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STATEMENT OF REASONS

Evoenergy (formerly ActewAGL) gas distribution tariff variation for 2018–19

On 15 March 2018 Evoenergy applied to the AER for variation of its distribution tariffs for the period 1 July 2018 to 30 June 2019. The application is based on the 2016–21 access arrangement approved by the AER on 26 May 2016.

The AER has considered Evoenergy's application for the variation of distribution tariffs for the period 1 July 2018 to 30 June 2019 submitted on 15 March 2018 (and revised on the 27 April 2018) in accordance with sections 7.2, 7.3 and 7.18 of the ActewAGL 2016–21 access arrangement.

The AER is satisfied that Evoenergy's application complies with the relevant principles and formulae set out in section 7.4 of the ActewAGL access arrangement.

Having considered Evoenergy's proposal of 15 March 2018 and revision of 27 April 2017 stating the nature of the proposed 2018-19 tariffs, the AER approves these tariffs for commencement on 1 July 2018.

The approved 2018-19 distribution tariffs are set out in the section below.

Evoenergy

(a) Demand Capacity Rates

| Tariff Category | First 50 GJ of CD | Next 100 GJ of CD | Rest of CD |
|-----------------|-------------------|-------------------|------------|
| VRG | 255.157 | 250.988 | 247.404 |
| Tariff Category | First 50 GJ of CD | Next 100 GJ of CD | Rest of CD |
| DBC | 283.760 | 271.341 | 254.742 |
| Tariff Category | First 40 GJ of CD | Next 80 GJ of CD | Rest of CD |
| DBG | 263.319 | 250.154 | 219.213 |

(b) Demand Throughput Rate

| Tariff Category | \$/GJ |
|-----------------|-------|
| DBT | 3.634 |

(c) Volume Throughput Rate

| Tariff Category | | | | |
|---|-------------------------|------------------------|-----------------------|------------------|
| Block size (GJ per month) | First 1.25 GJ | Next 13.45 GJ | Next 45.30 GJ | Remainder |
| Block size (GJ per qtr) | First 3.75 GJ | Next 40.35 GJ | Next 135.90 GJ | Remainder |
| VRI | 10.966 | 6.329 | 5.742 | 5.565 |
| Block size (GJ per month) | First 1.70 GJ | Next 6.20 GJ | Remainder | |
| Block size (GJ per qtr) | First 5.10 GJ | Next 18.60 GJ | Remainder | |
| VRH | 6.319 | 5.891 | 5.564 | |
| Block size (GJ per month) | First 37.50 GJ | Next 372.00 GJ | Remainder | |
| Block size (GJ per qtr) | First 112.50 GJ | Next 1116.00 GJ | Remainder | |
| VRB | 10.476 | 6.149 | 5.645 | |
| Block size (GJ per month) | First 2.50 GJ | Next 95.00 GJ | Remainder | |
| Block size (GJ per qtr) | First 7.50 GJ | Next 285.00 GJ | Remainder | |
| VBS | 8.335 | 6.092 | 5.664 | |
| Minimum chargeable quantity of 666GJ/month for VBM | | | | |
| Block size (GJ per month) | First 350.00 GJ | Next 400.00 GJ | Remainder | |
| Block size (GJ per qtr) | First 1050.00 GJ | Next 1200.00 GJ | Remainder | |
| VBM | 5.839 | 4.833 | 4.430 | |

(d) Provision of Basic Metering Equipment Charges

| Tariff Category | | MHQ <16 GJ/hr | MHQ >=16 to < 50 GJ/hr | MHQ >=50 to < 100 GJ/hr | MHQ >= 100 GJ/hr |
|--|------------|------------------|------------------------------|-------------------------------|---------------------|
| All Tariff Categories for the Demand Tariff customer group | Single Run | 7,119 | 9,787 | 14,981 | 19,369 |
| | Double Run | 14,236 | 19,575 | 29,963 | 38,737 |

| Tariff Category | | |
|--|--|----------|
| All Tariff Categories for the Demand Tariff customer group | More than 15 meters (closed to new entrants) | 1700.280 |

(e) Fixed Charge

| Tariff Category | \$/annum |
|-----------------|-----------|
| VRI | 70.31 |
| VRH | 153.39 |
| VRB | 697.85 |
| VRG | 13,956.92 |
| VBS | 109.95 |
| VBM | 1,692.12 |

(f) Ancillary Charges

| | Residential | Business |
|------------------------------------|-------------|----------|
| Requests For Service | -- | 86.04 |
| Reconnection fee | 41.95 | 50.35 |
| Disconnection fee | 121.51 | 167.83 |
| Decommissioning & meter removal | 648.09 | 1,149.60 |
| Special meter read | 16.78 | 16.78 |