in year* t

p_t^{ij} *is the price of component* $'j'$ *of tariff* $'i'$ *in year* t

q_t^{ij} *is the forecast quantity of component* $'j'$ *of tariff* $'i'$ *in year* t

t *is the regulatory year*

AR_t *is the annual smoothed revenue requirement in the PTRM for year* t

AAR_t *is the adjusted annual smoothed revenue requirement for year* t

I_t *is the sum of demand incentive scheme and innovation allowance payments in year* t

B_t *is the sum of annual adjustment factors in year* t

C_t *is the sum of approved cost pass year* t*. Also includes end of period adjustments in year* t

S_t *is the* $S-$*factor for year* t*, which incorporates adjustments for STPIS*

ΔCPI_t *is the percentage change in ABS CPI from Dec qt* $t-2$ *to Dec qt* $t-1$

X_t *is the* $X-$*factor in year* t*, incorporating adjustments for cost of debt*

RV_t *is the remittal variance factor for the* 2017–18 *and* 2018–19 *regulatory years to be trued up in the* 2019–20 *and* 2020–21 *pricing years*

[6] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-6 to 13-8.

2.1.1 Calculation of revenue cap for DUOS

To calculate the DUOS TAR for 2020/21, the inputs presented in Table 2.1 were applied to the formula outlined above. The inputs were obtained from the following sources.

- The AER's Final Decision PTRM for Distribution[7].
- The AER's decision on the Service Target Performance Incentive Scheme (STPIS) for 2018/19[8].
- The incentive scheme payments and annual adjustment for 2019/20.
- The AER's final decisions on cost pass throughs for Power of Choice, Ring-fencing and Vegetation Management[9], adjusted by the WACC.

The resulting DUOS TAR for 2020/21 is $146,412,688.

Table 2.1 DUOS Total Allowable Revenue 2020/21, $ nominal

Item	2020/21 Value
Annual smoothed revenue requirement for 2019/20 (AAR_{t-1})	$134,776,432
X factor for 2020/21	-0.44%
CPI ($December_{t-1}$ / $December_{t-1}$)	1.84%
S factor for 2020/21, which incorporates adjustments for STPIS (S_t)	-0.975%
Adjusted annual smoothed revenue requirement for 2020/21 (AAR_t)	$136,517,670
Sum of incentive scheme payments for 2020/21 (I_t)	-$162,345
Sum of annual adjustment factors in 2020/21 (B_t)	$5,478,809
Sum of approved cost pass throughs for 2020/21 (C_t)	$4,627,418
Remittal variance factor (RV_t)	-$48,864
Total allowable revenue in 2020/21 (TAR_t)	**$146,412,688**

2.1.2 DUOS unders and overs account

To demonstrate compliance with the revenue cap for DUOS during the 2019–24 regulatory control period, Evoenergy will report on revenue amounts and make adjustments for under and over recovery. As part of the pricing proposal for each regulatory year, Evoenergy will provide the following amounts:

- the opening balance for each year;
- the interest accrued on the opening balance for each year, calculated at the annual interest rate;
- under/over recovery of revenue for the regulatory year;
- interest on under/over recovery for the regulatory year, calculated at the semi-annual interest rate; and
- a summation of the above amounts to derive the closing balance for each year.

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[7] AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Post-tax revenue model*, April 2019.
[8] Final Evoenergy STPIS compliance model 2018-19, received from the AER by email on 3 February 2020.
[9] AER 2019, *AER Determination – Vegetation Management cost pass through – Evoenergy – February*; AER 2019, *AER Determination – Power of Choice reforms cost pass through – Evoenergy – February*; and AER 2019, *AER determination – Ring-fencing guideline cost pass through – Evoenergy – February*. Consistent with the AER's determinations, the total cost pass through amounts have been spread evenly across two years (2019/20 and 2020/21). The pass through value in 2018/19 dollars have been converted to 2019/20 dollars using the 2019/20 rate of return.

Evoenergy's proposed DUOS unders and overs account is presented below in Table 2.2. Since 2020/21 is the second year in which Evoenergy will operate under a DUOS revenue cap, the table includes a 'forecast' and 'estimate' column, but not yet a column containing 'actual' data.

Table 2.2 DUOS unders and overs account, $ nominal

Item	Year t-1 2019/20 Estimate	Year t 2020/21 Forecast
(A) Revenue from DUOS charges	$133,718,991	$146,409,672
(B) Less TAR for regulatory year =		
+ Adjusted annual smoothed revenue (AAR_t)	$134,776,432	$136,517,670
+ DMIS carryover and DMIS amounts (I_t)	$0	-$162,345
+ Annual adjustments (B_t)	$0	$0
+ Cost pass through amount* (C_t)	$4,418,195	$4,627,418
+ Remittal variance amount** (RV_t)	-$247,915	-$48,864
(C) Revenue deliberately under-recovered in year	**$0**	**$0**
(A – B + C) Under/over recovery of revenue for regulatory year	**-$5,227,721**	**$5,475,794**
DUOS unders and overs account		
Nominal WACC (per cent)	4.87%	4.74%
Opening balance	$0	-$5,353,517
Interest on opening balance	$0	-$253,515
Under/over recovery of revenue for regulatory year	-$5,227,721	$5,475,794
Interest on under/over recovery for regulatory year	-$125,797	$128,153
Closing balance	**-$5,353,517**	**-$3,086**

*Consistent with the AER's determinations, the total cost pass through amounts have been spread across two years (2019/20 and 2020/21). The pass through value in 2018/19 dollars has been converted to 2020/21 dollars using the rate of return.
**The 'remittal variance amount' is the variance between the actual and forecast revenue for the 2017/18 and 2018/19 regulatory years. These variations reflect the amount that should have been included in the 2019-24 period through the remittal process, but were not known at the time of the AER Final Decision[10].

The AER's Draft Decision for the 2019–24 regulatory control period included a provision that the t-2 amounts included in the DUOS unders and overs account be audited,[11] which was unchanged in the Final Decision.[12] However, this will not apply until the preparation of Evoenergy's 2021/22 Pricing Proposal, as this will be the first year that t-2 amounts will be available under the operation of the DUOS revenue cap.

[10] AER 2018, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, April 2019, p. 13-8.
[11] AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-19.
[12] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

2.1.3 Side constraint

Clause 6.18.6 of the Rules applies a side constraint on the expected weighted average revenue to be raised from Standard Control Services. The side constraint formula is set out in the AER's Final decision as follows.[13]

$$\frac{\sum_{i=1}^{n}\sum_{j=1}^{m} d_t^{ij} q_t^{ij}}{\sum_{i=1}^{n}\sum_{j=1}^{m} d_{t-1}^{ij} q_t^{ij}} \leq (1 + \Delta CPI_t) \times (1 - X_t) \times (1 + 2\%) \times (1 + S_t) + I'_t + B'_t + C'_t$$

where:

d_t^{ij} is the proposed price for component 'j' of tariff 'i' for year t

d_{t-1}^{ij} is the price charged for component 'j' of tariff 'i' in year t–1

q_t^{ij} is the forecast quantity of component 'j' of tariff 'i' in year t

ΔCPI_t is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t–2 to the December quarter in year t–1, calculated using the following method:

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in regulatory year t–1, divided by the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in regulatory year t–2, minus one.

For example, for 2020–21, year t–2 is the December quarter 2018 and year t–1 is the December quarter 2019.

X_t is the X factor for each year of the 2019–24 regulatory control period as determined in the PTRM, and annually revised for the return on debt update in accordance with the rate of return instrument, applied for the relevant year. If X>0, then X will be set equal to zero for the purposes of the side constraint formula.

S_t is the S factor for regulatory year t. It will also incorporate any adjustments required due to the application of the STPIS in the 2019–24 regulatory control period consistent with the AER's STPIS.

I'_t is the annual percentage change from the sum of demand management incentive schemes and allowance adjustments in year t

B'_t is the annual percentage change from the sum of annual adjustment factors for year t and includes the true-up for any under or over recovery of actual revenue collected through DUOS charges calculated using the method under the revenue cap formula

C'_t is the annual percentage change from the sum of approved cost pass through amounts (positive or negative) with respect to regulatory year t, as determined by the AER

Based on the above formula, the side constraint for 2020/21 is 10.76 per cent, as set out in Table 2.3.

[13] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, pp 13-10 to 13-11.

Table 2.3 2020/21 Side constraint

Item	2020/21 value
Annual percentage change in CPI (ΔCPIt)	1.84%
X-factor for 2020/21 (Xt)	-0.44%
STPIS adjustment (St)	-0.98%
Incentive schemes (It)	-0.12%
Adjustment factor (Bt)	4.05%
Cost pass throughs (Ct)	3.42%
DUOS permissible price change	2.00%
DUOS side constraint limitation	10.67%

To demonstrate compliance with the side constraint formula, Table 2.4 sets out, for each tariff class related to Standard Control Services, the expected weighted average DUOS revenue for the regulatory year (2020/21) and the current year (2019/20), as required by clause 6.18.2(b)(4) of the Rules. As shown in Table 2.4, the proposed average DUOS price increase for each of the three tariff classes is within the side constraint.

Table 2.4 Weighted average DUOS revenue by tariff class (nominal)

DUOS	2019/20 Notional DUOS Revenue (volumes t+1)	2020/21 Notional DUOS Revenue (volumes t)	% Change
Residential	$57,677,272	$62,121,026	7.70%
Low voltage commercial	$69,611,941	$75,605,496	8.61%
High Voltage	$7,972,237	$8,683,150	8.92%
Total	**$135,261,450**	**$146,409,672**	**8.24%**

Note: The 2019/20 and 2020/21 notional DUOS revenue in this table are both calculated using 2020/21 forecast volumes.

2.2 Designated Pricing Proposal Charges

Evoenergy's Designated Pricing Proposal Charges (DPPC) charges reflect costs associated with transmission of electricity within the ACT as well as payments for the transmission of electricity from interstate. Total transmission charges for 2020/21 are the sum of:

- the annual smoothed revenue for prescribed (transmission) services;[14]
- net transmission charges paid to transmission network service providers (TNSPs); and
- avoided Customer TUOS payments.

Clause 6.18.7(a) of the Rules allows Evoenergy to pass on to customers the charges incurred by Evoenergy for TUOS services. Clause 6.18.7(b) of the Rules states that the amount to be passed on must not exceed the estimated amount the TUOS charges for the relevant regulatory year adjusted for under or over recovery in the previous regulatory

[14] Prescribed (transmission) services include Evoenergy's Dual Function Assets.

year. Clause 6.18.7(c) describes the method to be applied to determine the under or over recovery.

For the 2019–24 regulatory control period, Evoenergy's revenue for prescribed (transmission) services is regulated using a revenue cap.[15] The 2020/21 revenue cap is $27,555,340, which reflects the AER's final decision.

To determine net transmission charges for 2019/20, TransGrid required information on Evoenergy's smoothed revenue for prescribed (transmission) services by early February 2019. Given this timing, Evoenergy provided an estimate of the revenue requirement, using the X-factor from the AER's Draft Decision for 2019-24.[16] Evoenergy has trued-up the TransGrid payments for the difference between the AER Draft Decision and Final Decision for 2019/20, in prices for 2020/21. The reconciliation is calculated in Table 2.5 below.

Table 2.5 Reconciliation of prescribed (transmission) services revenue (nominal)

	X Factor	CPI	WACC	Amount $'000
2019/20 forecast*				26,939
2019/20 actual (AER Final Decision)**				27,104
Difference between 2019/20 actual and forecast				165
Difference adjusted for 2020/21 WACC			5.34%	174
2020/21 (before 2019/20 adjustment)	0.17%	1.84%		27,555
2020/21 (after 2019/20 adjustment)***				27,730

*2019/20 forecast revenue cap was submitted to TransGrid in January 2019 using the X factor from the AER Draft Decision (because it was submitted prior to release of the AER Final Decision).
** AER 2019, *Evoenergy transmission 2019-24 – Final Decision –Post-tax revenue model*, April 2019
*** Calculated by adding '2020/21 (before 2019/20 adjustment)' and 'Difference adjusted for 2020/21 WACC)'. This is the revenue cap sent to TransGrid for 2020/21 pricing.

To determine net transmission charges for 2020/21, TransGrid required information on Evoenergy's smoothed revenue for prescribed (transmission) services by early February 2020. TransGrid subsequently advised Evoenergy of the transfer payments. On this basis, the net transfer payments, including Queanbeyan transmission charges, for 2020/21 were $15,946,441.

The net transfer payment provided by TransGrid has been combined with the regulated revenue from prescribed (transmission) services and avoided Customer TUOS payments[17] ($104,695) to calculate Evoenergy's total DPPC related payments of $43,606,476 in 2020/21.

[15] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-9.
[16] This estimate was based on the X factor in the AER Draft Decision rather than the Final Decision, due to timing. This was agreed with the AER via a letter dated 5 December 2018.
[17] From 1 July 2020, Evoenergy will pass through avoided Customer TUOS charges only to Connection Applicants, in accordance with rule 5.3AA(h) of the National Electricity Rules.

2.2.1 DPPC unders and overs accounts

To demonstrate compliance with clause 6.18.7 of the Rules, Evoenergy is required to maintain a DPPC unders and overs account. Clause 6.18.2(6) requires Evoenergy to provide information on this account as part of the pricing proposal.

The DPPC unders and overs account is set out in Table 2.6. The DPPC related payments for 2020/21 of $43,606,476 is adjusted for the 2019/20 closing balance of -$2,863,455 and interest to set the 2020/21 revenue from DPPC charges. Evoenergy has set the revenue from DPPC charges (which is $46,529,526) to achieve a closing balance (for 2020/21) as close to zero as possible.

Table 2.6 DPPC unders and overs accounts ($000's) (nominal)

	Year t-2 2018/19 Actual	Year t-1 2019/20 Estimate	Year t 2020/21 Forecast
(A) Revenue from DPPC charges	**$45,534**	**$39,127**	**$46,530**
(B) Less DPPC related payments for regulatory year:	**$46,269**	**$42,310**	**$43,606**
+ Prescribed (transmission) services	$24,977	$27,104	$27,555
+ Charges to be paid to TNSP	$21,021	$14,934	$15,946
+ Avoided TUOS payments	$272	$272	$105
(A – B) Under/over recovery of revenue for regulatory year	**-$736**	**-$3,182**	**$2,923**
DPPC unders and overs account			
Nominal WACC (per cent)	6.21%	4.87%	4.74%
Opening balance	$1,069	$377	-$2,863
Interest on opening balance	$66	$18	-$136
Under/over recovery of revenue for regulatory year	-$736	-$3,182	$2,923
Interest on under/over recovery for regulatory year	-$23	-$77	$68
Closing balance	**$377**	**-$2,863**	**-$8**

2.2.2 Audit requirement for DPPC unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period included a provision that the t-2 amounts included in the unders and overs account for DPPC must be audited,[18] which was unchanged in the Final Decision.[19] For Evoenergy's 2020/21 Pricing Proposal, the t-2 year to which the audit requirement applies is 2018/19. In subsequent

[18] AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-21.
[19] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

correspondence with Evoenergy, the AER advised that the audit requirement would be fulfilled if the amounts shown in the unders and overs account match information that was lodged as part of the Annual Reporting Regulatory Information Notice (RIN).

The DPPC amounts in the unders and overs accounts match amounts shown in Evoenergy's 2018/19 Annual RIN, as shown in Table 2.7.

Table 2.7 DPPC amounts 2018/19 ($000's) (nominal)

	Unders and overs account	2018/19 annual RIN	2018/19 RIN reference
Revenue from DPPC charges	$45,534	$45,534	Worksheet '8.1 Income', row 18
Prescribed (transmission) services	$24,977	$24,977	Worksheet '8.1 Income', row 24
Charges to be paid to TNSP	$21,021	$21,021	Worksheet '8.1 Income', row 24
Avoided TUOS payments	$272	$272	Worksheet '8.1 Income', row 25

Source: Evoenergy, Annual Reporting RIN 2018/19, submitted to AER on 30 October 2019.

2.3 Jurisdictional Scheme amounts

Jurisdictional Scheme amounts are those Evoenergy must pay pursuant to ACT Government requirements. The forecast Jurisdictional Scheme payments in 2020/21 are:

- the Energy Industry Levy (EIL): $1.3 m;
- the Utilities Network Facilities Tax (UNFT): $9.5 m;
- the Feed-in Tariff (FiT) for small and medium schemes: $15.3 m; and
- the Feed-in Tariff for large schemes (FiT L): $83.6 m.

These amounts have been included in the jurisdictional scheme unders and overs accounts for 2020/21 presented in Section 2.3.2.

2.3.1 Calculation of jurisdictional scheme revenue amounts

The AER's Draft Decision for the 2019-24 regulatory control period contains a requirement that Evoenergy must maintain an unders and overs account for jurisdictional schemes in its annual pricing proposal.[20] This requirement was unchanged in the Final Decision.[21] The unders and overs account records Evoenergy's annual revenues and payments for jurisdictional schemes and maintains a record of any under or over recovery of revenue that must be reconciled in future years. The AER's final determination requires Evoenergy to achieve a closing balance as close to zero as practicable in the unders and overs account in each forecast year (i.e. a full reconciliation of any under or over recovery).[22]

Legislative changes enacted in the ACT relating to the large scale FiT and administration costs allow the ACT Government to determine the costs Evoenergy can recover under the scheme. The changes also allow any under or over recovery of the scheme to be

[20] AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.
[21] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.
[22] Ibid.

reconciled ('smoothed') over a period of up to five years.[23] When this occurs, Evoenergy's closing balance for the scheme may differ from zero in some regulatory years.

In order to demonstrate its compliance with both the AER and ACT Government's requirements, Evoenergy has separated the unders and overs accounts for:

1. the large scale FiT and administration costs; and
2. other jurisdictional scheme amounts.

The revenue amounts for these schemes are then combined to determine Evoenergy's total revenue requirement for jurisdictional schemes.

The sub-sections below explain how the revenue amounts are determined for the respective schemes.

Revenue for the large-scale FiT and administration costs

Evoenergy is required to apply to the ACT Government each year for a determination of the reasonable costs for the large FiT and administration costs in the upcoming year. The reasonable costs determination specifies the costs that Evoenergy can recover in respect of the large-scale FiT scheme and associated administration costs, for the upcoming regulatory year.

The ACT Government has issued three reasonable cost determinations for Evoenergy in respect of the 2018/19, 2019/20 and 2020/21 regulatory years. The details of Evoenergy's reasonable costs determinations for 2018/19 and 2019/20 are outlined in Evoenergy's 2019/20 pricing proposal,[24] which also describes the process for calculating the reasonable costs determination amount and how repayments of over-recoveries are smoothed. In summary:

- the 2018/19 reasonable costs determination provided for a three year smoothing period for repayment of 2017/18 over-recoveries; and
- the 2019/20 reasonable costs determination provided for a two year smoothing period for repayment of 2018/19 over-recoveries.

On 24 December 2019, Evoenergy made an application for its third reasonable costs determination, applying to the 2020/21 year. In accordance with ACT legislative requirements and subsequent correspondence with the ACT Government, it was determined that Evoenergy would spread its repayment of 2019/20 over-recoveries over two years (2020/21 and 2021/22). On 31 January 2020, the ACT Government determined that Evoenergy's reasonable costs for the large FiT and administration is $42,719,762 for 2020/21.[25] This amount accounts for:

- repayment of the first (of two) instalment of the 2019/20 over-recovery, which is being smoothed over two years;
- repayment of the final (second) instalment of the 2018/19 over-recovery, which is being smoothed over two years; and
- repayment of the final (third) instalment of the 2017/18 over-recovery, which is being smoothed over three years.

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[23] *Electricity Feed-in (Large-scale Renewable Energy Generation) Reasonable Costs Methodology Determination 2018* (ACT), Notifiable Instrument NI2018-130

[24] Evoenergy 2019, *2019/20 Network Pricing Proposal – Submission to the Australian Energy Regulator*, May 2019.

[25] *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs of FiT Support Payments) Determination 2020* (ACT), Notifiable Instrument NI2020-77. Available here: https://www.legislation.act.gov.au/ni/2020-77/

Note that, at the time Evoenergy applies to the ACT Government for a reasonable costs determination, Evoenergy's payments for the next regulatory year and closing balance for the previous regulatory year are forecasts. As such, the ACT Government's reasonable costs determination and its target level of repayments reflect a forecast at the time of the reasonable cost determination submission (due before 31 December each year). Subsequently, the actual repayment of the large-scale FiT scheme in a particular year will vary compared to the forecast payments for the scheme.

The unders and overs account presented in Section 2.3.2 shows the revenue for the large FiT is $42.7 million in 2020/21 (forecast) and $50.9 million in 2019/20 (estimate).[26] The 2020/21 revenue forecast is equal to Evoenergy's reasonable costs determination. The 2019/20 revenue was set based on the 2019/20 reasonable costs determination (and reflected in 2019/20 prices), however the revenue estimate has since been updated based on actual revenue recovered. Hence, the 2019/20 large FiT revenue has been revised from $52.03 million (the reasonable cost determination amount) to $50.9 million. The unders and overs accounts also reflect recent payment data which has been updated since the 2018/19 and 2019/20 reasonable costs determinations. Using updated data for each year is consistent with the operation of the unders and overs account, which is designed to reconcile any under or over recovery that may occur when actual payments and revenues become known.

Other jurisdictional schemes

Table 2.10 in Section 2.3.2 presents the unders and overs account for all other components of the jurisdictional scheme account. These include the Energy Industry Levy, Utilities Network Facilities Tax, and Feed-in Tariff (small/medium). The revenue for these components ('Other jurisdictional scheme revenue') is calculated to fully reconcile any under or over recovery from previous years. To illustrate this, Table 2.10 shows a closing balance of zero in 2020/21.

In response to the impact of COVID-19, the ACT Government recently announced that it will freeze the UNFT[27] at the current level (i.e. the year ending 31 March 2019) for the year ending 31 March 2020. For this reason, Evoenergy has resubmitted it's 2020/21 Pricing Proposal to pass through the reduction in UNFT payments to customers from 1 July 2020.

2.3.2 Jurisdictional scheme unders and overs account

To demonstrate compliance with clause 6.18.7A of the Rules, Evoenergy is required to maintain a Jurisdictional Scheme unders and overs account. Evoenergy is required to provide information on this account as part of its Pricing Proposal. The Jurisdictional Scheme unders and overs accounts are depicted in Tables 2.9 and 2.10.

Table 2.8 shows the combined 2020/21 revenue from the large-scale FiT scheme (including administration costs) and other jurisdictional scheme amounts.

[26] 2019/20 revenues are forecast since they apply to a future regulatory year. 2018/19 revenues are an estimate reflecting the availability of actual data for part of the year (with a forecast for the remainder) as at the time of the Pricing Proposal.

[27] https://www.covid19.act.gov.au/economic-support/economic-survival-package/families-and-households#Utilities-Network-Facilities-Tax

Table 2.8 Jurisdictional Scheme revenue, total ($'000) (nominal)

	2017/18 Actual	2018/19 Actual	2019/20 Estimate	2020/21 Forecast
Large FiT scheme and administration revenue	$39,115	$32,521	$50,888	$42,720
Other jurisdictional scheme revenue	$26,742	$26,377	$28,973	$24,947
Total jurisdictional scheme related revenue	**$65,857**	**$58,898**	**$79,861**	**$67,667**

Table 2.9 Unders and overs account: Large scale FiT and administration ($'000) (nominal)

	2017/18 Actual	2018/19 Actual	2019/20 Estimate	2020/21 Forecast
Jurisdictional Scheme Revenue				
Large FiT and administration revenue	$0	$32,521	$50,888	$42,720
Large scale Feed in Tariff Payments				
Feed-in Tariffs (large scale)	$0	$12,277	$55,658	$83,600
Administration	$123	$127	$13	$5
Total payments	**$123**	**$12,404**	**$55,672**	**$83,606**
Over (under) recovery for FY				
Large scale FiT and administration over (under) recovery for FY	-$123	$20,117	-$4,783	-$40,886
Overs and unders account				
Annual rate of interest applicable to balances	6.31%	6.21%	4.87%	4.74%
Semi-annual interest rate	3.11%	3.06%	2.41%	2.34%
Opening balance	-$123	$34,596	$57,478	$55,380
Interest on large scale FiT and administration opening balance	-$8	$2,150	$2,800	$2,622
Large scale FIT and administration under/over recovery for FY	-$123	$20,117	-$4,783	-$40,886
Interest on large scale FiT and admin. under/over recovery for FY	-$4	$616	-$115	-$957
Large scale FiT and Administration Closing Balance	**$34,596**	**$57,478**	**$55,380**	**$16,159**

Notes:
1. The closing balance is non-zero in the final year because the 2019/20 closing balance for the large-scale FIT will be reconciled over a two-year period (unless an alternative period is determined by the ACT Government through the 2021/22 reasonable costs determination). This reflects the ACT Government's 2018/19, 2019/20 and 2020/21 reasonable costs determinations for Evoenergy.[28] All other jurisdictional scheme over-recoveries are fully reconciled in 2019/20 as shown in Table 2.9.
2. The under / over recovery for each financial year is calculated as the difference between total revenue and total payments for that year.
3. Evoenergy's 2018/19 reasonable costs determination for the large FiT was $32.01m, which was included in Evoenergy's 2018/19 pricing proposal. Evoenergy's 2019/20 reasonable costs determination for the large FiT was $52.03m, which was included in Evoenergy's 2019/20 pricing proposal. The large FiT revenue estimate in the unders and overs account shown above has been updated based on revised estimates of actual revenue recovered for 2018/19 and 2019/20. Any under or over recovery of revenue for the large FiT is accounted for through the reasonable costs determination process (see section 2.3.1).
4. Forecast administration costs for 2019/20 were set to zero in the 2019/20 Pricing Proposal because they were included in the base year operating expenditure used to determine the 2019–24 revenue allowance. Since then, additional administration costs have been incurred (in the 2019/20 year) that were not included in the base year operating expenditure. These include the cost of implementing an alternative forecasting approach (which aims to improve the forecasting accuracy of spot prices). These additional administration costs are shown in Table 2.9.

[28] Section 2.3.1 contains an explanation of Evoenergy's reasonable costs determinations.

Table 2.10 Unders and overs account: Other jurisdictional schemes ($'000) (nominal)

	2017/18 Actual	2018/19 Actual	2019/20 Estimate	2020/21 Forecast
Jurisdictional Scheme Revenue				
Other jurisdictional scheme revenue	**$26,742**	**$26,377**	**$28,973**	**$24,947**
Jurisdictional Scheme Related Payments				
Feed-in Tariffs (small and medium scale)	$16,551	$14,900	$15,171	$15,292
Feed-in Tariffs (small & medium scale) adjustment^		-$155	$0	
Feed-in Tariffs (large scale)	$14,208	$0	$0	$0
UNFT	$7,722	$8,135	$8,497	$9,476
Energy Industry Levy	$1,556	$1,282	$1,293	$1,300
Total large FiT scheme payments	$14,208	$0	$0	$0
Total other jurisdictional scheme payments	$25,829	$24,161	$24,962	$26,067
Total jurisdictional scheme related payments	**$40,037**	**$24,161**	**$24,962**	**$26,067**
Over (under) recovery for FY				
Large FiT scheme over (under) recovery	$24,907	$0	$0	$0
Other jurisdictional scheme over (under) recovery	$912	$2,216	$4,011	-$1,121
Total over (under) recovery for FY	**$25,819**	**$2,216**	**$4,011**	**-$1,121**
Unders and overs account				
Annual rate of interest applicable to balances	6.31%	6.21%	4.87%	4.74%
Semi-annual interest rate	3.11%	3.06%	2.41%	2.34%
Large FiT scheme opening balance	$8,629	$0	$0	$0
Other jurisdictional scheme opening balance	-$5,464	-$4,868	-$2,887	$1,080
Total opening balance	**$3,165**	**-$4,868**	**-$2,887**	**$1,080**
Interest on large FiT scheme opening balance	$544	$0	$0	$0
Interest on other jurisdictional scheme opening balance	-$345	-$303	-$141	$51
Total interest on opening balance	**$200**	**-$303**	**-$141**	**$51**
Large FiT scheme over/under recovery for FY	$24,907	$0	$0	$0
Other jurisdictional scheme under/over recovery for FY	$912	$2,216	$4,011	-$1,121
Total over/under recovery for FY	**$25,819**	**$2,216**	**$4,011**	**-$1,121**
Interest on large FiT scheme over/under recovery	$774	$0	$0	$0
Interest on other jurisdictional scheme under/over recovery	$28	$68	$97	-$26
Total interest on over/under recovery	**$802**	**$68**	**$97**	**-$26**
Large FiT scheme closing balance	$34,854	$0	$0	$0
Other jurisdictional scheme closing balance	-$4,868	-$2,887	$1,080	$0
Total Closing Balance	**$29,986**	**-$2,887**	**$1,080**	**-$16**

Notes: The table shows amounts for the large scale FiT scheme only for 2017/18. From 2018/19 onwards, large scale FiT is shown in a separate unders and overs account (Table 2.9).

^ A recent audit has revealed that Evoenergy erroneously paid some ACT customers on small and medium FiT scheme, payment to which they were not entitled. Evoenergy is seeking to return the revenue that was over-recovered from the ACT customer base, with adjustments for the WACC. (Evoenergy has elected not to recover the overpayments made to these few ACT customers.) These overpayments were made between 2014/15 and 2018/19.

2.3.3 Audit requirement for Jurisdictional Scheme unders and overs account

The AER's Draft Decision for the 2019–24 regulatory control period included a provision that the t-2 amounts included in the unders and overs account for Jurisdictional Schemes must be audited,[29] which was unchanged in the Final Decision.[30] For Evoenergy's 2020/21 Pricing Proposal, the t-2 year to which the audit requirement applies is 2018/19. In subsequent correspondence with Evoenergy, the AER advised that the audit requirement would be fulfilled if the amounts shown in the under and overs account match information that was lodged as part of the Annual Reporting RIN.

The jurisdictional scheme amounts in the unders and overs accounts match amounts shown in Evoenergy's 2018/19 Annual RIN, as shown in Table 2.11.

Table 2.11 Jurisdictional scheme amounts 2018/19 ($000's) (nominal)

	Unders and overs account	2018/19 annual RIN	RIN reference
Jurisdictional scheme revenue	$58,898	$58,898	Worksheet '*8.1 Income*', row 16
Energy Industry Levy payments	$1,282	$1,282	Worksheet '*7.10 Juris Scheme*', row 11
UNFT payments	$8,135	$8,135	Worksheet '*7.10 Juris Scheme*', row 12
Feed-in Tariffs (small and medium scale) payments	$14,900	$14,900	Worksheet '*7.10 Juris Scheme*', row 13
Feed-in Tariffs (large scale) payments	$12,277	$12,277	Worksheet '*7.10 Juris Scheme*', row 14

Source: Evoenergy, Annual Reporting RIN 2018-19, submitted to AER on 30 October 2019.

Evoenergy notes that administration costs for the large scale FiT are not separately identified in the annual RIN. These costs are calculated based on the costs associated with administering the large FiT scheme. Administration costs are also included in the ACT Government's reasonable costs determination for Evoenergy (see Section 2.3.1).

2.4 Metering charges

Metering charges cover the costs associated with Evoenergy's provision of regulated Type 5 and Type 6 metering services. Residential and low voltage commercial customers connected before 1 December 2017 have a regulated Type 5 or Type 6 meter. These meters are subject to price cap regulation.

Evoenergy's metering capital and non-capital charges for 2020/21 are based on an X factor of zero, as set out in the AER's Final Decision Metering PTRM for the 2019–24

[29] AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.
[30] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

regulatory control period.[31] The AER's final decision on metering is to increase metering charges in 2020/21 in line with CPI.

[31] AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Metering Post-tax revenue model*, April 2019.

3. Tariff classes and structure

The Rules (clause 6.18.2) require a description of the tariff classes[32] and tariffs that are to apply in 2020/21. For each tariff within a tariff class, the charging parameters[33] and the elements of service to which they relate must also be set out in this pricing proposal.

Evoenergy offers network tariffs in three tariff classes:

- Residential;
- Low voltage (LV) commercial; and
- High voltage (HV).

The Rules stipulate that tariff classes must be constituted with regard to the need to group customers together on an economically efficient basis and the need to avoid unnecessary transactions costs (clause 6.18.3(d)). Evoenergy meets this requirement by grouping customers according to type of connection (residential or commercial), and connection voltage (LV or HV). Customers within each class have similar load and connection characteristics. The relevant costs for each class can then be identified and reflected in the tariffs for each class.

Within each of the three tariff classes, Evoenergy has developed a suite of network tariffs that encourages efficient use of the network, and signals the costs of future network expansion. Each tariff is based on the long run marginal cost (LRMC) of the network (as per clause 6.18.5(f) of the Rules). The tariffs, charging parameters and eligibility criteria for each tariff are shown in Table 3.1, Table 3.3 and Table 3.5.

The network tariffs from each tariff class comprise different combinations of the following charging parameters.

- **Fixed charges**—these apply per customer for residential customers and per connection point for commercial customers. The fixed charge is a daily charge that does not vary with electricity consumption, demand or capacity. The network access charge excludes non-capital metering charges.
- **Energy charges**—these apply to each unit of electricity consumed. The cents per kilowatt hour (c/kWh) rate may vary with the level of consumption (with higher rates applying above certain thresholds) or with the time-of-use (with lower rates applying outside of peak periods).
- **Maximum demand charges**—these are a charge per unit of maximum demand (in c/kVA/day or c/kW/day[34]). The maximum demand is the highest demand calculated coincident over a 30-minute clocked interval, starting on the full or half hour, during the specified peak time within a billing period (generally per calendar month).
- **Capacity charges** – these are a charge per unit of maximum demand (in c/kVA/day). The maximum demand is the highest demand recorded over a 30-minute clocked interval during the previous 13 months inclusive of the current billing month.

[32] A tariff class is defined in chapter 10 of the *National Electricity Rules* as "a class of customers for one or more direct control services who are subject to a particular tariff or particular tariffs".
[33] Charging parameters are defined as "the constituent elements of a tariff" in chapter 10 of the *National Electricity Rules*.
[34] c/kVA/day refers to cents per kilo-volt ampere per day, and c/kW/day refers to cents per kilowatt per day.

3.1 Tariffs for residential customers

Residential tariffs are available to installations at private dwellings, excluding serviced apartments, but including:

- living quarters for members and staff of religious orders;
- living quarters on farms;
- charitable homes;
- retirement villages;
- residential sections of nursing homes and hospitals;
- churches, buildings or premises which are primarily used for public worship; and
- approved caravan sites.

Evoenergy's residential customers are currently assigned to the following tariffs.

- **Residential kW Demand** – default for new connections and meter replacements from 1/12/17. (See Section 3.1.1 for more details.)
- **Residential time-of-use (TOU)** – opt-out option for new connections and meter replacements from 1/12/17.
- **Residential Basic** – closed to new connections from 1/12/17. Remains available for existing customers.
- **Residential 5000** – closed to new connections from 1/12/17. Remains available for existing customers.
- **Residential with Heat Pump** – closed to new connections from 1/12/17. Remains available for existing customers.
- **Off-peak (1) night** – available for residential (and LV commercial) customers utilising controlled loads elements.
- **Off-peak (3) day and night** – available for residential customers utilising controlled loads elements.

The two residential tariffs offered to new connections and customers with meter replacements are described below.

The Residential kW demand tariff gives residential customers the opportunity to actively manage and control the size of the network component of their electricity bills by considering when and how they use electricity. The demand tariff includes the following three components.

- A fixed component in cents per day.
- An anytime energy consumption component in cents per kilowatt-hour.
- A maximum demand component based on the customer's highest demand (measured in kilowatts) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified peak time (i.e. 5:00pm[35], 5:30pm, 6:00pm, 6:30pm, 7:00pm, 7:30pm and 8:00pm) within the billing period (a calendar month). The charge is expressed in cents per kilowatt per day.

The Residential TOU tariff provides an opportunity and an incentive for consumers with the necessary metering capability to respond to price signals at different times of the day[36] and manage their electricity bill. The Residential TOU tariff was the default tariff for all new residential connections from 1 October 2010 to 30 November 2017.

Evoenergy's residential network tariff structure is shown in Table 3.1.

[35] The first period starts at 17:00:01 and ends at 17:30:00 AEST.
[36] This statement assumes the retailer passes on the network tariff structure.

Table 3.1 Network tariff structure: residential

Tariff	Charging parameters	Explanation
Residential basic network (010)	• Fixed charge (c/day/customer) • Energy charge (c/kWh)	This tariff is available to customers who have an accumulation meter installed at their premises. The fixed charge applies per customer, is a daily charge and does not vary with usage. The energy charge varies with the level of consumption but not with the time of day. This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.
Residential time-of-use (TOU) network (015)	• Fixed charge (c/day/customer) • Energy at max times, i.e. 7 am to 9 am and 5 pm to 8 pm every day (c/kWh)* • Energy at mid times, i.e. 9 am to 5 pm and 8 pm to 10 pm every day (c/kWh)* • Energy at economy times, i.e. all other times (c/kWh)*	This tariff is available to residential customers who have a meter capable of recording energy consumption in each of the three time of use intervals ('max', 'mid' and 'economy'). The fixed charge applies per customer, is a daily charge and does not vary with usage. The energy charges relate to the supply of network services at various times. A higher rate applies at max times to encourage users to shift their load to mid or economy periods.
Residential 5000 network (020)	• Fixed charge (c/day/customer) • Energy for the first 60 kWh/day (c/kWh) • Energy above 60 kWh/day (c/kWh)	This tariff is designed for residential customers who have large continuous (rather than time controlled) loads, and consume over 5,000 kWh per annum. The fixed charge applies per customer, is a daily charge and does not vary with usage. An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy). This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.
Residential with heat pump (030)	• Fixed charge (c/day/customer) • Energy for the first 165 kWh/day (c/kWh) • Energy above 165 kWh (c/kWh)	This tariff is only available to residential customers with a reverse cycle air conditioner. The fixed charge applies per customer, is a daily charge and does not vary with usage. An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy). This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.
Residential kW demand (025)	• Fixed charge (c/day/customer) • Energy consumption charge (c/kWh) • Maximum demand charge (in billing period) (c/kW/day)	This tariff is available to residential customers from 1 December 2017 who have a Type 4 meter installed. The fixed charge applies per customer, is a daily charge and does not vary with usage. The energy charge varies neither with the level of consumption nor the time of day. The demand charge is based on a customer's highest demand (measured in kilowatts) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified Peak time (i.e. 5:00pm**, 5:30pm,

Tariff	Charging parameters	Explanation
		6:00pm, 6:30pm, 7:00pm, 7:30pm and 8:00pm) within the billing period (a calendar month). This tariff became Evoenergy's default tariff for residential customers with a Type 4 meter from 1 December 2017.
Off-peak (1) night network (060)	• Energy at controlled times, i.e. between 10 pm and 7 am (c/kWh)	The Off-peak (1) night tariff is a supplementary tariff available only to consumers utilising a controlled load element, and (from 1 July 2019) taking all other energy on the Residential kW Demand, Residential TOU, Residential Basic, General Network, General TOU or LV commercial kW Demand network tariff. The Off-peak (1) night network energy charge relates to supply of network services at controlled times, for 6 to 8 hours per day between the hours of 10 pm and 7 am. This charge is applicable to permanent heat (or cold) storage; electric vehicle recharge; and CNG vehicle gas compression installations. The design and rating must be acceptable to Evoenergy. The installation must use most energy during the controlled times but may be boosted at the principal charge, or charges, at other times.
Off-peak (3) day and night network (070)	• Energy at controlled times, i.e. between 10 pm and 7 am and 9 am and 5 pm (c/kWh)	The Off-peak (3) day and night tariff is a supplementary tariff available only to consumers utilising a controlled load element, and taking all other energy on the Residential kW Demand, Residential TOU or Residential Basic network tariff. Up to 30 June 2019 LV Commercial customers were also permitted to be assigned to this tariff, but this option became unavailable from 1 July 2019. The Off-peak (3) day and night network energy charge relates to supply of network services at controlled times, for up to 13 hours per day between 10 pm and 7 am and again between 9 am and 5 pm. This charge is applicable to permanent heat (or cold) storage; electric vehicle recharge; and CNG vehicle gas compression installations. The design and rating must be acceptable to Evoenergy. The installation must use most energy during the controlled times but may be boosted at the principal charge, or charges, at other times.

The scheme associated with 'renewable energy generation' is due to expire at midnight on 30 June 2020.
* Max times are 7 am to 9 am and 5pm to 8pm Australian Eastern Standard Time (AEST) on every day. Mid times are between 9 am and 5 pm (AEST) every day. Off-peak times are all other times. Peak times (for the Residential kW demand tariff) is from 5 pm to 8 pm (AEST) every day.
** The first period starts at 17:00:01 and ends at 17:30:00 AEST.

3.1.1 Residential tariff assignment policy

The introduction of the Residential kW Demand tariff was established to coincide with the introduction of Type 4 meters from 1 December 2017. Only customers who have a Type 4 meter installed from 1 December 2017 are assigned, by default, to the kW Demand tariff.

New residential customers are currently assigned by default to the Residential kW Demand tariff, with the ability to opt-out to the Residential Time-of-Use (TOU) tariff. The Residential

TOU tariff was the default tariff for all new residential customers from 1 October 2010 to 30 November 2017.

Customers on the Residential kW Demand or TOU tariffs are also able to opt-in to one of the off-peak tariffs (off-peak 1 and off-peak 3). The Off-peak tariffs (codes 060 and 070) apply to controlled loads to encourage electricity usage at off-peak times.

From 1 December 2017, the Residential Basic, Residential 5000, and Residential with Heat Pump tariffs were closed to new Evoenergy customers because these tariffs were not sufficiently cost reflective. Customers currently assigned to these tariffs may remain on them until they receive a Type 4 meter. Evoenergy's assignment policy means that because customers with a Type 4 meter are automatically assigned to the demand tariff (with a provision to opt out to TOU), the above three residential tariffs will eventually become obsolete. The table below outlines the residential tariff assignment policy.

Table 3.2 Residential tariff assignment policy

	Default	Opt-out	Opt-in
Residential (new connection or customer initiated)	Residential kW demand*	Residential Time-of-Use	
Residential: replacement meter	Residential kW demand tariff 12 months after type 4 meter is installed	Residential Time-of-Use	Residential kW demand or Residential Time-of-Use tariff (any time after type 4 meter is installed)

Note: Customers are ineligible to switch to one of these tariffs if they have been on the tariff in the previous 12 months.
*When requested by retailers, under specific scenarios, Evoenergy currently offers to backdate a demand tariff to a TOU tariff once per site in a 12-month period. Evoenergy reverses and reissues the bill (NUOS) for no more than 120 calendar days for residential sites. This process applies to the Residential kW demand tariff.

As explained in the AER's Draft Decision for 2019–24, customers who receive a Type 4 meter as a replacement for a Type 5 or 6 meter are to remain on their existing network tariff for 12 months before moving to a more cost-reflective network tariff[37]. Under this arrangement, customers with new connections or customer-initiated meter replacements will continue to be assigned to the cost-reflective Residential kW demand tariff when their type 4 meter is installed (with the option to opt-out to the Residential TOU tariff). When a new meter is installed for any other reason, the shift to a more cost reflective tariff (i.e. the Residential kW demand tariff) will be delayed by 12 months. These customers are able to opt-in to more cost reflective residential tariffs within the first 12 months of their Type 4 meter installation. This change in requirements is reflected in Evoenergy's Revised TSS, which was approved in the AER's Final Decision[38].

3.2 Tariffs for low voltage commercial customers

For LV commercial customers, a range of tariff options has been developed to meet their diverse needs. Evoenergy's low voltage commercial customers are currently assigned to the following tariffs.

- LV kW Demand
- LV TOU kVA Demand

[37] AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18,* September 2018, p. 18-17 to 18-18.
[38] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

- LV TOU kVA Capacity
- General TOU
- General Network

Three of the LV commercial options involve capacity and/or maximum demand charges, in conjunction with consumption charges. These tariff options are described below.

The LV kW Demand tariff was introduced in December 2017 and gives LV commercial customers the opportunity to actively manage and control the size of the network component of their electricity bills by considering when and how they use electricity. The LV kW Demand tariff includes the following three components.

- A fixed component in cents per day.
- An anytime energy consumption component in cents per kilowatt hour.
- A demand component – a maximum demand charge is based on the customer's highest demand calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified Business time (i.e. 7:00am[39], 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).

The kVA-based demand tariffs as approved by the AER in its Final Decision on Evoenergy's Revised TSS,[40] the maximum demand component of the LV TOU kVA Demand and LV TOU Capacity tariffs is based on 'peak-period' maximum demand. The peak period for these LV Commercial tariffs is the Business Time, specified as 7:00am to 5:00pm (AEST) on weekdays.

The General TOU tariff provides an opportunity and an incentive for consumers with the necessary metering capability to respond to price signals at different times of the day[41] and manage their electricity bill in line with the costs they impose on the network.

Evoenergy's LV commercial network tariff structure is set out in Table 3.3.

Table 3.3 Network tariff structure: LV commercial

Tariff	Charging parameters	Explanation
General network (040)	• Network access charge (c/day/connection point) • Energy for the first 330 kWh/day (c/kWh) • Energy above 330 kWh/day (c/kWh)	This tariff has been closed to new connections since 1 December 2017 and will become obsolete over time. The fixed charge applies per connection point, is a daily charge and does not vary with usage. An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy). This tariff may be used in conjunction with the off-peak (1) tariff (code 060).
General TOU network (090)	• Network access charge (c/day/connection point) • Energy at business times* (c/kWh)	This tariff was the default tariff available to new LV commercial customers until 30 November 2017. It is now available for all LV commercial customers as an opt-out option. The fixed charge applies per connection point, is a daily charge and does not vary with usage.

[39] The first period starts at 07:00:01 and ends at 07:30:00 AEST.
[40] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.
[41] This statement assumes the retailer passes on the network tariff structure.

Tariff	Charging parameters	Explanation
	• Energy at evening times* (c/kWh) • Energy at off-peak times* (c/kWh)	The energy charges relate to supply of energy at different times, with a lower rate in off-peak times reflecting the availability of capacity and encouraging consumers to shift their load from 'business' to 'off-peak times' to utilise the available capacity.
LV TOU kVA demand network (101)	• Network access charge (c/day/connection point) • Maximum demand (in billing period) (c/kVA/day) • Energy at business times* (c/kWh) • Energy at evening times* (c/kWh) • Energy at off-peak times* (c/kWh)	This tariff is the default tariff available to LV commercial customers who have a Type 4 meter installed as well as a current transformer (CT) meter. The fixed charge applies per connection point, is a daily charge and does not vary with usage. The maximum demand charge is based on the customer's highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month). The energy charges relate to supply of energy at different times, with a lower rate in off-peak times, reflecting the availability of capacity and encouraging consumers to shift their load from peak to off-peak times to utilise the available capacity.
LV TOU capacity network (103)	• Network access charge (c/day/connection point) • Maximum demand (in billing period) (c/kVA/day) • Capacity (max demand in last year) (c/kVA/day) • Energy at business times* (c/kWh) • Energy at evening times* (c/kWh) • Energy at off-peak times* (c/kWh)	This tariff is available to customers with an interval meter and a current transformer (CT) meter installed. The fixed charge applies per connection point, is a daily charge and does not vary with usage. The maximum demand charge is based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month). The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month. The energy charges relate to supply of energy at different times, with a lower rate in off-peak times, reflecting the availability of capacity and encouraging consumers to shift their load from peak to off-peak times to utilise the available capacity.
LV kW Demand network (106)	• Network access charge (c/day/connection point) • Energy charge (c/kWh) • Maximum demand (in billing period) (c/kW/day)	This tariff is the default tariff available to new LV commercial customers from 1 December 2017 who have a Type 4 meter installed without a CT meter. The fixed charge applies per connection point, is a daily charge and does not vary with usage. The energy charge varies with the level of consumption but not the time of day. The maximum demand charge is based on the customer's highest demand (measured in kWs) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).

Tariff	Charging parameters	Explanation
Streetlighting (080)	• Network access charge (c/day/customer) • Energy at any time (c/kWh)	This tariff applies to the night-time lighting of streets and public ways and places. The fixed charge applies per customer, is a daily charge and does not vary with usage. The energy charge varies with the level of consumption but not the time of day.
Small unmetered loads (135)	• Network access charge (c/day/customer) • Energy at any time (c/kWh)	This tariff applies to eligible installations as determined by Evoenergy, including: • telephone boxes; • telecommunication devices; and • other, as determined by the National Metrology Coordinator. Energy charges are calculated based on the assessed rating of the load and the charge period.

* Business times are between 7 am and 5 pm Australian Eastern Standard Time on weekdays. Evening times are between 5 pm and 10 pm Australian Eastern Standard Time on weekdays. Off-peak times are all other times.
** The first period starts at 07:00:01 and ends at 07:30:00 AEST.

3.2.1 Low voltage commercial tariff assignment policy

Refinements to the LV commercial tariff assignment policy were implemented from 1 July 2019. Specifically, customers with Current Transformer (CT) meters are assigned by default to the LV kVA TOU demand tariff, while customers without a CT meter (i.e. with a Whole Current meter) meter are assigned by default to the LV kW demand tariff. Both customer types (those with and without CT meters) have cost reflective opt-out options, as shown in Table 3.4 below.

The LV kW demand tariff is designed for smaller commercial customers (i.e. customers who generally do not have CT meters) who share common assets. These customers tend to have peakier loads than large commercial customers. The LV kW demand tariff is better suited to small commercial customers.

LV commercial customers without Type 4 meters will remain on their existing tariff until their meter is changed to a Type 4 meter. The General Network tariff closed to new connections from 1 December 2017 and will eventually become obsolete as customers receive Type 4 meters and are placed onto more cost-reflective tariffs.

For completeness,

Table 3.4 below shows Evoenergy's commercial tariff assignment policy.

The exception to the above assignment policy is for small unmetered loads (code 135) and streetlighting (code 080). These tariffs do not vary with usage, or load profile, and therefore there is no need to transition these loads onto a demand tariff as consumers on these tariffs are unlikely to respond.

Table 3.4 Commercial tariff assignment policy

	Default	Opt-out
LV commercial without a CT meter	LV kW Demand*	1. LV kVA TOU Demand 2. LV kVA TOU Capacity 3. General TOU
LV commercial with a CT meter	LV kVA TOU Demand	1. LV TOU kVA Capacity 2. General TOU
HV commercial	HV TOU Demand (code 122)	Not applicable (mandatory default)

Notes: From 1 July 2019, LV commercial customers with a replacement meter will remain on their existing network tariff until 12 months after their smart meter is installed, however they can opt-in to a cost reflective LV commercial tariffs according to the assignment policy shown in the table above. Customers are ineligible to switch to one of these tariffs if they have been on the tariff in the previous 12 months.
*When requested by retailers, under specific scenarios, Evoenergy currently offers to backdate a demand tariff to a TOU tariff once per site in a 12-month period. Evoenergy reverses and reissues the bill (NUOS) for no more than 40 calendar days for commercial sites. This process applies to the LV kW demand tariff.

As explained in the AER's Draft Decision for 2019–24, customers who receive a Type 4 meter as a replacement for a Type 5 or 6 meter are to remain on their existing network tariff for 12 months before moving to a more cost-reflective network tariff[42]. Under this arrangement, customers with new connections or customer-initiated meter replacements will continue to be assigned to cost-reflective tariffs when their type 4 meter is installed (with the option to opt-out, as per the table above). When a new meter is installed for any other reason, the shift to a more cost reflective tariff (i.e. the default tariff option listed in Table 3.4) will be delayed by 12 months. These customers are able to opt-in to more cost reflective LV commercial tariffs (as per the tariff assignment policy in Table 3.4) within the first 12 months of their type 4 meter installation. This is reflected in Evoenergy's Revised TSS, which was approved in the AER's Final Decision[43].

As per Evoenergy's Revised TSS, which was approved by the AER in its Final Decision[44], the Off-peak (3) tariff (code 070) became obsolete to new commercial connections from 1 July 2019.

3.3 Tariffs for high voltage customers

To qualify for a High Voltage tariff, customers must take energy at high voltage (nominal voltage not less than 11 kV).

The structure of the demand charges within these HV tariffs changed from 1 July 2019. As approved by the AER in its Final Decision on Evoenergy's Revised TSS[45] the maximum demand charge of these tariffs is based on 'peak-period' maximum demand. The peak period for these HV Commercial tariffs is the Business Time, specified as 7:00am[46] to 5:00pm (AEST) on weekdays.

Evoenergy's High Voltage network tariff structure is shown in Table 3.5.

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[42] AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18,* September 2018, p. 18-17 to 18-18.
[43] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.
[44] Ibid.
[45] Ibid
[46] The first period starts at 07:00:01 and ends at 07:30:00 AEST.

Table 3.5 Network tariff structure: High Voltage

Tariff	Charging parameters	Explanation
HV TOU Demand Network (111)	• Network access charge (c/day/connection point) • Max demand (in billing period) (c/kVA/day) • Capacity (max demand in past year) (c/kVA/day) • Energy at business times* (c/kWh) • Energy at evening times* (c/kWh) • Energy at off-peak times* (c/kWh)	This tariff is appropriate for large customers taking supply at high voltage with a LV network owned and maintained by Evoenergy. The network access charge relates to the connection services provided to the customer. The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (a calendar month). The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month. The energy charges relate to supply of network services at different times, with a lower rate in off-peak times, reflecting the relatively low costs of off-peak supply, and thereby providing incentives for customers to switch their utilisation of the network to off-peak periods. This tariff closed to new connections on 1 July 2019.
HV TOU Demand Network – Customer LV (121)	• Network access charge (c/day/connection point) • Max demand (in billing period) (c/kVA/day) • Capacity (max demand in past year) (c/kVA/day) • Energy at business times* (c/kWh) • Energy at evening times* (c/kWh) • Energy at off-peak times* (c/kWh)	This network tariff is appropriate for large customers taking supply at high voltage where the customer owns and is fully responsible for their own LV network. The network access charge relates to the connection services provided to the customer. The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (a calendar month). The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month. The energy charges relate to supply of network services at different times, with a lower rate in off-peak times, reflecting the relatively low costs of off-peak supply, and thereby providing incentives for customers to switch their utilisation of the network to off-peak periods. This tariff closed to new connections on 1 July 2019.
HV TOU Demand Network – Customer HV and LV (122)	• Network access charge (c/day/connection point) • Max demand (in billing period) (c/kVA/day) • Capacity (max demand in past year) (c/kVA/day)	This network tariff is appropriate for large customers taking supply at high voltage where the customer owns and is fully responsible for their own LV network and where the customer owns and is responsible for their HV assets (including transformers and switch gear). The network access charge relates to the connection services provided to the customer. The maximum demand charge will be based on the highest demand (measured in kVA) calculated over a 30-minute clocked interval, starting on the full or half hour, during the specified business times (i.e. 7:00am**,

Tariff	Charging parameters	Explanation
	• Energy at business times* (c/kWh) • Energy at evening times* (c/kWh) • Energy at off-peak times* (c/kWh)	7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (a calendar month). The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month. The energy charges relate to supply of network services at different times, with a lower rate in off-peak times, reflecting the relatively low costs of off-peak supply, and thereby providing incentives for customers to switch their utilisation of the network to off-peak periods.

* Business times are between 7 am and 5 pm AEST on weekdays. Evening times are between 5 pm and 10 pm AEST on weekdays. Off-peak times are all other times.
** The first period starts at 07:00:01 and ends at 07:30:00 AEST.

3.3.1 High voltage tariff assignment policy

As per Evoenergy's Revised TSS, which was approved by the AER in its Final Decision[47], all new High Voltage customers are assigned by default to Tariff 122 - HV TOU Demand Network – Customer HV and LV from 1 July 2019. On this tariff, the customer owns and is responsible for LV and HV assets at their premises that are beyond the connection point to the network.

From 1 July 2019, Tariff 111 and Tariff 121 were closed to new connections. However, existing customers assigned to these tariffs may remain on them or switch to Tariff 122 following consultation with Evoenergy.

[47] Ibid.

4. Evoenergy's NUOS tariffs for 2020/21

This section sets out Evoenergy's proposed network prices for 2020/21. These prices and the associated customer impacts will continue to be closely monitored so that prices can be as cost reflective as possible.

4.1 DUOS tariffs

Evoenergy's proposed DUOS prices for 2020/21 are shown in Table 4.1. These prices would result in the recovery of $146,412,688 based on forecast customers, demand and energy consumption quantities for the 2020/21 financial year.

The sum of the DUOS forecast revenue from all the tariffs is less than the TAR (see section 2.1) as required under the revenue cap formula. The difference between the forecast DUOS revenue and the TAR is due to rounding of tariffs to ensure compliance. This is shown below.

Total forecast 2020/21 DUOS revenue ≤ Total Allowable Revenue (TAR)

$146,409,672 ≤ $146,412,688

4.2 TUOS tariffs

Evoenergy's proposed TUOS prices for 2020/21 are shown in Table 4.1. These prices would result in the recovery of $46,529,526 based on forecast customers, demand and energy consumption quantities for the 2020/21 financial year.

The sum of the TUOS revenue from all the tariffs is less than the total TUOS charges for 2020/21 adjusted for unders and overs (see section 2.2). This is shown below.

Total notional 2020/21 TUOS revenue ≤ Total TUOS charges adjusted for unders/overs

$46,529,526 ≤ $46,536,946

4.3 Jurisdictional Scheme tariffs

Evoenergy's proposed JS prices for 2020/21 are shown in Table 4.1. These prices would result in the recovery of $67,666,548 based on forecast customers, demand and energy consumption quantities for the 2020/21 financial year.

This is compliant with the ACT Government's Reasonable Cost Determination which determines the revenue Evoenergy can recover for large scale FiT and administration (see Section 2.3.1).

The sum of the JS revenue from all the tariffs is less than the total JS charges for 2020/21 adjusted for unders and overs (see section 2.2). This is shown below.

Total notional 2020/21 JS revenue ≤ JS charges adjusted for unders/overs

$67,666,548 ≤ $67,682,306

4.4 NUOS tariffs

Evoenergy's proposed NUOS prices for 2020/21 (excluding metering) are the sum of the proposed prices for DUOS, TUOS and JS. The revenue is calculated using the proposed

prices and forecast customer numbers, consumption and demand.[48] These prices and revenues are presented in Table 4.1. [49]

4.5 Comparison of proposed NUOS tariffs

Section 4.5.1 below provides an explanation of the difference between the proposed 2020/21 NUOS prices and the 2019/20 prices, as per Clause 6.18.2 (8). Section 4.5.2 provides an explanation for the difference between the proposed 2020/21 NUOS prices and the indicative 2020/21 NUOS prices set out in Evoenergy's Revised TSS [50] as per Clause 6.18.2 (7A).

4.5.1 Proposed 2020/21 NUOS prices compared to 2019/20 NUOS prices

The proposed NUOS charges for 2020/21 are, on average, 1.9 per cent higher in nominal terms than charges in 2019/20,[51] reflecting an increase in the total NUOS revenue requirement between 2019/20 and 2020/21. This variation is due to the following changes in the components of NUOS.

- The proposed 2020/21 DUOS charges are 8.2 per cent higher (in nominal terms) than DUOS charges for 2019/20.
- The proposed TUOS charges are 17.9 per cent higher (in nominal terms) than the charges for 2019/20.
- The proposed charges for JS are 16.4 per cent lower (in nominal terms) than the charges for 2019/20.

Table 4.2 compares Evoenergy's proposed 2020/21 NUOS tariffs with actual NUOS tariffs for 2019/20. The first two columns of the table show the 2019/20 and 2020/21 NUOS charges, and the third and fourth columns calculate the difference in units and percentage terms.

4.5.2 Proposed 2020/21 NUOS prices compared to indicative 2020/21 NUOS prices

The difference between the 2020/21 NUOS tariffs in the TSS indicative pricing schedule and the proposed 2020/21 NUOS tariffs is driven by a number of factors.

- The NUOS charges in the indicative pricing schedule were based on Evoenergy's revised regulatory proposal, while the proposed 2020/21 charges are based on the revenue requirement in the AER's final decision.
- The final DUOS, TUOS and JS revenue requirements for 2020/21 are lower than the forecast revenue requirements used in the indicative pricing schedule.
- The volume forecast has been updated to reflect the latest actual data.

Table 4.2 compares Evoenergy's proposed 2020/21 NUOS tariffs to the indicative NUOS charges for 2020/21, set out in Evoenergy's revised TSS (see last two columns of Table 4.2).

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[48] The forecast customer numbers, consumption and demand for 2020/21 do not take into account the effect to the Coronavirus outbreak because the timing and impact is uncertain.
[49] Attachment 1 contains a table showing all 2020/21 NUOS tariff charges including metering charges.
[50] Evoenergy, *Revised Regulatory Proposal 2019–24*, Appendix 1.2: Revised Proposed Tariff Structure Statement, November 2018, p. 31.
[51] This is calculated by comparing the forecast NUOS revenue in 2020/21 against estimated NUOS revenue in 2019/20. Both revenue estimates are calculated using 2020/21 forecast volumes.

Table 4.1 Proposed 2020/21 prices and revenue, excluding metering (nominal)

Description	Units	2020/21 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
Residential Tariffs										
010 Residential Basic Network										
Network access charge	cents/day	114,080	27.725	$11,544,491	0.000	$0	0.000	$0	27.725	$11,544,491
Energy at any time	cents/kWh	684,481,338	4.093	$28,015,821	1.610	$11,020,150	2.340	$16,016,863	8.043	$55,052,834
015 Residential TOU Network										
Network access charge	cents/day	35,388	27.725	$3,581,123	0.000	$0	0.000	$0	27.725	$3,581,123
Energy consumption at max times	cents/kWh	52,921,902	8.048	$4,259,155	2.932	$1,551,670	3.450	$1,825,806	14.430	$7,636,631
Energy consumption at mid times	cents/kWh	72,616,412	2.859	$2,076,103	1.324	$961,441	2.357	$1,711,569	6.540	$4,749,113
Energy consumption at economy times	cents/kWh	55,484,860	1.401	$777,343	0.649	$360,097	1.154	$640,295	3.204	$1,777,735
020 Residential 5000 Network										
Network access charge	cents/day	3,696	50.110	$675,970	0.000	$0	0.000	$0	50.110	$675,970
Energy consumption for the first 60 kWh per day	cents/kWh	26,441,958	2.740	$724,510	1.596	$422,014	2.321	$613,718	6.657	$1,760,241
Energy consumption above 60 kWh per day	cents/kWh	857,653	3.310	$28,388	1.928	$16,536	2.804	$24,049	8.042	$68,972

Description	Units	2020/21 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
025 Residential Demand Network										
Network access charge	cents/day	27,731	24.674	$2,497,497	0.000	$0	3.049	$308,619	27.723	$2,806,116
Energy consumption	cents/kWh	142,816,970	0.544	$776,924	0.706	$1,008,288	1.969	$2,812,066	3.219	$4,597,278
Peak period maximum demand	c/kW/day	104,649	12.569	$4,800,956	2.978	$1,137,501	0.000	$0	15.547	$5,938,456
030 Residential with Heat Pump Network										
Network access charge	cents/day	4,331	95.191	$1,504,830	0.000	$0	0.000	$0	95.191	$1,504,830
Energy consumption for the first 165 kWh per day	cents/kWh	52,323,982	1.174	$614,284	1.593	$833,521	2.317	$1,212,347	5.084	$2,660,151
Energy consumption above 165 kWh per day	cents/kWh	497,685	1.857	$9,242	2.520	$12,542	3.665	$18,240	8.042	$40,024
060 Off-Peak (1) Night Network										
Energy at controlled times	cents/kWh	9,442,535	0.235	$22,190	0.805	$76,012	1.171	$110,572	2.211	$208,774
070 Off-Peak (3) Day & Night Network										
Energy at controlled times	cents/kWh	59,273,833	0.358	$212,200	1.239	$734,403	1.802	$1,068,114	3.399	$2,014,718
LV Commercial Tariffs										
040 General Network										
Network access charge	cents/day	10,237	50.703	$1,894,591	0.000	$0	0.000	$0	50.703	$1,894,591

Description	Units	2020/21 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
Energy consumption for the first 330 kWh per day	cents/kWh	167,476,942	7.794	$13,053,153	1.824	$3,054,779	2.652	$4,441,488	12.270	$20,549,421
Energy consumption above 330 kWh per day	cents/kWh	9,015,772	10.124	$912,757	2.369	$213,584	3.445	$310,593	15.938	$1,436,934
135 Small Unmetered Loads Network										
Network access charge	cents/day	26	41.229	$3,924	0.000	$0	0.000	$0	41.229	$3,924
Energy consumption	cents/kWh	6,323,942	8.516	$538,547	1.616	$102,195	2.351	$148,676	12.483	$789,418
080 Streetlighting Network										
Network access charge	cents/day	16	51.015	$2,994	0.000	$0	0.000	$0	51.015	$2,994
Energy consumption	cents/kWh	23,853,772	4.822	$1,150,229	1.507	$359,476	2.193	$523,113	8.522	$2,032,818
090 General TOU Network										
Network access charge	cents/day	2,875	50.703	$532,100	0.000	$0	0.000	$0	50.703	$532,100
Energy consumption at business times	cents/kWh	72,704,484	11.390	$8,281,041	3.896	$2,832,567	4.058	$2,950,348	19.344	$14,063,955
Energy consumption at evening times	cents/kWh	35,148,417	5.944	$2,089,222	0.540	$189,801	2.280	$801,384	8.764	$3,080,407
Energy consumption at off-peak times	cents/kWh	95,402,619	2.688	$2,564,422	0.244	$232,782	1.031	$983,601	3.963	$3,780,806

Description	Units	2020/21 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
101 LV TOU kVA Demand Network										
Network access charge per connection point	cents/day	1,526	56.970	$317,243	0.000	$0	0.000	$0	56.970	$317,243
Maximum demand charge	c/KVA/day	153,822	34.440	$19,336,408	11.617	$6,522,388	0.000	$0	46.057	$25,858,797
Energy consumption at business times	cents/kWh	255,705,036	2.326	$5,947,699	1.069	$2,733,487	3.889	$9,944,369	7.284	$18,625,555
Energy consumption at evening times	cents/kWh	101,556,292	1.284	$1,303,983	0.590	$599,182	2.146	$2,179,398	4.020	$4,082,563
Energy consumption at off-peak times	cents/kWh	315,559,892	0.699	$2,205,764	0.321	$1,012,947	1.168	$3,685,740	2.188	$6,904,450
103 LV TOU Capacity Network										
Network access charge per connection point	cents/day	51	56.970	$10,654	0.000	$0	0.000	$0	56.970	$10,654
Maximum demand charge	c/KVA/day	8,149	18.048	$536,804	3.281	$97,587	0.000	$0	21.329	$634,391
Capacity charge	c/KVA/day	9,427	18.048	$621,032	3.281	$112,899	0.000	$0	21.329	$733,931
Energy consumption at business times	cents/kWh	16,393,297	1.617	$265,080	1.841	$301,801	3.825	$627,044	7.283	$1,193,924
Energy consumption at evening times	cents/kWh	6,659,367	0.892	$59,402	1.016	$67,659	2.111	$140,579	4.019	$267,640
Energy consumption at off-peak times	cents/kWh	21,999,807	0.485	$106,699	0.553	$121,659	1.149	$252,778	2.187	$481,136

Description	Units	2020/21 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
106 LV Demand Network										
Network access charge	cents/day	2,666	50.703	$493,430	0.000	$0	0.000	$0	50.703	$493,430
Energy consumption	cents/kWh	239,961,705	1.530	$3,671,414	0.536	$1,286,195	2.691	$6,457,369	4.757	$11,414,978
Peak period maximum demand	c/kW/day	76,984	34.545	$9,706,906	11.220	$3,152,742	0.000	$0	45.765	$12,859,648
HV Commercial Tariffs										
111 HV TOU Demand Network										
Network access charge per connection point	$/day	[redacted]	20.823	[redacted]	0.000	[redacted]	0.000	[redacted]	20.823	[redacted]
Maximum demand charge	c/KVA/day	[redacted]	10.170	[redacted]	5.636	[redacted]	0.000	[redacted]	15.806	[redacted]
Capacity charge	c/KVA/day	[redacted]	10.170	[redacted]	5.636	[redacted]	0.000	[redacted]	15.806	[redacted]
Energy consumption at business times	cents/kWh	[redacted]	1.649	[redacted]	0.713	[redacted]	3.459	[redacted]	5.821	[redacted]
Energy consumption at evening times	cents/kWh	[redacted]	0.937	[redacted]	0.405	[redacted]	1.965	[redacted]	3.307	[redacted]
Energy consumption at off-peak times	cents/kWh	[redacted]	0.545	[redacted]	0.236	[redacted]	1.144	[redacted]	1.925	[redacted]
121 HV TOU Demand Network – Customer LV										
Network access charge per connection point	$/day	20	20.823	$151,941	0.000	$0	0.000	$0	20.823	$151,941
Maximum demand charge	c/KVA/day	55,536	10.132	$2,053,813	5.673	$1,149,949	0.000	$0	15.805	$3,203,762

Description	Units	2020/21 forecast volumes*	DUOS prices (per 'units')	Forecast DUOS revenue	TUOS prices (per 'units')	Forecast TUOS revenue	JS prices (per 'units')	Forecast JS revenue	NUOS prices (per 'units')	Forecast NUOS revenue
Capacity charge	c/KVA/day	75,041	10.132	$2,775,154	5.673	$1,553,834	0.000	$0	15.805	$4,328,988
Energy consumption at business times	cents/kWh	113,038,769	1.109	$1,253,600	0.833	$941,613	3.277	$3,704,280	5.219	$5,899,493
Energy consumption at evening times	cents/kWh	46,144,487	0.656	$302,708	0.493	$227,492	1.938	$894,280	3.087	$1,424,480
Energy consumption at off-peak times	cents/kWh	140,816,566	0.394	$554,817	0.296	$416,817	1.166	$1,641,921	1.856	$2,613,555
122 HV TOU Demand Network – Customer HV and LV										
Network access charge per connection point	$/day	14	20.823	$103,680	0.000	$0	0.000	$0	20.823	$103,680
Maximum demand charge	c/KVA/day	12,439	8.979	$407,664	5.227	$237,316	0.000	$0	14.206	$644,980
Capacity charge	c/KVA/day	13,977	8.979	$458,088	5.227	$266,670	0.000	$0	14.206	$724,758
Energy consumption at business times	cents/kWh	24,858,069	0.900	$223,723	1.105	$274,682	3.214	$798,938	5.219	$1,297,343
Energy consumption at evening times	cents/kWh	11,443,315	0.532	$60,878	0.653	$74,725	1.901	$217,537	3.086	$353,141
Energy consumption at off-peak times	cents/kWh	39,281,143	0.320	$125,700	0.393	$154,375	1.144	$449,376	1.857	$729,451
Total forecast revenue				**$146,409,672**		**$46,529,526**		**$67,666,548**		**$260,605,747**

* Volumes in the "Network access charge" rows are customer numbers. Volumes in the energy consumption rows are energy consumption in kWh units. Volumes in the maximum demand and capacity charge rows are demand volumes measured in kW or kVA units (as per "Units" column).

Table 4.2 Proposed 2020/21 NUOS tariffs, 2019/20 actual NUOS tariffs and indicative 2020/21 NUOS tariffs, excluding metering (nominal)

Description	Unit	NUOS actual 2019/20	NUOS proposed 2020/21	Change (units)	Change (%)	NUOS indicative 2020/21	Change proposed 20/21 to indicative 20/21
Residential tariffs							
010 Residential Basic Network							
Network access charge	cents/day	27.105	27.725	0.620	2.3%	29	-4%
Energy consumption	cents/kWh	7.894	8.043	0.149	1.9%	8	1%
015 Residential TOU Network							
Network access charge	cents/day	27.105	27.725	0.620	2.3%	29	-4%
Energy at max times	cents/kWh	14.131	14.430	0.299	2.1%	14	3%
Energy at mid times	cents/kWh	6.438	6.540	0.102	1.6%	7	-7%
Energy at economy times	cents/kWh	3.154	3.204	0.050	1.6%	3	7%
020 Residential 5000 Network							
Network access charge	cents/day	48.989	50.110	1.121	2.3%	52	-4%
Energy for the first 60 kWh per day	cents/kWh	6.539	6.657	0.118	1.8%	7	-5%
Energy above 60 kWh per day	cents/kWh	7.895	8.042	0.147	1.9%	8	1%
025 Residential Demand Network							
Network access charge	cents/day	27.104	27.723	0.619	2.3%	29	-4%
Energy consumption	cents/kWh	3.155	3.219	0.064	2.0%	3	7%
Peak period maximum demand	cents/kW/day	15.287	15.547	0.260	1.7%	15	4%
030 Residential with Heat Pump Network							
Network access charge	cents/day	93.061	95.191	2.130	2.3%	99	-4%
Energy for the first 165 kWh per day	cents/kWh	4.997	5.084	0.087	1.7%	5	2%
Energy above 165 kWh per day	cents/kWh	7.894	8.042	0.148	1.9%	8	1%

Description	Unit	NUOS actual 2019/20	NUOS proposed 2020/21	Change (units)	Change (%)	NUOS indicative 2020/21	Change proposed 20/21 to indicative 20/21
060 Off-Peak (1) Night Network							
Energy consumption	cents/kWh	2.170	2.211	0.041	1.9%	2	11%
070 Off-Peak (3) Day & Night Network							
Energy consumption	cents/kWh	3.336	3.399	0.063	1.9%	4	-15%
LV Commercial tariffs							
040 General Network							
Network access charge	cents/day	49.569	50.703	1.134	2.3%	53	-4%
Energy for the first 330 kWh per day	cents/kWh	12.039	12.270	0.231	1.9%	12	2%
Energy above 330 kWh per day	cents/kWh	15.639	15.938	0.299	1.9%	15	6%
135 Small Unmetered Loads Network							
Network access charge	cents/day	40.307	41.229	0.922	2.3%	43	-4%
Energy consumption	cents/kWh	12.247	12.483	0.236	1.9%	12	4%
080 Streetlighting Network							
Network access charge	cents/day	49.874	51.015	1.141	2.3%	53	-4%
Energy consumption	cents/kWh	8.361	8.522	0.161	1.9%	9	-5%
090 General TOU Network							
Network access charge	cents/day	49.569	50.703	1.134	2.3%	53	-4%
Energy at business times	cents/kWh	18.975	19.344	0.369	1.9%	19	2%
Energy at evening times	cents/kWh	8.603	8.764	0.161	1.9%	9	-3%
Energy at off-peak times	cents/kWh	3.890	3.963	0.073	1.9%	4	-1%
101 LV TOU kVA Demand Network							
Network access per connection point	cents/day	55.695	56.970	1.275	2.3%	59	-3%
Maximum demand charge	c/KVA/day	45.046	46.057	1.011	2.2%	42	10%
Energy at business times	cents/kWh	7.164	7.284	0.120	1.7%	8	-9%

Description	Unit	NUOS actual 2019/20	NUOS proposed 2020/21	Change (units)	Change (%)	NUOS indicative 2020/21	Change proposed 20/21 to indicative 20/21
Energy at evening times	cents/kWh	3.954	4.020	0.066	1.7%	4	0%
Energy at off-peak times	cents/kWh	2.152	2.188	0.036	1.7%	2	9%
103 LV TOU Capacity Network							
Network access per connection point	cents/day	55.695	56.970	1.275	2.3%	59	-3%
Maximum demand charge	c/KVA/day	20.844	21.329	0.485	2.3%	20	7%
Capacity charge	c/KVA/day	20.844	21.329	0.485	2.3%	20	7%
Energy at business times	cents/kWh	7.163	7.283	0.120	1.7%	8	-9%
Energy at evening times	cents/kWh	3.954	4.019	0.065	1.6%	4	0%
Energy at off-peak times	cents/kWh	2.153	2.187	0.034	1.6%	2	9%
106 LV Demand Network							
Network access charge	cents/day	49.569	50.703	1.134	2.3%	53	-4%
Energy consumption	cents/kWh	4.682	4.757	0.075	1.6%	5	-5%
Peak period maximum demand	cents/kW/day	44.776	45.765	0.989	2.2%	42	9%
HV Commercial tariffs							
111 HV TOU Demand Network							
Network access per connection point	cents/day	2035.700	2082.300	46.600	2.3%	2173	-4%
Maximum demand charge	c/KVA/day	15.490	15.806	0.316	2.0%	15	5%
Capacity charge	c/KVA/day	15.490	15.806	0.316	2.0%	15	5%
Energy at business times	cents/kWh	5.718	5.821	0.103	1.8%	6	-3%
Energy at evening times	cents/kWh	3.248	3.307	0.059	1.8%	4	-17%
Energy at off-peak times	cents/kWh	1.891	1.925	0.034	1.8%	2	-4%
121 HV TOU Demand Network – Customer LV							
Network access per connection point	cents/day	2035.700	2082.300	46.600	2.3%	2173	-4%
Maximum demand charge	c/KVA/day	15.490	15.805	0.315	2.0%	15	5%

Description	Unit	NUOS actual 2019/20	NUOS proposed 2020/21	Change (units)	Change (%)	NUOS indicative 2020/21	Change proposed 20/21 to indicative 20/21
Capacity charge	c/KVA/day	15.490	15.805	0.315	2.0%	15	5%
Energy at business times	cents/kWh	5.125	5.219	0.094	1.8%	6	-13%
Energy at evening times	cents/kWh	3.032	3.087	0.055	1.8%	3	3%
Energy at off-peak times	cents/kWh	1.825	1.856	0.031	1.7%	2	-7%
122 HV TOU Demand Network – Customer HV and LV							
Network access per connection point	cents/day	2035.700	2082.300	46.600	2.3%	2173	-4%
Maximum demand charge	c/KVA/day	13.922	14.206	0.284	2.0%	13	9%
Capacity charge	c/KVA/day	13.922	14.206	0.284	2.0%	13	9%
Energy at business times	cents/kWh	5.125	5.219	0.094	1.8%	6	-13%
Energy at evening times	cents/kWh	3.031	3.086	0.055	1.8%	3	3%
Energy at off-peak times	cents/kWh	1.825	1.857	0.032	1.8%	2	-7%

4.6 Standard Control Services – Connections

The prices of Evoenergy's Standard Control connection service charges are set out in Table 4.3. Information on the nature of these services can be found in Evoenergy's Connection Policy.[52]

Table 4.3 Standard control service connection charges, 2020/21

Code	Description	Unit	GST exclusive price	GST inclusive price
	Residential Estate Subdivision Services (per block)			
580	Subdivision Electricity Distribution Network Reticulation - Multi Unit Blocks	per block	$0.00	$0.00
581	Subdivision Electricity Distribution Network Reticulation - Category 1 Blocks <= 650m2	per block	$1,808.24	$1,989.06
582	Subdivision Electricity Distribution Network Reticulation - Category 1 Blocks 650 - 1100m2 with average linear frontage of 22-25 metres	per block	$2,369.08	$2,605.99
	Upstream augmentation (per kVA of capacity)			
585	HV Feeder	$/kVA	$39.17	$43.09
586	Distribution substation	$/kVA	$22.68	$24.95

Note: The 2020/21 prices were calculated by applying CPI of 1.84% (consistent with the Final Decision[53]) to 2019/20 prices.

[52] Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Attachment 2: Connection policy, November 2018.
[53] AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Metering Post-tax revenue model*, April 2019.

5. Alternative control services

Evoenergy's Alternative Control Services comprise Type 5 and Type 6 metering services, ancillary services and quoted services.

5.1 Type 5 and Type 6 metering charges

There are two types of Evoenergy metering service charges, as per the AER's Final Decision for the 2019–24 regulatory control period. [54]

- A capital cost component that is applied to customers who were connected prior to 1 July 2015.
- A non-capital cost component that is applied to customers connected prior to 1 July 2015 and also to those with new connections from 1 July 2015 that have paid in full for their meters. This charge continues to apply until a customer's meter is replaced with an unregulated Type 4 meter (from 1 December 2017).

Both of these charges are a fixed charge in cents per day – the charge does not vary with electricity consumption or demand.

For meters installed before 1 July 2015, Evoenergy paid upfront for the capital costs of the meters which were then added to the regulated asset base and recovered gradually, over the life of the meter, through annual charges. These charges will continue until the value of Evoenergy's metering Regulated Asset Base has fallen to a value of zero.

The capital cost of regulated meters installed between 1 July 2015 and 31 March 2018[55] was paid by consumers upon installation, and as a result these customers do not pay ongoing metering capital charges to Evoenergy. Evoenergy and retailers are be able to identify, through the network billing system, which customers have paid for their meters upfront and are therefore not liable for the metering capital charge.

Non-capital charges are paid by all customers with a regulated Type 5 or Type 6 meter installed. Non-capital charges cover ongoing operational costs such as meter reading and data processing.

In accordance with the Metering Rule Change,[56] Type 4 meters became the standard electricity meter in the ACT for new connections and meter replacements from 1 December 2017[57]. No new network connections from 1 December 2017 with an unregulated Type 4 meter pay metering capital charges to Evoenergy. These customers instead pay unregulated Metering Co-ordinator charges to their retailer.

The AER set caps for the annual metering capital and non-capital charges in its Final Decision for the 2019–24 regulatory control period.[58] Attachment 1 contains a table showing all 2020/21 NUOS tariff charges including metering charges.

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[54] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-22.
[55] The final day Evoenergy was permitted to install meters under transitional arrangements.
[56] AEMC 2015, *National Electricity Amendment (Expanding competition in metering and related services) Rule 2015*, 26 November 2015.
[57] Evoenergy were permitted to continue installing Type 5 and Type 6 meters until 31 March 2018, at premises where a service order had been received prior to 1 December 2017.
[58] AER 2019, *Evoenergy 2019–24 – Final Decision – Ancillary services cost build-up*, April 2019.

5.1.1 Metering non-capital charges for 2020/21

Evoenergy recovers metering non-capital charges from all customers with a Type 5 or Type 6 meter installed. A schedule of these fees is set out in Table 5.1. Evoenergy's schedule of metering non-capital charges comprises five separate charges. The charge applied to a customer depends on whether they have a basic or interval meter, and whether the meter is read monthly or quarterly.

Table 5.1 Metering non-capital charges, 2020/21

Code	Description	Unit	GST exclusive price	GST inclusive price
MP1	Quarterly metering non-capital rate	c/day/NMI	4.52	4.97
MP2	Monthly non-interval metering non-capital rate	c/day/NMI	7.91	8.70
MP3	Monthly interval metering non-capital rate	c/day/NMI	7.91	8.70
MP4	Monthly manually-read interval metering non-capital rate	c/day/NMI	64.00	70.40
MP6	Quarterly manually-read interval metering non-capital rate	c/day/NMI	18.23	20.05

5.1.2 Metering capital charges for 2020/21

Evoenergy recovers metering capital charges from customers with a Type 5 or Type 6 meter that was installed before 1 July 2015. These customers pay ongoing metering capital charges to Evoenergy. A schedule of these fees is set out in Table 5.2. Evoenergy's schedule of metering capital charges comprises four separate charges. The charge applied to a customer depends on whether they have a basic or interval meter, and whether the meter is read monthly or quarterly.

Table 5.2 Metering capital charges, 2020/21

Code	Description	Unit	GST exclusive price	GST inclusive price
MP7	Quarterly manually-read interval metering capital rate	c/day/NMI	9.19	10.11
MP8	Monthly non-interval metering capital rate	c/day/NMI	16.06	17.67
MP9	Monthly multi-register non-interval metering capital rate	c/day/NMI	16.06	17.67
MP10	Monthly manually-read interval metering capital rate	c/day/NMI	129.64	142.60

The application of metering charges is shown in Table 5.3.

Table 5.3 Application of metering charges

Type of customer	Pays Evoenergy ongoing metering capital charge	Paid Evoenergy upfront metering capital charge	Metering capital charge excluded from tariff	Pays Evoenergy ongoing metering non-capital charge
• Meter installed before 1/7/15 • Meter replaced (in accordance with law) between 1/7/15 and 1/12/17 • Evoenergy continues to provide metering services	Yes	No	No	Yes
• Meter installed before 1/7/15 • Customer requested new meter (e.g., for PV system) • Evoenergy installed new meter (before 1/12/17) • Evoenergy continues to provide metering services	Yes	Yes	No	Yes
• Meter installed before 1/7/15 • Customer requested new meter (e.g., for PV system) • Evoenergy installed new meter (before 1/12/17) • Customer switches to another metering provider after 1/12/17	Yes	Yes	No	No
• Meter is replaced (in accordance with law) between 1/7/15 and 1/12/17 by Responsible Person • Meter is replaced (in accordance with law) after 1/12/17 by Metering Coordinator • Evoenergy does not provide metering services				
• New meter (not a replacement) installed between 1/7/15 and 1/12/17 • Evoenergy continues to provide metering services	No	Yes	Yes	Yes
• Meter installed before 1/7/15 • Meter is replaced (in accordance with law) after 1/12/17 by Metering Coordinator • Evoenergy does not provide metering services after meter is replaced	Yes	No	No	No
• New connection between 1/7/15 and 1/12/17 • Meter is replaced (in accordance with the law) after 1/12/17 by Metering Coordinator (not Evoenergy) • Evoenergy does not provide metering services after meter is replaced	No	Yes	Yes	No
• New connection from 1/12/17 • Evoenergy does not install the new meter • Evoenergy does not provide metering services	No	No	Yes	No

The small unmetered loads tariff does not include metering charges because Evoenergy has not connected meters to these loads. Also, the off-peak network tariffs do not include metering charges because the metering charges are associated with the customer's primary tariff, not the supplementary off-peak tariff. Furthermore high voltage network tariffs exclude metering charges as Evoenergy has not provided manually read meters to these customers since they are required to use remotely read (Types 1- 4) meters.

5.2 Ancillary service charges

There are two types of ancillary network services – fee based services and quoted services. Each of these are discussed below.

5.2.1 Fee based services

Charges for fee-based services are typically set by the AER to reflect the cost of providing the service. Table 5.4 below shows the price cap charges for fee-based services in 2020/21. These prices have been set in accordance with the corrected 2019/20 fee-based services[59] and the X factor in the AER's Final Decision.[60]

[59] As per correspondence with AER, the corrected 2019/20 ACS charges have been used in the calculation of 2020/21 ACS charges.

[60] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, p 15-13 to 15-20.

Table 5.4 Fee-based ancillary service charges, 2020/21

Code	Description	Unit	GST exclusive price	GST inclusive price
Premise re-energisation - Existing network connection*				
501	Re-energise premise – Business Hours	per visit	$80.43	$88.47
502	Re-energise premise – After Hours	per visit	$100.41	$110.45
Premise De-energisation – Existing Network Connection				
503	De-energise premise – Business Hours	per visit	$80.43	$88.47
505	De-energise premise for debt non-payment	per visit	$160.86	$176.95
Meter investigations				
504	Meter Test (Whole Current) – Business Hours	per test	$321.72	$353.89
510	Meter Test (CT/VT) – Business Hours	per test	$482.71	$530.98
Special meter services				
506	Special meter read	per read	$34.80	$38.28
Power of Choice services				
515	Move, remove, inspect or reconfigure meter	per movement, inspection or re-configure	$160.86	$176.95
516	Establish temporary/permanent supply	per establishment	$120.64	$132.70
517	Faults investigation (meter malfunction)	per investigation	$120.64	$132.70
518	Faults investigation (meter bypassed)	per investigation	$160.86	$176.95
519	Faults investigation (customer's side of network boundary)	per investigation	$80.43	$88.47
Temporary Network Connections				
520	Temporary Builders' Supply – Overhead (Business Hours)	per installation	$522.85	$575.14
522	Temporary Builders' Supply – Underground (Business Hours)	per installation	$1,005.43	$1,105.97
New Network Connections				
523	New Underground Service Connection – Greenfield	per installation	$0.00	$0.00
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	$764.85	$841.34

Code	Description	Unit	GST exclusive price	GST inclusive price
527	New Underground Service Connection – Brownfield from Front	per installation	$1,246.72	$1,371.39
528	New Underground Service Connection – Brownfield from Rear	per installation	$1,246.72	$1,371.39
Network Connection Alterations and Additions				
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	$643.44	$707.78
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	$1,286.88	$1,415.57
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	$643.44	$707.78
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	$683.71	$752.08
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	$482.58	$530.84
546	Underground Service Upgrade – Service Cable Replacement Required	per installation	$1,246.72	$1,371.39
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	$1,246.72	$1,371.39
548	Install surface mounted point of entry (POE) box	per installation	$590.49	$649.54
549	Overhead Service Temporary Disconnect Reconnect same day (Business Hours)	per installation	$965.16	$1,061.68
Temporary Network Infrastructure De-energisation				
560	LV temporary network infrastructure de-energisation (Business Hours)	per occurrence	$643.44	$707.78
561	HV temporary network infrastructure de-energisation (Business Hours)	per occurrence	$643.44	$707.78
Supply Abolishment / Removal				
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	$482.58	$530.84
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	$1,206.45	$1,327.10

Code	Description	Unit	GST exclusive price	GST inclusive price
Miscellaneous Customer Initiated Services				
564	Install & Remove Tiger Tails – Establishment (Business Hours)	per installation	$1,205.63	$1,326.19
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	$1,855.80	$2,041.38
566	Install & Remove Warning Flags – Installation (Business Hours)	per installation	$1,205.63	$1,326.19
567	Install & Remove Warning Flags – Per span (Business Hours)	per installation	$1,606.42	$1,767.06
Operational & Maintenance Fees - Export Only Embedded Generation Installations up to 5MW				
568	Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%
569	Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%
Connection Enquiry Processing - Embedded Generation Installations				
570	Embedded Generation Connection Enquiry – Class 1 (Commercial)	per installation	$442.35	$486.59
596	Embedded Generation Connection Enquiry – Class 2	per installation	$552.94	$608.23
597	Embedded Generation Connection Enquiry – Class 3	per installation	$663.53	$729.88
598	Embedded Generation Connection Enquiry – Class 4	per installation	$774.12	$851.53
599	Embedded Generation Connection Enquiry – Class 5	per installation	$884.71	$973.18
600	Embedded Generation Connection Enquiry – Class 6	per installation	$995.30	$1,094.83
Network Design & Investigation / Analysis Services - Embedded Generation Installations				
574	Embedded Generation Network Technical Study - Class 1 (Commercial)	per installation	$1,769.42	$1,946.36
575	Embedded Generation Network Technical Study - Class 2	per installation	$3,538.83	$3,892.71
576	Embedded Generation Network Technical Study - Class 3	per installation	$7,077.67	$7,785.44
577	Embedded Generation Network Technical Study - Class 4	per installation	$10,616.50	$11,678.15

Code	Description	Unit	GST exclusive price	GST inclusive price
578	Embedded Generation Network Technical Study - Class 5	per installation	$14,155.34	$15,570.87
579	Embedded Generation - Network Technical Study - Class 6	per installation	$17,694.17	$19,463.59
Contract Administration, Commissioning and Testing - Embedded generation installations up to 5MW				
669	Embedded Generation - Connection Contract Establishment - Class 1 (Commercial) to Class 6	per establishment	$3,538.83	$3,892.71
Provision of Data for Network Technical Study - Embedded generation installations over 5MW				
670	Embedded Generator Network Technical Study - Embedded Generation over 5MW	per provision	$17,694.17	$19,463.59
Rescheduled Site Visits				
590	Rescheduled Site Visit – One Person	per site visit	$160.86	$176.95
591	Rescheduled Site Visit – Service Team	per site visit	$692.58	$761.84
Trenching charges				
592	Trenching - first 2 meters	per visit	$574.47	$631.92
593	Trenching - subsequent meters	per meter	$133.60	$146.96
Boring charges				
594	Under footpath	per occurrence	$1,042.05	$1,146.26
595	Under driveway	per occurrence	$1,242.45	$1,366.70
Cable Testing				
603	Spiking/Cable Testing (Business Hours) - Evoenergy network cables only	per test	$947.20	$1,041.92
604	Spiking/Cable Testing (After Hours) - Evoenergy network cables only	per test	$1,218.77	$1,340.65
Testing of Substation HV/LV Earthing or Soil Resistivity				
605	Substation HV/LV Earthing/Soil Resistivity Testing (Business Hours)	per test	$1,116.93	$1,228.62
606	Substation HV/LV Earthing/Soil Resistivity Testing (After Hours)	per test	$1,456.40	$1,602.04

Code	Description	Unit	GST exclusive price	GST inclusive price
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	$1,314.18	$1,445.60
608	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	$1,653.65	$1,819.02
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	$1,653.65	$1,819.02
610	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	$2,128.90	$2,341.79
611	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (Business Hours)	per termination	$1,993.11	$2,192.42
612	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (After Hours)	per termination	$2,604.15	$2,864.57
613	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (Business Hours)	per termination	$2,332.58	$2,565.84
614	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (After Hours)	per termination	$3,079.40	$3,387.34
615	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (Business Hours)	per termination	$2,502.31	$2,752.54
616	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (After Hours)	per termination	$3,317.02	$3,648.72
LV Underground Network Disconnection (permanent disconnection of existing network)				
617	Including Capping/Abandoning - Underground (Business Hours)	per disconnection or per visit	$1,823.38	$2,005.72
618	Including Capping/Abandoning - Underground (After Hours)	per disconnection or per visit	$2,366.52	$2,603.17
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	$1,823.38	$2,005.72
620	Temporary or Permanent Consumer Mains as a	per disconnection or per visit	$2,366.52	$2,603.17

Code	Description	Unit	GST exclusive price	GST inclusive price
	Separate Request (After Hours)			
Substation Supervised Access				
621	1- 4 (Business Hours)	per visit per substation	$1,153.05	$1,268.36
622	1- 4 (After Hours)	per visit per substation	$1,492.52	$1,641.77
623	4- 8 (Business Hours)	per visit per substation	$1,831.98	$2,015.18
624	4- 8 (After Hours)	per visit per substation	$2,443.02	$2,687.32
Temporary De-energisation/Isolation of Overhead LV Network				
625	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$1,454.28	$1,599.71
626	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$1,861.64	$2,047.80
Temporary De-energisation/Isolation of Overhead HV Network – Note 2				
627	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$2,619.77	$2,881.75
628	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$3,298.69	$3,628.56
Temporary De-energisation/Isolation of Underground/Overhead SLCC supply – Note 3				
629	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$643.86	$708.25
630	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$779.64	$857.60
Temporary De-energisation/Isolation of Underground HV Or LV Network – Note 3				
631	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$1,284.55	$1,413.01
632	After Hours Work - Per isolation or de-energisation	per day	$1,624.02	$1,786.42

Code	Description	Unit	GST exclusive price	GST inclusive price
	and re-energisation on a same day			
Temporary De-energisation/Isolation of Underground HV Network – Note 4				
633	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$1,793.75	$1,973.13
634	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	$2,336.89	$2,570.58
Temporary Pole Support Work - Using Lifter/Borer – Note 5				
635	Business Hours Work	Per pole support per day as well as per visit	$3,708.54	$4,079.39
636	After Hours Work	Per pole support per day as well as per visit	$4,323.86	$4,756.25
Temporary Pole Support Work - Using Concrete Blocks – Note 5				
637	Business Hours Work	per Pole per Installation as well as per visit	$2,847.95	$3,132.75
638	After Hours Work	per Pole per Installation as well as per visit	$3,259.59	$3,585.55
Pole Stay Replacement				
639	With Standard Stay -Business Hours	per pole stay	$4,123.44	$4,535.78
640	With Standard Stay -After Hours	per pole stay	$5,076.98	$5,584.68
641	With Side Walk Stay -Business Hours	per pole stay	$4,857.88	$5,343.67
642	With Side Walk Stay -After Hours	per pole stay	$5,824.72	$6,407.19
LVABC Replacement				
643	1 Span- Business Hours	per installation	$9,549.90	$10,504.89
644	1 Span - After Hours	per installation	$12,265.62	$13,492.18
645	2 Span- Business Hours	per installation	$14,214.31	$15,635.74
646	2 Span - After Hours	per installation	$18,084.20	$19,892.62
647	3 Span- Business Hours	per installation	$18,749.52	$20,624.47
648	3 Span - After Hours	per installation	$23,705.70	$26,076.27

Code	Description	Unit	GST exclusive price	GST inclusive price
649	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - Business Hours	per installation	$1,279.46	$1,407.41
650	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - After Hours	per installation	$1,614.64	$1,776.10
651	Installation of LV Fuse Switch Disconnector for LVABC Replacement Work- Business Hours	per installation	$1,470.83	$1,617.91
652	Installation of LV Fuse Switch Disconnector for LVABC Replacement Work- After Hours	per installation	$1,806.01	$1,986.61
653	Installation of LV termination cross- arm for LVABC Replacement Work - Business Hours	per installation	$1,487.57	$1,636.33
654	Installation of LV termination cross- arm for LVABC Replacement Work - After Hours	per installation	$1,860.98	$2,047.08
655	Installation of LV double strain cross -arm for LVABC Replacement Work - Business Hours	per installation	$1,706.25	$1,876.88
656	Installation of LV double strain cross -arm for LVABC Replacement Work - After Hours	per installation	$2,279.05	$2,506.96
657	1 Way 630A Weber Fuse Switch Disconnector Installation for consumer mains termination work - Business Hours	per installation	$783.73	$862.10
658	1 Way 630A Weber Fuse Switch Disconnector Installation for consumer mains termination work - After Hours	per installation	$851.62	$936.78
659	1 Way 1000A Weber Fuse Switch Disconnector Installation for consumer mains termination work - Business Hours	per installation	$896.56	$986.22
660	1 Way 1000A Weber Fuse Switch Disconnector Installation for consumer mains termination work - After Hours	per installation	$964.46	$1,060.91

Code	Description	Unit	GST exclusive price	GST inclusive price
661	1 Way 1250A Jean Muller Installation for consumer mains termination work - Business Hours	per installation	$4,205.62	$4,626.18
662	1 Way 1250A Jean Muller Installation for consumer mains termination work - After Hours	per installation	$4,307.46	$4,738.21
663	1 Way Weber POE Kit Installation for consumer mains termination work- Business Hours	per installation	$2,558.85	$2,814.74
664	1 Way Weber POE Kit Installation for consumer mains termination work- After Hours	per installation	$2,626.74	$2,889.41
665	3 Way Weber POE Kit Installation for consumer mains termination work - Business Hours	per installation	$3,338.91	$3,672.80
666	3 Way Weber POE Kit Installation for consumer mains termination work - After Hours	per installation	$3,406.80	$3,747.48
667	Holec Fuse Kit Installation for Termination of Consumer Mains - Business Hours	per installation	$298.03	$327.83
668	Holec Fuse Kit Installation for Termination of Consumer Mains - After Hours	per installation	$365.92	$402.51

Notes to Table 5.4

* These charges also apply where Evoenergy responds to a customer initiated call out and determines that the premise is energised at the connection point.

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 Connection and Installation (C & I) Officer or Services and Installation (S & I) Officer

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

5 Includes plant operator as required however temporary network isolation charges to apply separately.

Following the submission of the Revised Regulatory Proposal in November 2018, Evoenergy identified two of the proposed ancillary service charges had been assigned a billing code that conflicted with a service already assigned in the billing system. Specifically, in the Revised Regulatory Proposal, Evoenergy assigned the following codes.

- 601 – Contract Administration, Commissioning and Testing – Embedded Generation Installations up to 5MW
- 602 – Provision of Data for Network Technical Study – Embedded Generation Installations over 5MW

This was an error, as codes 601 and 602 are currently in use in the billing system as tariff codes for customers assigned to the ACT Government's now-closed Premium FiT arrangements. As a result, Evoenergy has re-assigned the above two services to codes 669 and 670, respectively, as shown in Table 5.5.

Table 5.5 Change to codes

Code description	Code assignment – Revised Regulatory Proposal	Code assignment – 2020/21 Pricing Proposal
Contract Administration, Commissioning and Testing - Embedded Generation Installations up to 5MW	601	669
Provision of Data for Network Technical Study - Embedded Generation Installations over 5MW	602	670

5.2.2 Quoted services

Charges for quoted services are based on the estimated time taken to perform the service. The Draft Decision sets out the formula for quoted services, [61] which was unchanged in the Final Decision:[62]

Price = Labour + Contractor Services + Materials

The labour component is based on the Final Decision maximum raw labour rates[63] for 2020/21. The 2020/21 rates are set out in Table 5.6.

Table 5.6 Maximum allowable labour rates (including on-costs and overheads, excluding GST)

Evoenergy labour category	AER labour category	AER maximum allowable 2020/21 hourly rates*
Office support service delivery	Admin	$113.94
Electrical apprentice	Field Worker	$154.56
Electrical worker	Technician	$160.86
Electrical worker - labourer	Field Worker	$152.86
Project officer design section	Engineer	$192.82
Senior technical officer/engineer design section	Senior Engineer	$221.18

*As per AER Final Decision, "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." [64]

The components of the quoted services formula are set out on pages 13-17 and 13-18 of the AER's Draft Decision, which was accepted in the AER's Final Decision. Each component is summarised below.

[61] AER 2018, *Draft Decision Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-17 (accepted in the AER's Final Decision).
[62] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.
[63] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 15 Alternative control services, April 2019, p. 15-20.
[64] AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-20

- Labour component – consists of all labour costs directly incurred in the provision of the service which may include labour on-costs, fleet on-costs and overheads.
- Contractor services – includes all costs associated with the use of external labour including overheads and any direct costs incurred.
- Materials – includes the cost of materials directly incurred in the provision of the service, material storage and logistics on-costs and overheads.[65]

[65] AER 2018, *Draft Decision Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-17 to 13-18 (accepted in the AER's Final Decision).

6. Pricing principles

This section sets out the manner in which tariffs have been set to ensure they comply with each of the pricing principles in the Rules[66].

6.1 Tariffs to be based on long run marginal cost

Clause 6.18.5(f) of the Rules states that each tariff must be based on the long run marginal cost (LRMC) of the network service. The purpose of the LRMC requirement is to ensure that prices signal to customers the forward-looking costs of meeting additional demand or the savings from reduced demand.

In order to be compliant with Clause 6.18.5 (f) of the Rules, all network tariffs are based on the LRMC of providing electricity network services. Evoenergy's approach to estimating LRMC is set out in its TSS[67].

6.2 There are no cross-subsidies between tariff classes

The Rules include a pricing principle that is designed to avoid cross subsidies between different tariff classes (i.e. residential and LV commercial consumers). This principle requires the revenues recovered from each tariff class to be between the avoidable cost of not providing the service and the stand-alone cost of providing the service to the relevant consumers. This safeguards against cross subsidies between tariff classes, consistent with clause 6.18.5(e). The existing side constraint, which limits annual price movements within a tariff class, are also retained.

The results for avoidable and stand-alone costs are shown in Table 6.1. The avoidable cost reflects the LRMC of each tariff, while the stand-alone cost reflects the LRMC of the tariff plus all common costs. The table also shows that average 2020/21 DUOS revenue for each tariff class lies within the range established by avoidable costs and standalone costs. The amount of revenue recovered in each tariff class is therefore compliant with the requirement in clause 6.18.5(e) of the Rules.

Table 6.1 Avoidable and stand-alone cost

Tariff Classes	Avoidable Cost	DUOS Charges	Stand Alone Cost
Residential	$15,243,235	$62,121,026	$137,228,191
Commercial Low Voltage	$8,579,641	$75,605,496	$130,564,596
High Voltage	$604,856	$8,683,150	$122,589,811

6.3 Tariffs recover total efficient costs

The revenue to be recovered from each network tariff must recover the network business' total efficient costs of providing network services in a way that minimises distortions to price signals that encourage efficient use of the network by consumers.

This principle has three parts:

[66] *National Electricity Rules*, Clause 6.18.5
[67] Evoenergy, *Revised Regulatory Proposal 2019–24*, Attachment 1: Revised Proposed Tariff Structure Statement, November 2018, p. 31.

1. to enable the recovery of total efficient costs;
2. that the revenue from each tariff reflects the total efficient cost of providing services to those consumers; and
3. that revenue is recovered in a way that minimises distortions to consumers' usage decisions, consistent with clause 6.18.5(g).

Each year, Evoenergy will adjust the price levels, consistent with the approach outlined in Evoenergy's revised TSS, such that the expected revenue from all tariffs is in accordance with the AER's distribution determination. Evoenergy will also ensure that tariffs reflect the total efficient costs of serving each consumer assigned to each tariff by basing tariffs on LRMC.

6.4 Consideration of consumer impacts

Tariffs are to be developed in line with a consumer impact principle that requires network businesses to consider the impact on consumers of changes in network prices and to develop price structures that are able to be understood by consumers, as per clause 6.18.5(h).

Evoenergy has considered the consumer impacts of changing network tariffs in determining how to allocate residual costs and how to transition consumers to cost-reflective prices over time. Evoenergy agrees with the AEMC that clear, understandable and stable network prices, in accordance with the principles in the network pricing Rules, will facilitate the ability of consumers to receive and respond to future price signals.[68]

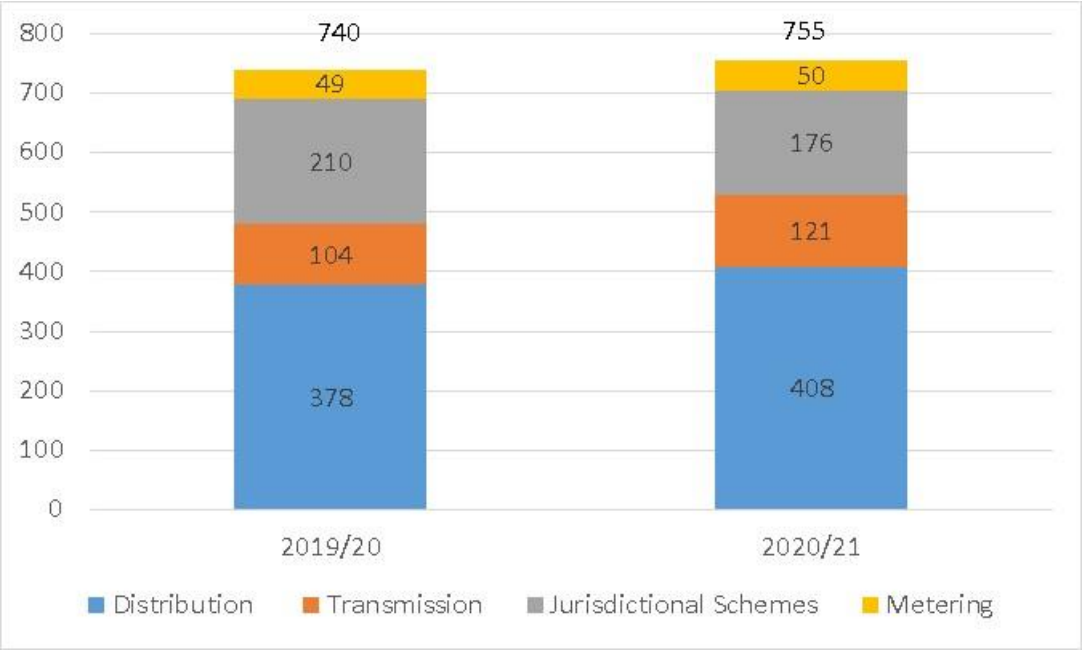
Evoenergy has carefully considered consumer impacts in developing the network tariffs for 2020/21.

The proposed 2020/21 increase in network and metering charges would increase the electricity network bill for an average residential customer consuming 7,500 kWh on the Residential Basic network tariff by $0.28 per week (excluding GST), a real increase of 0.1 per cent[69] (1.9 per cent nominal). The annual change in the network bill (by network bill component) is shown in Figure 6.1.

For a commercial customer consuming 30,000 kWh per annum on the General Network tariff, the network and metering charges would increase their electricity network bill by $1.44 per week (excluding GST) implying an increase of 0.1 per cent in real terms[70] (1.9 per cent nominal increase). The annual change in the network bill (by network bill component) is shown in Figure 6.2.

[68] AEMC 2014, *National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014, Rule Determination*, p. 12.
[69] This real bill impact is calculated using CPI of 1.78 per cent (December quarter 2018 CPI /December quarter 2017 CPI).
[70] Ibid.

Figure 6.1 Actual 2019/20 and proposed 2020/21 residential annual NUOS bill (nominal, excluding GST)



Note: Based on Residential Basic tariff with consumption of 7,500 kWh a year

Figure 6.2 Actual 2019/20 and proposed 2020/21 LV commercial annual NUOS bill (nominal, excluding GST)

Note: Based on General Network tariff with consumption of 30,000 kWh a year.

6.5 Capable of being understood

Evoenergy has designed tariffs to ensure they are reasonably capable of being understood by consumers, in accordance with clause 6.18.5(i). Evoenergy has developed information and educational material on its website to help customers understand the kW demand tariffs[71] introduced in December 2017.

Over time, as many network businesses across Australia move towards more cost-reflective tariff structures, consumer familiarity and therefore understanding of cost-reflective tariffs will improve. This will include a greater understanding of the drivers of network costs and how network prices reflect those costs.

6.6 Tariffs comply with jurisdictional obligations

As per Clause 6.18.5 (j), network tariffs must comply with any jurisdictional pricing obligations imposed by state or territory governments. If network businesses need to depart from the above principles to meet jurisdictional pricing obligations, they must do so transparently and only to the minimum extent necessary. In line with ACT Government requirements, Evoenergy recovers the cost of jurisdictional schemes in the ACT. These jurisdictional schemes are recovered in NUOS tariffs.

In November 2017, the ACT Government amended the *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (ACT) to include a requirement that the ACT electricity distributor (Evoenergy) apply by 31 December of each year for a determination of the reasonable costs for the large FiT scheme for the following financial year. The reasonable costs determination specifies the costs Evoenergy can recover in respect of the large feed-in tariff scheme and administration costs.

The ACT Government also executed a notifiable instrument in March 2018 to allow for repayments and recoveries for the large scale FiT and administration costs to be reconciled over a period of up to five years, beginning in the year for which a reasonable costs determination is applied.[72]

The first reasonable costs determination was issued in March 2018, which determined Evoenergy's costs for 2018/19. The second and third reasonable costs determinations were issued in January 2019 and 2020, respectively. These determined Evoenergy's costs for 2019/20 and 2020/21, respectively. Evoenergy has complied with these determinations by setting its revenue for the large scale FiT equal to the amounts provided in the reasonable costs determination. This is reflected in Evoenergy's 2018/19, 2019/20 and 2020/21 (current) Pricing Proposals.

Further detail on revenues and payments for the large scale FiT are provided in Section 2.3.

[71] https://www.evoenergy.com.au/residents/pricing-and-tariffs/peak-demand-tariffs
[72] *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT), Notifiable Instrument NI2018-130.

Attachment 1: 2020/21 NUOS tariffs charges

Table A.1 sets out Evoenergy's proposed charges for 2020/21 including metering capital and non-capital charges. Table 4.1 set out the proposed 2020/21 prices (and forecast revenue) for NUOS components: DUOS, TUOS, and JS. The table below (A.1) adds proposed metering capital and non-capital charges to these NUOS charges.

Table A. 1 2020/21 NUOS tariff charges, including metering (nominal)

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Residential Tariffs					
010 Residential Basic Network					
Network access charge	cents/day	27.725	9.190	4.520	41.435
Energy at any time	cents/kWh	8.043			8.043
011 Residential Basic Network XMC*					
Network access charge	cents/day	27.725		4.520	32.245
Energy at any time	cents/kWh	8.043			8.043
015 Residential TOU Network					
Network access charge	cents/day	27.725	9.190	4.520	41.435
Energy consumption at max times	cents/kWh	14.430			14.430
Energy consumption at mid times	cents/kWh	6.540			6.540
Energy consumption at economy times	cents/kWh	3.204			3.204
016 Residential TOU Network XMC					
Network access charge	cents/day	27.725		4.520	32.245
Energy consumption at max times	cents/kWh	14.430			14.430
Energy consumption at mid times	cents/kWh	6.540			6.540
Energy consumption at economy times	cents/kWh	3.204			3.204
020 Residential 5000 Network					
Network access charge	cents/day	50.110	9.190	4.520	63.820
Energy consumption for the first 60 kWh per day	cents/kWh	6.657			6.657
Energy consumption above 60 kWh per day	cents/kWh	8.042			8.042
021 Residential 5000 Network XMC					
Network access charge	cents/day	50.110		4.520	54.630
Energy consumption for the first 60 kWh per day	cents/kWh	6.657			6.657
Energy consumption above 60 kWh per day	cents/kWh	8.042			8.042
025 Residential Demand Network					
Network access charge	cents/day	27.723	9.190	4.520	41.433
Energy consumption	cents/kWh	3.219			3.219
Peak period maximum demand	c/kW/day	15.547			15.547

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
026 Residential Demand Network XMC					
Network access charge	cents/day	27.723		4.520	32.243
Energy consumption	cents/kWh	3.219			3.219
Peak period maximum demand	c/kW/day	15.547			15.547
030 Residential with Heat Pump Network					
Network access charge	cents/day	95.191	9.190	4.520	108.901
Energy consumption for the first 165 kWh per day	cents/kWh	5.084			5.084
Energy consumption above 165 kWh per day	cents/kWh	8.042			8.042
031 Residential with Heat Pump Network XMC					
Network access charge	cents/day	95.191		4.520	99.711
Energy consumption for the first 165 kWh per day	cents/kWh	5.084			5.084
Energy consumption above 165 kWh per day	cents/kWh	8.042			8.042
060 Off-Peak (1) Night Network					
Energy at controlled times	cents/kWh	2.211			2.211
070 Off-Peak (3) Day & Night Network					
Energy at controlled times	cents/kWh	3.399			3.399
LV Commercial Tariffs					
040 General Network					
Network access charge	cents/day	50.703	16.060	7.910	74.673
Energy consumption for the first 330 kWh per day	cents/kWh	12.270			12.270
Energy consumption above 330 kWh per day	cents/kWh	15.938			15.938
041 General Network XMC					
Network access charge	cents/day	50.703		7.910	58.613
Energy consumption for the first 330 kWh per day	cents/kWh	12.270			12.270
Energy consumption above 330 kWh per day	cents/kWh	15.938			15.938
135 Small Unmetered Loads Network					
Network access charge	cents/day	41.229			41.229
Energy consumption	cents/kWh	12.483			12.483
080 Streetlighting Network					
Network access charge	cents/day	51.015	16.060	7.910	74.985
Energy consumption	cents/kWh	8.522			8.522
081 Streetlighting Network XMC					
Network access charge	cents/day	51.015		7.910	58.925
Energy consumption	cents/kWh	8.522			8.522

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
090 General TOU Network					
Network access charge	cents/day	50.703	16.060	7.910	74.673
Energy consumption at business times	cents/kWh	19.344			19.344
Energy consumption at evening times	cents/kWh	8.764			8.764
Energy consumption at off-peak times	cents/kWh	3.963			3.963
091 General TOU Network XMC					
Network access charge	cents/day	50.703		7.910	58.613
Energy consumption at business times	cents/kWh	19.344			19.344
Energy consumption at evening times	cents/kWh	8.764			8.764
Energy consumption at off-peak times	cents/kWh	3.963			3.963
101 LV TOU kVA Demand Network					
Network access charge per connection point	cents/day	56.970	129.640	64.000	250.610
Maximum demand charge	c/KVA/day	46.057			46.057
Energy consumption at business times	cents/kWh	7.284			7.284
Energy consumption at evening times	cents/kWh	4.020			4.020
Energy consumption at off-peak times	cents/kWh	2.188			2.188
103 LV TOU Capacity Network					
Network access charge per connection point	cents/day	56.970	129.640	64.000	250.610
Maximum demand charge	c/KVA/day	21.329			21.329
Capacity charge	c/KVA/day	21.329			21.329
Energy consumption at business times	cents/kWh	7.283			7.283
Energy consumption at evening times	cents/kWh	4.019			4.019
Energy consumption at off-peak times	cents/kWh	2.187			2.187
104 LV TOU kVA Demand Network XMC					
Network access charge per connection point	cents/day	56.970		64.000	120.970
Maximum demand charge	c/KVA/day	46.057			46.057
Energy consumption at business times	cents/kWh	7.284			7.284
Energy consumption at evening times	cents/kWh	4.020			4.020
Energy consumption at off-peak times	cents/kWh	2.188			2.188
105 LV TOU Capacity Network XMC					
Network access charge per connection point	cents/day	56.970		64.000	120.970
Maximum demand charge	c/KVA/day	21.329			21.329
Capacity charge	c/KVA/day	21.329			21.329
Energy consumption at business times	cents/kWh	7.283			7.283
Energy consumption at evening times	cents/kWh	4.019			4.019
Energy consumption at off-peak times	cents/kWh	2.187			2.187

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
106 LV Demand Network					
Network access charge	cents/day	50.703	16.060	7.910	74.673
Energy consumption	cents/kWh	4.757			4.757
Peak period maximum demand	c/kW/day	45.765			45.765
107 LV Demand Network XMC					
Network access charge	cents/day	50.703		7.910	58.613
Energy consumption	cents/kWh	4.757			4.757
Peak period maximum demand	c/kW/day	45.765			45.765
HV Commercial Tariffs					
111 HV TOU Demand Network					
Network access charge per connection point	$/day	20.823			20.823
Maximum demand charge	c/KVA/day	15.806			15.806
Capacity charge	c/KVA/day	15.806			15.806
Energy consumption at business times	cents/kWh	5.821			5.821
Energy consumption at evening times	cents/kWh	3.307			3.307
Energy consumption at off-peak times	cents/kWh	1.925			1.925
121 HV TOU Demand Network – Customer LV					
Network access charge per connection point	$/day	20.823			20.823
Maximum demand charge	c/KVA/day	15.805			15.805
Capacity charge	c/KVA/day	15.805			15.805
Energy consumption at business times	cents/kWh	5.219			5.219
Energy consumption at evening times	cents/kWh	3.087			3.087
Energy consumption at off-peak times	cents/kWh	1.856			1.856
122 HV TOU Demand Network – Customer HV and LV					
Network access charge per connection point	$/day	20.823			20.823
Maximum demand charge	c/KVA/day	14.206			14.206
Capacity charge	c/KVA/day	14.206			14.206
Energy consumption at business times	cents/kWh	5.219			5.219
Energy consumption at evening times	cents/kWh	3.086			3.086
Energy consumption at off-peak times	cents/kWh	1.857			1.857

Attachment 2: Indicative NUOS tariffs for future regulatory years

Table A.2 sets out Evoenergy's proposed charges for 2020/21 and indicative NUOS charges for the future regulatory years of the 2019-24 regulatory control period.

Table A. 2 Indicative NUOS tariffs for future regulatory years (nominal): proposed 2020/21 and indicative 2021/22-2023/24

Tariff	Unit	2020/21 Proposed	2021/22 Indicative	2022/23 Indicative	2023/24 Indicative
010 Residential Basic Network					
Network access charge	cents/day	27.73	28.57	29.44	30.33
Energy consumption	cents/kWh	8.04	8.84	8.84	8.53
015 Residential TOU Network					
Network access charge	cents/day	27.73	28.57	29.44	30.33
Energy consumption at max times	cents/kWh	14.43	15.55	15.40	14.74
Energy consumption at mid times	cents/kWh	6.54	7.39	7.45	7.22
Energy consumption at economy times	cents/kWh	3.20	3.62	3.65	3.54
020 Residential 5000 Network					
Network access charge	cents/day	50.11	51.63	53.20	54.82
Energy consumption for the first 60 kWh per day	cents/kWh	6.66	7.38	7.35	7.02
Energy consumption above 60 kWh per day	cents/kWh	8.04	8.84	8.84	8.53
025 Residential Demand Network					
Network access charge	cents/day	27.72	28.57	29.43	30.33
Energy consumption	cents/kWh	3.22	3.88	3.77	3.42
Peak period maximum demand	cents/kW	15.55	15.72	16.18	16.65
030 Residential with Heat Pump Network					
Network access charge	cents/day	95.19	98.08	101.07	104.14
Energy consumption for the first 165 kWh per day	cents/kWh	5.08	5.68	5.63	5.33
Energy consumption above 165 kWh per day	cents/kWh	8.04	8.84	8.84	8.53
040 General Network					
Network access charge	cents/day	50.70	52.25	53.83	55.47
Energy consumption for the first 330 kWh per day	cents/kWh	12.27	13.50	13.50	13.04
Energy consumption above 330 kWh per day	cents/kWh	15.94	17.53	17.54	16.94
135 Small Unmetered Loads Network					
Network access charge	cents/day	41.23	42.48	43.77	45.10
Energy consumption	cents/kWh	12.48	13.66	13.70	13.31

Tariff	Unit	2020/21 Proposed	2021/22 Indicative	2022/23 Indicative	2023/24 Indicative
060 Off-Peak (1) Night Network					
Energy consumption	cents/kWh	2.21	2.43	2.43	2.35
070 Off-Peak (3) Day & Night Network					
Energy consumption	cents/kWh	3.40	3.73	3.74	3.62
080 Streetlighting Network					
Network access charge	cents/day	51.02	52.57	54.16	55.81
Energy consumption	cents/kWh	8.52	9.31	9.34	9.08
090 General TOU Network					
Network access charge	cents/day	50.70	52.25	53.83	55.47
Energy consumption at business times	cents/kWh	19.34	21.20	21.19	20.44
Energy consumption at evening times	cents/kWh	8.76	9.57	9.66	9.49
Energy consumption at off-peak times	cents/kWh	3.96	4.33	4.37	4.29
101 LV TOU kVA Demand Network					
Network access charge per connection point	cents/day	56.97	58.70	60.49	62.32
Maximum demand charge	c/KVA/day	46.06	44.78	44.56	44.35
Energy consumption at business times	cents/kWh	7.28	8.70	8.78	8.41
Energy consumption at evening times	cents/kWh	4.02	4.80	4.85	4.64
Energy consumption at off-peak times	cents/kWh	2.19	2.61	2.64	2.53
103 LV TOU Capacity Network					
Network access charge per connection point	cents/day	56.97	58.70	60.49	62.32
Maximum demand charge	c/KVA/day	21.33	20.12	19.99	20.02
Capacity charge	c/KVA/day	21.33	20.12	19.99	20.02
Energy consumption at business times	cents/kWh	7.28	8.70	8.78	8.41
Energy consumption at evening times	cents/kWh	4.02	4.80	4.85	4.64
Energy consumption at off-peak times	cents/kWh	2.19	2.61	2.64	2.53
106 LV Demand Network					
Network access charge	cents/day	50.70	52.25	53.83	55.47
Energy consumption	cents/kWh	4.76	5.87	5.95	5.69
Peak period maximum demand	c/kW/day	45.77	44.47	44.01	43.49
111 HV TOU Demand Network					
Network access charge per connection point	$/day	20.82	21.46	22.11	22.78
Maximum demand charge	c/KVA/day	15.81	15.32	15.21	15.11
Capacity charge	c/KVA/day	15.81	15.32	15.21	15.11
Energy consumption at business times	cents/kWh	5.82	6.99	7.05	6.71

Tariff	Unit	2020/21 Proposed	2021/22 Indicative	2022/23 Indicative	2023/24 Indicative
Energy consumption at evening times	cents/kWh	3.31	3.97	4.00	3.81
Energy consumption at off-peak times	cents/kWh	1.93	2.31	2.33	2.22
121 HV TOU Demand Network – Customer LV					
Network access charge per connection point	$/day	20.82	21.46	22.11	22.78
Maximum demand charge	c/KVA/day	15.81	15.32	15.21	15.11
Capacity charge	c/KVA/day	15.81	15.32	15.21	15.11
Energy consumption at business times	cents/kWh	5.22	6.21	6.26	5.98
Energy consumption at evening times	cents/kWh	3.09	3.67	3.70	3.54
Energy consumption at off-peak times	cents/kWh	1.86	2.21	2.23	2.13
122 HV TOU Demand Network – Customer HV and LV					
Network access charge per connection point	$/day	20.82	21.46	22.11	22.78
Maximum demand charge	c/KVA/day	14.21	13.17	13.00	13.05
Capacity charge	c/KVA/day	14.21	13.17	13.00	13.05
Energy consumption at business times	cents/kWh	5.22	6.21	6.26	5.98
Energy consumption at evening times	cents/kWh	3.09	3.67	3.70	3.54
Energy consumption at off-peak times	cents/kWh	1.86	2.21	2.23	2.13

Attachment 3: Compliance with regulatory requirements

Table A.3 provides a checklist of where the relevant requirements in the Rules are addressed in this Pricing Proposal.

Table A. 3 Compliance table

Requirement	Coverage in this document
6.18.2 Pricing proposals	
(b) A pricing proposal must:	
(1) [Deleted];	
(2) set out the proposed tariffs for each tariff class that is specified in the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period;	The proposed tariffs for each tariff class are presented in Table 4. 1 and A. 1.
(3) set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates;	Table 3.1, Table 3.3, and Table 3.5 set out each charging parameter and the element of service to which it relates.
(4) 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;	Table 2.4 sets out the weighted average DUOS revenue for each tariff class in 2019/20 and 2020/21.
(5) 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;	Evoenergy does not propose any variations or adjustments to tariffs during 2020/21 other that those set out in this Pricing Proposal.
(6) 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;	The explanation of how TUOS charges are passed on to customers, and Evoenergy's adjustment for over/under recovery of TUOS costs in 2019/20 is contained in section 2.2.
(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;	Section 2.3 addresses the requirements for jurisdictional scheme amounts.
(6B) describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria;	An explanation of amendments to Jurisdictional Schemes is contained in Section 2.3.
(7) demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period;	Section 2.1 provides an explanation of the way in which 2020/21 network pricing is consistent with the Rules and the TSS.
(7A) demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant	Section 4.5.2 demonstrates the variation between the proposed 2020/21 charges and the indicative

Requirement	Coverage in this document
indicative pricing schedule, or explain any material differences between them; and	2020/21 charges set out in the Revised TSS.
(8) 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.	The nature and extent of the change in network tariffs is outlined in section 4.5.2.
6.18.5 Pricing principles	
(e) For each tariff class, the revenue expected to be recovered must lie on or between: (1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers.	Section 6.2
(f) 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 the manner in which that method is applied to be determined having regard to: (1) the costs and benefits associated with calculating, implementing and applying that method as proposed; (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 (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.	Section 6.1
(g) The revenue expected to be recovered from each tariff must: (1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff; (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 (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).	Section 6.3 and Table 4.1.
(h) A Distribution Network Service Provider must 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: (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);	Section 6.4

Requirement	Coverage in this document
(2) the extent to which retail customers can choose the tariff to which they are assigned; and (3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their usage decisions.	
(i) The structure of each tariff must be reasonably capable of being understood by retail customers that are assigned to that tariff, having regard to: (1) the type and nature of those retail customers; and (2) the information provided to, and the consultation undertaken with those retail customers.	Section 6.5
(j) A tariff must comply with the Rules and all applicable regulatory instruments.	Section 6.6