

# Evoenergy 2019/20 Network Pricing Proposal

Evoenergy: Australian Capital Territory electricity distribution network

Submission to the Australian Energy Regulator

Initial Pricing Proposal for the Regulatory Control Period 2019–24

May 2019



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# Glossary

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

<b>Term</b>	<b>Definition</b>
<b>TUOS</b>	Transmission Use of System
<b>VT</b>	Voltage Transformer
<b>XMC</b>	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.<sup>1</sup> The proposed changes to Evoenergy's network tariff levels on 1 July 2019, 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 2019/20 are on average 8.95 cents per kilowatt-hour (kWh), which is 7.45 per cent higher in nominal terms than the average NUOS charges for 2018/19. The proposed NUOS charges for 2019/20 are comprised of the following elements:

- The proposed distribution use of system (DUOS) charges of 4.76 cents per kWh, which represents a 0.90 per cent increase in nominal terms relative to DUOS charges for 2018/19.
- The proposed transmission use of system (TUOS) charges<sup>2</sup> of 1.39 cents per kWh, which is 14.14 per cent lower in nominal terms than the charges for 2018/19.
- The proposed charges for jurisdictional schemes (JS)<sup>3</sup>, reflecting ACT Government taxes and renewables policies, of 2.80 cents per kWh, which is 40.45 per cent higher in nominal terms than the charges for 2018/19.

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 have increased by 14.5 per cent (nominal) in 2019/20.

Evoenergy estimates that the proposed 2019/20 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 \$0.91 per week (excluding GST)—a real increase of 4.9 per cent<sup>4</sup> (6.8 per cent in nominal terms).

Evoenergy estimates that the proposed 2019/20 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 \$4.88 per week (excluding GST)—a real increase of 5.1 per cent<sup>5</sup> (7.0 per cent in nominal terms).

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<sup>1</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, April 2019.

<sup>2</sup> 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.

<sup>3</sup> Jurisdictional schemes are expenses incurred by Evoenergy pursuant to ACT Government requirements, such as the large scale feed-in tariff.

<sup>4</sup> This real bill impact is calculated using CPI of 1.78 per cent (December quarter 2018 CPI /December quarter 2017 CPI).

<sup>5</sup> Ibid.

# 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 2019 to 30 June 2020 (2019/20). 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). Given that 2019/20 is the first year in the 2019–24 regulatory control period, Evoenergy must submit an "initial pricing proposal as soon as practicable, and in any case within 15 business days after the publication of the distribution determination".<sup>6</sup> 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<sup>7</sup> 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 2019/20.
- Section 3 outlines the structure of Evoenergy's network tariffs.
- Section 4 presents Evoenergy's proposed network tariff levels for 2019/20.
- 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 2019/20 NUOS tariffs including metering.
- Attachment 2 sets out indicative NUOS tariffs for future regulatory years.
- Attachment 3 provides a compliance checklist.

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<sup>6</sup> *National Electricity Rules*, clause 6.18.2 (a) (1)

<sup>7</sup> Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Appendix 1.1 Revised Tariff Structure Statement – Explanatory Statement.

## 2. Total Allowable Revenue for 2019/20

This section presents the calculations of Evoenergy's Total Allowable Revenue 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 Total Allowable Revenue (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.<sup>8</sup>

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

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

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

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

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

$\Delta CPI_t$  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

<sup>8</sup> 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 TAR for 2019/20, 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<sup>9</sup>.
- The AER's final decisions on cost pass throughs for Power of Choice, Ring-fencing and Vegetation Management<sup>10</sup>.
- The AER's final decision on the Service Target Performance Incentive Scheme (STPIS) for 2017/18<sup>11</sup>.

The resulting TAR for 2019/20 is \$138,972,964.

**Table 2.1 DUOS Total Allowable Revenue 2019/20, \$ nominal**

Component	2019/20 value
Annual smoothed revenue requirement in the PTRM for 2019/20 ( $AR_t$ )	\$133,474,766
S factor for 2019/20, which incorporates adjustments for STPIS ( $S_t$ )	0.975%
Adjusted annual smoothed revenue requirement for 2019/20 ( $AAR_t$ )	\$134,776,432
Sum of incentive scheme payments for 2019/20 ( $I_t$ )	\$0
Sum of annual adjustment factors in 2019/20 ( $B_t$ )	\$0
Sum of approved cost pass throughs for 2019/20 ( $C_t$ )	\$4,446,008
Remittal variance factor ( $RV_t$ )	-\$249,476
<b>Total allowable revenue in 2019/20 (<math>TAR_t</math>)</b>	<b>\$138,972,964</b>

### 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;

<sup>9</sup> AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Post-tax revenue model*, April 2019.

<sup>10</sup> 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 has been converted to 2019/20 dollars using the 2019/20 rate of return.

<sup>11</sup> Final Evoenergy STPIS compliance model 2017-18, received from the AER by email on 2 May 2019.

- 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.

Evoenergy's proposed DUOS unders and overs account is presented below in Table 2.2. Since 2019/20 is the first year in which Evoenergy will operate under a DUOS revenue cap, the opening balance in the unders and overs account is set to zero.

**Table 2.2 DUOS unders and overs account, \$ nominal**

Item	2019–20 forecast
<b>(A) Revenue from DUOS charges</b>	\$138,972,964
<b>(B) Less TAR for regulatory year =</b>	
+ Adjusted annual smoothed revenue ( <b>AARt</b> )	\$134,776,432
+ DMIS carryover and DMIS amounts ( <b>It</b> )	\$0
+ Annual adjustments ( <b>Bt</b> )	\$0
+ Cost pass through amount* ( <b>Ct</b> )	\$4,446,008
+ Remittal variance amount** ( <b>RVt</b> )	-\$249,476
<b>(C) Revenue deliberately under-recovered in year</b>	<b>\$0</b>
<b>(A – B + C) Under/over recovery of revenue for regulatory year</b>	<b>\$0</b>
<b>DUOS unders and overs account</b>	
Nominal WACC (per cent)	5.53%
Opening balance	\$0
Interest on opening balance	\$0
Under/over recovery of revenue for regulatory year	\$0
Interest on under/over recovery for regulatory year	\$0
<b>Closing balance</b>	<b>\$0</b>

\* 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 has been converted to 2019/20 dollars using the 2019/20 rate of return.

\*\* The 'remittal variance amount' is the variance between the actual and forecast revenue for the 2017/18 regulatory year, to reflect that amount that should be included in the 2019-24 period through the remittal process, but was not known at the time of the final decision<sup>12</sup>.

<sup>12</sup> AER 2018, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, April 2019, p. 13-8.

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,<sup>13</sup> which was unchanged in the Final Decision.<sup>14</sup> 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.

### 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.<sup>15</sup>

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

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.

$\Delta CPI_t$  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.

<sup>13</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-19.

<sup>14</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

<sup>15</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, pp 13-10 to 13-11.

$C'_t$  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.

The value for each of the factors above, with the exception of the CPI, X factor and S factor, can be calculated by dividing the incremental revenues (as used in the total annual revenue formula) for each factor by the expected revenues for regulatory year t-1 (based on the prices in year t-1 multiplied by the forecast quantities for year t).

Based on the above formula, the side constraint for 2019/20 is 7.98 per cent, as set out in Table 2.3.

**Table 2.3 2019/20 Side constraint**

Item	2019/20 value
Annual percentage change in CPI ( $\Delta CPI_t$ )	1.78%
X-factor for 2019/20 (set to zero as $X > 0$ ) ( $X_t$ )	0.00%
STPIS adjustment ( $S_t$ )	0.98%
Incentive schemes ( $I_t$ )	0.00%
Adjustment factor ( $B_t$ )	0.00%
Cost pass throughs ( $C_t$ )	3.19%
DUOS side constraint limitation	2.00%
<b>DUOS permissible price change</b>	<b>7.98%</b>

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 (2019/20) and the current year (2018/19), as required by clause 6.18.2(b)(4) of the Rules. As shown in Table 2.4, the proposed average DUOS price decrease for each of the three tariff classes is within the side constraint.

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

DUOS	2018/19 Notional DUOS Revenue (volumes t+1)	2019/20 Notional DUOS Revenue (volumes t)	% Change
Residential	\$58,752,704	\$58,635,318	-0.20%
Low voltage commercial	\$72,988,805	\$72,641,054	-0.48%
High Voltage	\$7,737,328	\$7,693,819	-0.56%
<b>Total</b>	<b>\$139,478,837</b>	<b>\$138,970,191</b>	<b>-0.36%</b>

Note: The 2018/19 and 2019/20 notional DUOS revenue in this table are both calculated using 2019/20 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 2019/20 are the sum of:

- the annual smoothed revenue for prescribed (transmission) services;<sup>16</sup>
- net transmission charges paid to transmission network service providers (TNSPs); and
- avoided TUOS payments.

Clause 6.18.7(a) of the Rules allows Evoenergy to pass on to customers the charges to be 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 of the TUOS charges for the relevant regulatory year adjusted for under or over recovery in the previous regulatory year. Clause 6.18.7(c) describes the method to be applied in determining the extent of under or over recovery.

For the 2019–24 regulatory control period, Evoenergy's revenue for prescribed (transmission) services is regulated using a revenue cap.<sup>17</sup> The 2019/20 revenue cap of \$27,104,242 is set in the AER's final decision.<sup>18</sup>

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 AER's Draft Decision for 2019-24.<sup>19</sup> TransGrid subsequently advised Evoenergy of the transfer payments. On this basis, the net transfer payments, including Queanbeyan transmission charges, for 2019/20 is \$14,851,399.

Evoenergy will true-up the TransGrid payments for the difference between the AER Draft Decision and Final Decision for 2019/20, when setting prices for 2020/21. This will be presented to the AER in Evoenergy's 2020/21 pricing proposal.

The net transfer payment provided by TransGrid has been combined with the regulated revenue from prescribed (transmission) services and avoided TUOS payments (of \$258,789) to calculate Evoenergy's total DPPC related payments of \$42,214,430 in 2019/20.

### 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 2.5. The DPPC related payment for 2019/20 of \$42,214,430 is adjusted for the 2018/19 closing balance<sup>20</sup> of \$1,725,452 and interest to set the 2019/20 revenue from DPPC charges of \$40,441,909. Evoenergy has set the revenues from TUOS charges to achieve a zero closing balance for 2019/20.

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<sup>16</sup> Prescribed (transmission) services include Evoenergy's Dual Function Assets.

<sup>17</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-9.

<sup>18</sup> AER 2019, *Evoenergy transmission 2019–24 – Final Decision – Post-tax revenue model*, April 2019.

<sup>19</sup> 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.

<sup>20</sup> This is equivalent to the remittal variance amount for transmission.

**Table 2.5 DPPC unders and overs accounts (\$000's) (nominal)**

	Year t-2 2017-18 Actual	Year t-1 2018-19 Estimate	Year t 2019-20 Forecast
<b>(A) Revenue from DPPC charges</b>	<b>\$33,783</b>	<b>\$46,786</b>	<b>\$40,442</b>
<b>(B) Less DPPC related payments for regulatory year =</b>	<b>\$51,803</b>	<b>\$46,213</b>	<b>\$42,214</b>
+ Prescribed (transmission) services	\$24,609	\$24,977	\$27,104
+ Charges to be paid to TNSP	\$26,935	\$20,978	\$14,851
+ Avoided TUOS payments	\$259	\$259	\$259
<b>(A – B) Under/over recovery of revenue for regulatory year</b>	<b>-\$18,020</b>	<b>\$573</b>	<b>-\$1,773</b>
<b>DPPC unders and overs account</b>			
Nominal WACC (per cent)	6.31%	6.21%	5.53%
Opening balance	\$18,483	\$1,069	\$1,725
Interest on opening balance	\$1,166	\$66	\$95
Under/over recovery of revenue for regulatory year	-\$18,020	\$573	-\$1,773
Interest on under/over recovery for regulatory year	-\$560	\$18	-\$48
<b>Closing balance</b>	<b>\$1,069</b>	<b>\$1,725</b>	<b>\$0</b>

### 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,<sup>21</sup> which was unchanged in the Final Decision.<sup>22</sup> For Evoenergy's 2019/20 Pricing Proposal, the t-2 year to which the audit requirement applies is 2017/18. In subsequent 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 2017/18 Annual RIN, as shown in Table 2.6.

<sup>21</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-21.

<sup>22</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

**Table 2.6 DPPC amounts 2017/18 (\$000's) (nominal)**

	Unders and overs account	2017/18 annual RIN	2017/18 RIN reference
Revenue from DPPC charges	33,783	33,783	Worksheet '8.1 Income', row 18
Prescribed (transmission) services	24,609	24,609	Worksheet '8.1 Income', row 24
Charges to be paid to TNSPs	26,935	26,935	Worksheet '8.1 Income', row 24
Avoided TUOS payments	259	259	Worksheet '8.1 Income', row 25

Source: Evoenergy, Amended Annual RIN 2017-18, submitted to AER on 30 April 2019.

## 2.3 Jurisdictional Scheme amounts

Jurisdictional Scheme amounts are those Evoenergy must pay pursuant to ACT Government requirements. The forecast Jurisdictional Scheme amounts in 2019/20 are:

- the Energy Industry Levy (EIL): \$1.5 m;
- the Utilities Network Facilities Tax (UNFT): \$8.8 m;
- the Feed-in Tariff (FiT) for small and medium schemes: \$15.5 m; and
- the Feed-in Tariff for large schemes (FiT L): \$63.6 m.

These amounts have been included in the jurisdictional scheme unders and overs accounts for 2019/20 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.<sup>23</sup> This requirement was unchanged in the Final Decision.<sup>24</sup> 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).<sup>25</sup>

Recent 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 under the scheme to be reconciled over a period of up to five years.<sup>26</sup> When this occurs, Evoenergy's closing balance for the scheme may differ from zero in some regulatory years.

<sup>23</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.

<sup>24</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

<sup>25</sup> Ibid.

<sup>26</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) Reasonable Costs Methodology Determination 2018 (ACT)*, Notifiable Instrument NI2018-130

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**

As part of the recent legislative changes, 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 scheme for the upcoming regulatory year.

Evoenergy made its first application for a reasonable costs determination to the ACT Government in December 2017, in respect of the 2018/19 regulatory year. In accordance with the legislative requirements and subsequent correspondence with the ACT Government, it was determined that Evoenergy would spread its repayment of the 2017/18 large-scale FiT closing balance over three years, commencing in 2018/19.

In practice, a repayment occurs when the revenue Evoenergy recovers in respect of the large FiT is less than the payments made for the scheme in a particular year. Therefore, by determining Evoenergy's reasonable costs for the large FiT, the ACT government can target a particular repayment amount (being the difference between the reasonable costs determination and payments made for the scheme).<sup>27</sup>

Accordingly, to give effect to the three-year repayment of the 2017/18 large FiT closing balance, the ACT Government issued the following reasonable costs determinations:

- **2018/19 reasonable costs determination**,<sup>28</sup> which provided for a repayment amount in 2018/19 equal to one-third of the expected 2017/18 closing balance. That is, the difference between the 2018/19 reasonable costs determination amount and the expected payments for the large FiT was equal to one third of the expected 2017/18 closing balance.
  - Evoenergy's 2018/19 Pricing Proposal included revenue of \$32.01 million for the large FiT and administration costs, as prescribed in the 2018/19 reasonable costs determination. This was shown in Evoenergy's jurisdictional scheme unders and overs account for 2018/19.<sup>29</sup> Evoenergy had a closing balance of \$49.6 million in 2018/19, representing the outstanding amount to be repaid over the next two years (2019/20 and 2020/21) consistent with ACT Government requirements.

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<sup>27</sup> Since, at the time of the reasonable costs determination, Evoenergy's payments for the next regulatory year are a forecast, the actual repayment amount may vary depending on the actual payments for that year.

<sup>28</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) Reasonable Costs of FiT Support Payments Determination 2018* (ACT), Notifiable Instrument NI2018-129.

<sup>29</sup> Evoenergy 2018, *2018/19 Network Pricing Proposal – Submission to the Australian Energy Regulator*, March 2018, p 1-30.

- **2019/20 reasonable costs determination**,<sup>30</sup> which provided for a repayment amount in 2019/20 equal to one half of the expected 2018/19 closing balance, plus relevant adjustments for interest.
  - In accordance with the reasonable costs determination, Evoenergy's 2019/20 Pricing Proposal includes revenue of \$52.03 million for the large FiT and administration costs. This amount is shown in the jurisdictional scheme unders and overs account in Section 2.3.2. The unders and overs account shows a 2019/20 closing balance of \$40.5 million.<sup>31</sup>

To finalise the three-year repayment of the 2017/18 large FiT closing balance, it is expected that the 2019/20 closing balance (including any interest adjustments) will be reconciled in 2020/21.<sup>32</sup>

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 for the large FiT in a particular year will vary depending on actual payments for the scheme and actual revenue collected.

The unders and overs account presented in Section 2.3.2 shows the revenue for the large FiT is \$52 million in 2019/20 (forecast) and \$32 million in 2018/19 (estimate).<sup>33</sup> The 2019/20 revenue forecast is equal to Evoenergy's reasonable costs determination. The 2018/19 revenue was set based on the 2018/19 reasonable costs determination (and reflected in 2018/19 prices), however the revenue estimate has since been updated based on more recent data on actual revenue recovered. Hence, the 2018/19 large FiT revenue has been revised from \$32.01 million to \$31.88 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.

However, one consequence of using more recent data is that the repayments for the large FiT shown in the unders and overs account (i.e. the difference between Evoenergy's revenue recovery and payments for the scheme) differ from the amounts contemplated through the reasonable cost determination process. Any under or over recovery of costs in relation to the large FiT is taken into consideration when Evoenergy applies for its reasonable cost determinations in subsequent years, to ensure the repayments as closely as possible match the three-year repayment schedule currently in progress.<sup>34</sup>

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<sup>30</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs of FiT Support Payments) Determination 2019* (ACT), Notifiable Instrument NI2019-52.

<sup>31</sup> The 2019/20 closing balance is equal to the opening balance, plus interest adjustments, and less the amount expected to be repaid in 2019/20 for the large FiT scheme.

<sup>32</sup> Subject to confirmation through the ACT Government's 2020/21 reasonable costs determination process.

<sup>33</sup> 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.

<sup>34</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011* (ACT), s20A(2) and s20C(2)(a)(ii).

## Other jurisdictional schemes

Table 2.9 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 2.9 shows a closing balance of zero, indicating the 2018/19 closing balance of -\$3.8m is fully reconciled in 2019/20.

### 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 2.8 and 2.9.

Table 2.7 shows the combined 2019/20 revenue from the large-scale FiT scheme (including administration costs) and other jurisdictional scheme amounts.

**Table 2.7 Jurisdictional Scheme revenue, total (\$'000) (nominal)**

	2016/17 Actual	2017/18 Actual	2018/19 Estimate	2019/20 Forecast
Large FiT scheme and administration revenue	\$14,602	\$39,115	\$31,878	\$52,029
Other jurisdictional scheme revenue	\$14,761	\$26,742	\$25,855	\$29,622
<b>Total jurisdictional scheme related revenue</b>	<b>\$29,363</b>	<b>\$65,857</b>	<b>\$57,733</b>	<b>\$81,651</b>

**Table 2.8 Unders and overs account: Large scale FiT and administration (\$'000) (nominal)**

	2016/17 Actual	2017/18 Actual	2018/19 Estimate	2019/20 Forecast
<b>Jurisdictional Scheme Revenue</b>				
Large FiT and administration revenue	\$0	\$0	\$31,878	\$52,029
<b>Large scale Feed in Tariff Payments</b>				
Feed-in Tariffs (large scale)	\$0	\$0	\$19,266	\$63,602
Administration	\$120	\$123	\$127	\$0
<b>Total payments</b>	<b>\$120</b>	<b>\$123</b>	<b>\$19,393</b>	<b>\$63,602</b>
<b>Over (under) recovery for FY</b>				
Large scale FiT and administration over (under) recovery for FY	-\$120	-\$123	\$12,485	-\$11,573
<b>Overs and unders account</b>				
Annual rate of interest applicable to balances	6.37%	6.31%	6.21%	5.53%
Semi-annual interest rate	3.14%	3.11%	3.06%	2.73%
Opening balance	\$0	-\$123	\$34,596	\$49,613
Interest on large scale FiT and administration opening balance	\$0	-\$8	\$2,150	\$2,744
Large scale FiT and administration under/over recovery for FY	-\$120	-\$123	\$12,485	-\$11,573
Interest on large scale FiT and admin. under/over recovery for FY	-\$4	-\$4	\$382	-\$316
<b>Large scale FiT and Administration Closing Balance</b>	<b>-\$123</b>	<b>\$34,596</b>	<b>\$49,613</b>	<b>\$40,468</b>

**Notes:**

1. The closing balance is non-zero in the final year because the 2018/19 closing balance for the large-scale feed-in tariff will be reconciled over a two-year period (unless an alternative period is determined by the ACT Government through the 2020/21 reasonable costs determination). This reflects the ACT Government's 2018/19 and 2019/20 reasonable costs determinations for Evoenergy.<sup>35</sup> 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. The large FiT revenue estimate in the unders and overs account shown above has been updated based on a revised estimate of actual revenue recovered for 2018/19. 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. Administration costs have been set to zero in 2019/20 given they have been included in the base year operating expenditure used to determine the 2019–24 revenue allowance.

<sup>35</sup> Section 2.3.1 contains an explanation of Evoenergy's reasonable costs determinations.

**Table 2.9 Unders and overs account: Other jurisdictional schemes (\$'000) (nominal)**

	2016/17 Actual	2017/18 Actual	2018/19 Estimate	2019/20 Forecast
<b>Jurisdictional Scheme Revenue</b>				
Other jurisdictional scheme revenue	\$14,761	\$26,742	\$25,855	\$29,622
<b>Jurisdictional Scheme Related Payments</b>				
Feed-in Tariffs (small and medium scale)	\$16,045	\$16,551	\$14,983	\$15,495
Feed-in Tariffs (large scale)	\$6,235	\$14,208	\$0	\$0
UNFT	\$7,111	\$7,722	\$8,216	\$8,770
Energy Industry Levy	\$768	\$1,556	\$1,283	\$1,500
<b>Total large FiT scheme payments</b>	\$6,235	\$14,208	\$0	\$0
<b>Total other jurisdictional scheme payments</b>	\$23,924	\$25,829	\$24,482	\$25,765
<b>Total jurisdictional scheme related payments</b>	<b>\$30,160</b>	<b>\$40,037</b>	<b>\$24,482</b>	<b>\$25,765</b>
<b>Over (under) recovery for FY</b>				
Large FiT scheme over (under) recovery for FY	\$8,367	\$24,907	\$0	\$0
Other jurisdictional scheme over (under) recovery for FY	-\$9,164	\$912	\$1,374	\$3,858
<b>Total over (under) recovery for FY</b>	<b>-\$797</b>	<b>\$25,819</b>	<b>\$1,374</b>	<b>\$3,858</b>
<b>Unders and overs account</b>				
Annual rate of interest applicable to balances	6.37%	6.31%	6.22%	5.53%
Semi-annual interest rate	3.14%	3.11%	3.06%	2.73%
Large FiT scheme opening balance	\$0	\$8,629	\$0	\$0
Other jurisdictional scheme opening balance	\$3,748	-\$5,464	-\$4,868	-\$3,755
<b>Total opening balance</b>	<b>\$3,748</b>	<b>\$3,165</b>	<b>-\$4,868</b>	<b>-\$3,755</b>
<b>Interest on large FiT scheme opening balance</b>	\$0	\$544	\$0	\$0
<b>Interest on other jurisdictional scheme opening balance</b>	\$239	-\$345	-\$303	-\$208
<b>Total interest on opening balance</b>	<b>\$239</b>	<b>\$200</b>	<b>-\$303</b>	<b>-\$208</b>
Large FiT scheme over/under recovery for FY	\$8,367	\$24,907	\$0	\$0
Other jurisdictional scheme under/over recovery for FY	-\$9,164	\$912	\$1,374	\$3,858
<b>Total over/under recovery for financial year</b>	<b>-\$797</b>	<b>\$25,819</b>	<b>\$1,374</b>	<b>\$3,858</b>
<b>Interest on large FiT scheme over/under recovery for FY</b>	\$262	\$774	\$0	\$0
<b>Interest on other jurisdictional scheme under/over recovery for FY</b>	-\$287	\$28	\$42	\$105
<b>Total interest on over/under recovery</b>	<b>-\$25</b>	<b>\$802</b>	<b>\$42</b>	<b>\$105</b>
<b>Large FiT scheme closing balance</b>	\$8,629	\$34,854	\$0	\$0
<b>Other jurisdictional scheme closing balance</b>	-\$5,464	-\$4,868	-\$3,755	-\$0
<b>Total Closing Balance</b>	<b>\$3,165</b>	<b>\$29,986</b>	<b>-\$3,755</b>	<b>-\$0</b>

Note: the table shows amounts for the large FiT scheme only for 2016–17 and 2017–18. From 2018–19 onwards, the large FiT is shown in a separate unders and overs account (see Table 2.8).

### 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,<sup>36</sup> which was unchanged in the Final Decision.<sup>37</sup> For Evoenergy's 2019/20 Pricing Proposal, the t-2 year to which the audit requirement applies is 2017/18. 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 Regulatory Information Notice (RIN).

The jurisdictional scheme amounts in the unders and overs accounts match amounts shown in Evoenergy's 2017/18 Annual RIN, as shown in Table 2.10.

**Table 2.10 Jurisdictional scheme amounts 2017/18 (\$'000) (nominal)**

	Unders and overs account	2017/18 annual RIN	RIN reference
<b>Jurisdictional scheme revenue</b>	65,857	65,857	Worksheet '8.1 Income', row 16
<b>Energy Industry Levy payments</b>	1,556	1,556	Worksheet '7.10 Juris Scheme', row 11
<b>UNFT payments</b>	7,722	7,722	Worksheet '7.10 Juris Scheme', row 12
<b>Feed-in Tariffs (small and medium scale) payments</b>	16,551	16,551	Worksheet '7.10 Juris Scheme', row 13
<b>Feed-in Tariffs (large scale) payments</b>	14,208	14,208	Worksheet '7.10 Juris Scheme', row 14

Source: Evoenergy, Amended Annual RIN 2017-18, submitted to AER on 30 April 2019.

Evoenergy notes that administration costs for the large FiT are not separately identified in the annual RIN. These costs are calculated based on staffing levels and 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 will have an Evoenergy regulated Type 5 or Type 6 meter. These meters are subject to price cap regulation.

<sup>36</sup> AER 2018, *Draft Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-23.

<sup>37</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

Evoenergy's metering capital and non-capital charges for 2019/20 are based on an X factor of 11.81, as set out in the AER's Final Decision Metering PTRM for the 2019–24 regulatory control period.<sup>38</sup>

The AER's final decision on metering is to increase metering charges in 2019/20 by 14.5 per cent in nominal terms followed by increases in line with CPI in the following years. The relatively large increase in 2019/20 reflects the AER's final decision on the remittal for the 2014-19 regulatory period. As stated in the AER's final decision: "This metering variation amount is brought about by the correction of an error in the calculation of metering opex ..."<sup>39</sup>. The AER's final decision on the remittal set the metering variation amount at \$3.7 million<sup>40</sup>.

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<sup>38</sup> AER 2019, *Evoenergy distribution 2019–24 – Final Decision – Metering Post-tax revenue model*, April 2019.

<sup>39</sup> AER 2018, *Evoenergy Final Decision Adjustment Determination*, November 2018, p 7

<sup>40</sup> *Ibid*

### 3. Tariff classes and structure

The Rules (clause 6.18.2) require a description of the tariff classes<sup>41</sup> and tariffs that are to apply in 2019/20. For each tariff within a tariff class, the charging parameters<sup>42</sup> 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 of the tariffs has been reviewed to base them 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<sup>43</sup>). 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).

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<sup>41</sup> 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”.

<sup>42</sup> Charging parameters are defined as “the constituent elements of a tariff” in chapter 10 of the *National Electricity Rules*.

<sup>43</sup> c/kVA/day refers to cents per kilo-volt ampere per day, and c/kW/day refers to cents per kilowatt per day

- **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.

### 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 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 demand component - a maximum demand charge is 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<sup>44</sup>, 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 time-of-use (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<sup>45</sup> 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.

**Table 3.1 Network tariff structure: residential**

Tariff	Charging parameters	Explanation
Residential basic network (010)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy charge (c/kWh)</li> </ul>	<p>This tariff is available to customers who have an accumulation meter installed at their premises.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charge varies with the level of consumption but not with the time of day.</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
Residential time-of-use (TOU) network (015)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy at max times, i.e. 7 am to 9 am and 5 pm to 8 pm every day (c/kWh)*</li> <li>Energy at mid times, i.e. 9 am to 5 pm and 8 pm to 10 pm every day (c/kWh)*</li> <li>Energy at economy times, i.e. all other times (c/kWh)*</li> </ul>	<p>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').</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charges relate to the supply of network services at various times. Higher rates apply at max times to encourage users to shift their load to mid or economy periods.</p>
Residential 5000 network (020)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy for the first 60 kWh/day (c/kWh)</li> <li>Energy above 60 kWh/day (c/kWh)</li> </ul>	<p>This tariff is designed for residential customers who have large continuous (rather than time controlled) loads, and consume over 5,000 kWh per annum.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>
Residential with heat pump (030)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy for the first 165 kWh/day (c/kWh)</li> <li>Energy above 165 kWh (c/kWh)</li> </ul>	<p>This tariff is only available to residential customers with a reverse cycle air conditioner.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff was closed to new customers from 1 December 2017 and will become obsolete over time.</p>

<sup>44</sup> The first period starts at 17:00:01 and ends at 17:30:00 AEST.

<sup>45</sup> This statement assumes the retailer passes on the network tariff structure.

Tariff	Charging parameters	Explanation
Residential kW demand (025)	<ul style="list-style-type: none"> <li>Fixed charge (c/day/customer)</li> <li>Energy consumption charge (c/kWh)</li> <li>Maximum demand charge (in billing period) (c/kW/day)</li> </ul>	<p>This tariff is available to residential customers from 1 December 2017 who have a Type 4 meter installed.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charge varies neither with the level of consumption nor the time of day.</p> <p>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, 6:00pm, 6:30pm, 7:00pm, 7:30pm and 8:00pm) within the billing period (a calendar month).</p> <p>This tariff became Evoenergy's default tariff for residential customers with a Type 4 meter from 1 December 2017.</p>
Off-peak (1) night network (060)	<ul style="list-style-type: none"> <li>Energy at controlled times, i.e. between 10 pm and 7 am (c/kWh)*</li> </ul>	<p>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.</p> <p>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.</p> <p>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.</p>
Off-peak (3) day and night network (070)	<ul style="list-style-type: none"> <li>Energy at controlled times, i.e. between 10 pm and 7 am and 9 am and 5 pm (c/kWh)*</li> </ul>	<p>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.</p> <p>Up to 30 June 2019 LV Commercial customers were also permitted to be assigned to this tariff, but this option will become unavailable from 1 July 2019.</p> <p>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.</p> <p>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.</p>

Tariff	Charging parameters	Explanation
Renewable energy generation	<ul style="list-style-type: none"> <li>Energy charges (c/kWh)</li> </ul>	This tariff applies to customers with grid connected solar or wind energy generation systems. Different arrangements apply to customers participating in the ACT feed-in tariff scheme, in accordance with the <i>Electricity Feed-in (Renewable Energy Premium) Act 2008 (ACT)</i> . Net metering applies to new PV customers since July 2013.

\* Max times are 7 am to 9 am and 5pm to 8pm Australian Eastern Standard Time on every day. Mid times are between 9 am and 5 pm Australian Eastern Standard Time every day. Off-peak times are all other times. Peak times (for the Residential kW demand tariff) is from 5 pm to 8 pm 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
<b>Residential (new connection or customer initiated)</b>	Residential kW demand*	Residential Time-of-Use	
<b>Residential: replacement meter</b>	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<sup>46</sup>. 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<sup>47</sup>.

### 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
- 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<sup>48</sup>, 7:30am, 8:00am, 8:30am, etc. up to 5:00pm), within the billing period (generally a calendar month).

The kVA-based demand tariffs (LV TOU kVA Demand and LV TOU Capacity) will change from 1 July 2019. As approved by the AER in its Final Decision on Evoenergy's Revised TSS<sup>49</sup> the maximum demand component of the LV TOU kVA Demand and LV TOU Capacity tariffs will change from being based on 'anytime' maximum demand to 'peak-period'

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<sup>46</sup> AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18*, September 2018, p. 18-17 to 18-18.

<sup>47</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

<sup>48</sup> The first period starts at 07:00:01 and ends at 07:30:00 AEST.

<sup>49</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

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<sup>50</sup> 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)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Energy for the first 330 kWh/day (c/kWh)</li> <li>• Energy above 330 kWh/day (c/kWh)</li> </ul>	<p>This tariff has been closed to new connections since 1 December 2017 and will become obsolete over time.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>An inclining block structure applies to energy charges (i.e. higher energy rates for the second block of energy).</p> <p>This tariff may be used in conjunction with the off-peak (1) tariff (code 060).</p>
General TOU network (090)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<p>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.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>The energy charges relate to supply of energy at different times, with lower rates 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.</p>
LV TOU kVA demand network (101)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<p>This tariff is the default tariff available to new LV commercial customers who have a Type 4 meter installed as well as a current transformer (CT) meter.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>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).</p> <p>The energy charges relate to supply of energy at different times, with lower rates 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.</p>

<sup>50</sup> This statement assumes the retailer passes on the network tariff structure.

Tariff	Charging parameters	Explanation
LV TOU capacity network (103)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Maximum demand (in billing period) (c/kVA/day)</li> <li>• Capacity (max demand in last year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<p>This tariff is available to customers with an interval meter and a current transformer (CT) meter installed.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>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).</p> <p>The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of energy at different times, with lower rates 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.</p>
LV kW Demand network (106)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Energy charge (c/kWh)</li> <li>• Maximum demand (in billing period) (c/kW/day)</li> </ul>	<p>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.</p> <p>The fixed charge applies per connection point, is a daily charge and does not vary with usage.</p> <p>The energy charge varies with the level of consumption not the time of day.</p> <p>The maximum demand charge is based on the customer's highest demand (measured in kW) 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).</p>
Streetlighting (080)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/customer)</li> <li>• Energy at any time (c/kWh)</li> </ul>	<p>This tariff applies to the night-time lighting of streets and public ways and places.</p> <p>The fixed charge applies per customer, is a daily charge and does not vary with usage.</p> <p>The energy charge varies with the level of consumption but not the time of day.</p>
Small unmetered loads (135)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/customer)</li> <li>• Energy at any time (c/kWh)</li> </ul>	<p>This tariff applies to eligible installations as determined by Evoenergy, including:</p> <ul style="list-style-type: none"> <li>• telephone boxes;</li> <li>• telecommunication devices; and</li> <li>• other, as determined by the National Metrology Coordinator.</li> </ul> <p>Energy charges are calculated based on the assessed rating of the load and the charge period.</p>

\* 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 will be implemented from 1 July 2019. Specifically, customers with Current Transformer (CT) meters will be assigned by default to the LV kVA TOU demand tariff, while customers without a CT meter (i.e. with a Whole Current meter) meter will be assigned by default to the LV kW demand tariff. Both customer types (those with and without CT meters) will 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 is 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
<b>LV commercial without a CT meter</b>	LV kW Demand*	1. LV kVA TOU Demand 2. LV kVA TOU Capacity 3. General TOU
<b>LV commercial with a CT meter</b>	LV kVA TOU Demand	1. LV TOU kVA Capacity 2. General TOU
<b>HV commercial</b>	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, that 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<sup>51</sup>. 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

<sup>51</sup> AER 2018, *Draft Decision - Evoenergy Distribution Determination 2019 to 2024, Attachment 18*, September 2018, p. 18-17 to 18-18.

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 change in requirements is reflected in Evoenergy's Revised TSS, which was approved in the AER's Final Decision<sup>52</sup>.

As per Evoenergy's Revised TSS, which was approved by the AER in its Final Decision<sup>53</sup>, there is also a change to tariff assignment related to the Off-peak (3) tariff (code 070). Specifically, this tariff is obsolete to new commercial connections from 1 July 2019.

### 3.3 Tariffs for high voltage customers

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

The structure of the demand charges within these HV tariffs will change from 1 July 2019. As approved by the AER in its Final Decision on Evoenergy's Revised TSS<sup>54</sup> the maximum demand charge of these tariffs will change from being based on 'anytime' maximum demand to 'peak-period' maximum demand. The peak period for these HV Commercial tariffs is the Business Time, specified as 7:00am<sup>55</sup> to 5:00pm on weekdays.

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

**Table 3.5 Network tariff structure: High Voltage**

Tariff	Charging parameters	Explanation
HV TOU Demand Network (111)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Max demand (in billing period) (c/kVA/day)</li> <li>• Capacity (max demand in past year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<p>This tariff is appropriate for large customers taking supply at high voltage with a LV network owned and maintained by Evoenergy.</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>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).</p> <p>The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of network services at different times, with lower rates 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.</p> <p>This tariff will be closed to new connections from 1 July 2019.</p>

<sup>52</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Overview*, April 2019, page 56.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid

<sup>55</sup> The first period starts at 07:00:01 and ends at 07:30:00 AEST.

Tariff	Charging parameters	Explanation
HV TOU Demand Network – Customer LV (121)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Max demand (in billing period) (c/kVA/day)</li> <li>• Capacity (max demand in past year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<p>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.</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>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).</p> <p>The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of network services at different times, with lower rates 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.</p> <p>This tariff will be closed to new connections from 1 July 2019.</p>
HV TOU Demand Network – Customer HV and LV (122)	<ul style="list-style-type: none"> <li>• Network access charge (c/day/connection point)</li> <li>• Max demand (in billing period) (c/kVA/day)</li> <li>• Capacity (max demand in past year) (c/kVA/day)</li> <li>• Energy at business times* (c/kWh)</li> <li>• Energy at evening times* (c/kWh)</li> <li>• Energy at off-peak times* (c/kWh)</li> </ul>	<p>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).</p> <p>The network access charge relates to the connection services provided to the customer.</p> <p>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).</p> <p>The capacity charge is based on a customer's maximum half hourly demand over the previous 13 months inclusive of the current billing month.</p> <p>The energy charges relate to supply of network services at different times, with lower rates 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.</p>

\* 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.

### 3.3.1 High voltage tariff assignment policy

As per Evoenergy's Revised TSS, which was approved by the AER in its Final Decision<sup>56</sup>, all new High Voltage customers will be assigned by default to Tariff 122 - HV TOU Demand

<sup>56</sup> Ibid.

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 will be closed to new connections. However, existing customers assigned to these tariffs may remain on them or switch to Tariff 122 following consultation with Evoenergy.

## 4. Evoenergy's NUOS tariffs for 2019/20

This section sets out Evoenergy's proposed network prices for 2019/20. 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 2019/20 are shown Table 4.1. These prices would result in the recovery of \$138,970,191 based on forecast customers, and demand and energy consumption quantities for the 2019/20 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 2019/20 DUOS revenue  $\leq$  Total Allowable Revenue (TAR)

$\$138,970,191 \leq \$138,972,964$

### 4.2 TUOS tariffs

Evoenergy's proposed TUOS prices for 2019/20 are shown in Table 4.1. These prices would result in the recovery of \$40,441,273 based on forecast customers, and demand and energy consumption quantities for the 2019/20 financial year.

The sum of the TUOS revenue from all the tariffs is less than the total TUOS charges for 2019/20 adjusted for unders and overs (see section 2.2). This is shown below.

Total notional 2019/20 TUOS revenue  $\leq$  Total TUOS charges adjusted for unders/overs

$\$40,441,273 \leq \$40,441,909$

### 4.3 Jurisdictional Scheme tariffs

Evoenergy's proposed Jurisdictional Scheme prices for 2019/20 are shown in Table 4.1. These prices would result in the recovery of \$81,637,340 based on forecast customers, and demand and energy consumption quantities for the 2019/20 financial year.

This is compliant with the ACT Government's Reasonable Cost Determination which determines the revenue Evoenergy can recover for large 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 2019/20 adjusted for unders and overs (see section 2.3). This is shown below.

Total notional 2019/20 JS revenue  $\leq$  JS TUOS charges adjusted for unders/overs

$\$81,637,340 \leq \$81,651,169$

### 4.4 NUOS tariffs

Evoenergy's proposed NUOS prices for 2019/20 (excluding metering) are the sum of the proposed prices for DUOS, TUOS and Jurisdictional Schemes. These prices are presented in Table 4.1 below, together with forecast revenue.<sup>57</sup>

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<sup>57</sup> Attachment 1 contains a table showing all 2019/20 NUOS tariff charges including metering charges.

## 4.5 Comparison of proposed NUOS tariffs

Table 4.2 compares Evoenergy's proposed 2019/20 NUOS tariffs with actual NUOS tariffs for 2018/19 and Evoenergy's indicative NUOS tariffs for 2019/20 (as set out in Evoenergy's revised TSS)<sup>58</sup>. These NUOS tariff charges exclude metering charges.

The increase in NUOS tariffs between 2018/19 and 2019/20 reflects an increase in the total NUOS revenue requirement between 2018/19 and 2019/20, driven largely by an increase in jurisdictional scheme revenue.

The difference between the 2019/20 NUOS tariffs in the TSS indicative pricing schedule and the 2019/20 proposed NUOS tariffs is driven by a number of factors.

- The main driver of the difference is a reduction in the NUOS revenue requirement used to calculate the indicative and proposed NUOS tariffs for 2019/20. The NUOS charges in the indicative pricing schedule were based on Evoenergy's revised regulatory proposal, while the proposed 2019/20 charges are based on the revenue requirement in the AER's final decision.
- The final transmission payments for 2019/20 are significantly lower than the forecast used in the indicative pricing schedule.
- The final Jurisdictional Scheme payments for 2019/20 are higher than the forecast used in the indicative pricing schedule.
- The volume forecast has been updated to reflect the latest actual data.
- Evoenergy has also adjusted the costs allocated to the individual elements of some tariffs to smooth the price changes between 2018/19 and 2019/20.

Evoenergy's indicative tariffs for future regulatory years of the 2019-24 regulatory control period are presented in Attachment 2.

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<sup>58</sup> Evoenergy, *Revised Regulatory Proposal 2019–24*, Appendix 1.2: Revised Proposed Tariff Structure Statement, November 2018, p. 31.

**Table 4.1 Proposed 2019/20 prices and forecast revenue, excluding metering (nominal)**

Description	Units	2019/20 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
<b>Residential Tariffs</b>										
<b>010 Residential Basic Network</b>										
Network access charge	cents/day	125,379	27.105	\$12,438,173	0.000	\$0	0.000	\$0	27.105	\$12,438,173
Energy at any time	cents/kWh	750,732,253	3.716	\$27,897,211	1.384	\$10,390,134	2.794	\$20,975,459	7.894	\$59,262,804
<b>015 Residential TOU Network</b>										
Network access charge	cents/day	36,866	27.105	\$3,657,255	0.000	\$0	0.000	\$0	27.105	\$3,657,255
Energy consumption at max times	cents/kWh	55,994,397	8.212	\$4,598,260	1.986	\$1,112,049	3.933	\$2,202,260	14.131	\$7,912,568
Energy consumption at mid times	cents/kWh	78,489,040	2.080	\$1,632,572	1.430	\$1,122,393	2.928	\$2,298,159	6.438	\$5,053,124
Energy consumption at economy times	cents/kWh	56,195,943	1.019	\$572,637	0.701	\$393,934	1.434	\$805,850	3.154	\$1,772,420
<b>020 Residential 5000 Network</b>										
Network access charge	cents/day	3,934	48.989	\$705,329	0.000	\$0	0.000	\$0	48.989	\$705,329
Energy consumption for the first 60 kWh per day	cents/kWh	29,267,111	2.431	\$711,483	1.361	\$398,325	2.747	\$803,968	6.539	\$1,913,776
Energy consumption above 60 kWh per day	cents/kWh	866,011	2.935	\$25,417	1.643	\$14,229	3.317	\$28,726	7.895	\$68,372
<b>025 Residential Demand Network</b>										
Network access charge	cents/day	15,800	24.530	\$1,418,556	0.000	\$0	2.574	\$148,853	27.104	\$1,567,409
Energy consumption	cents/kWh	64,156,094	0.217	\$139,219	0.467	\$299,609	2.471	\$1,585,297	3.155	\$2,024,125

Description	Units	2019/20 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
Peak period maximum demand	c/kW/day	51,543	12.323	\$2,324,722	2.964	\$559,156	0.000	\$0	15.287	\$2,883,878
<b>030 Residential with Heat Pump Network</b>										
Network access charge	cents/day	4,829	93.061	\$1,644,704	0.000	\$0	0.000	\$0	93.061	\$1,644,704
Energy consumption for the first 165 kWh per day	cents/kWh	60,221,625	0.977	\$588,365	1.332	\$802,152	2.688	\$1,618,757	4.997	\$3,009,275
Energy consumption above 165 kWh per day	cents/kWh	739,417	1.543	\$11,409	2.104	\$15,557	4.247	\$31,403	7.894	\$58,370
<b>060 Off-Peak (1) Night Network</b>										
Energy at controlled times	cents/kWh	11,564,213	0.215	\$24,863	0.648	\$74,936	1.307	\$151,144	2.170	\$250,943
<b>070 Off-Peak (3) Day &amp; Night Network</b>										
Energy at controlled times	cents/kWh	74,967,089	0.327	\$245,142	0.997	\$747,422	2.012	\$1,508,338	3.336	\$2,500,902
<b>LV Commercial Tariffs</b>										
<b>040 General Network</b>										
Network access charge	cents/day	11,679	49.569	\$2,118,771	0.000	\$0	0.000	\$0	49.569	\$2,118,771
Energy consumption for the first 330 kWh per day	cents/kWh	180,662,648	7.090	\$12,808,982	1.639	\$2,961,061	3.310	\$5,979,934	12.039	\$21,749,976
Energy consumption above 330 kWh per day	cents/kWh	13,067,599	9.210	\$1,203,526	2.130	\$278,340	4.299	\$561,776	15.639	\$2,043,642
<b>135 Small Unmetered Loads Network</b>										
Network access charge	cents/day	24	40.307	\$3,527	0.000	\$0	0.000	\$0	40.307	\$3,527
Energy consumption	cents/kWh	3,268,462	7.815	\$255,430	1.468	\$47,981	2.964	\$96,877	12.247	\$400,289

Description	Units	2019/20 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
<b>080 Streetlighting Network</b>										
Network access charge	cents/day	20	49.874	\$3,728	0.000	\$0	0.000	\$0	49.874	\$3,728
Energy consumption	cents/kWh	39,998,575	4.445	\$1,777,937	1.297	\$518,782	2.619	\$1,047,563	8.361	\$3,344,281
<b>090 General TOU Network</b>										
Network access charge	cents/day	3,531	49.569	\$640,597	0.000	\$0	0.000	\$0	49.569	\$640,597
Energy consumption at business times	cents/kWh	77,093,172	11.623	\$8,960,539	2.908	\$2,241,869	4.444	\$3,426,021	18.975	\$14,628,429
Energy consumption at evening times	cents/kWh	33,846,090	4.359	\$1,475,351	0.918	\$310,707	3.326	\$1,125,721	8.603	\$2,911,779
Energy consumption at off-peak times	cents/kWh	90,092,864	1.971	\$1,775,730	0.415	\$373,885	1.504	\$1,354,997	3.890	\$3,504,612
<b>101 LV TOU kVA Demand Network</b>										
Network access charge per connection point	cents/day	1,670	55.695	\$340,488	0.000	\$0	0.000	\$0	55.695	\$340,488
Maximum demand charge	c/KVA/day	164,093	35.143	\$21,106,260	9.903	\$5,947,565	0.000	\$0	45.046	\$27,053,826
Energy consumption at business times	cents/kWh	265,878,059	1.678	\$4,461,434	0.846	\$2,249,328	4.640	\$12,336,742	7.164	\$19,047,504
Energy consumption at evening times	cents/kWh	96,902,364	0.926	\$897,316	0.467	\$452,534	2.561	\$2,481,670	3.954	\$3,831,519
Energy consumption at off-peak times	cents/kWh	299,727,066	0.504	\$1,510,624	0.254	\$761,307	1.394	\$4,178,195	2.152	\$6,450,126
<b>103 LV TOU Capacity Network</b>										
Network access charge per connection point	cents/day	61	55.695	\$12,504	0.000	\$0	0.000	\$0	55.695	\$12,504

Description	Units	2019/20 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
Maximum demand charge	c/KVA/day	9,713	18.295	\$650,386	2.549	\$90,617	0.000	\$0	20.844	\$741,003
Capacity charge	c/KVA/day	11,244	18.295	\$752,880	2.549	\$104,897	0.000	\$0	20.844	\$857,777
Energy consumption at business times	cents/kWh	17,111,854	1.109	\$189,770	1.553	\$265,747	4.501	\$770,205	7.163	\$1,225,722
Energy consumption at evening times	cents/kWh	7,451,206	0.612	\$45,601	0.858	\$63,931	2.484	\$185,088	3.954	\$294,621
Energy consumption at off-peak times	cents/kWh	25,612,787	0.333	\$85,291	0.467	\$119,612	1.353	\$346,541	2.153	\$551,443
<b>106 LV Demand Network</b>										
Network access charge	cents/day	1,705	49.569	\$309,285	0.000	\$0	0.000	\$0	49.569	\$309,285
Energy consumption	cents/kWh	204,431,045	0.992	\$2,027,956	0.407	\$832,034	3.283	\$6,711,471	4.682	\$9,571,462
Peak period maximum demand	c/kW/day	71,518	35.251	\$9,227,140	9.525	\$2,493,220	0.000	\$0	44.776	\$11,720,360
<b>HV Commercial Tariffs</b>										
<b>111 HV TOU Demand Network</b>										
Network access charge per connection point	\$/day	1	20.357	\$7,451	0.000	\$0	0.000	\$0	20.357	\$7,451
Maximum demand charge	c/KVA/day	1,590	10.378	\$60,378	5.112	\$29,741	0.000	\$0	15.490	\$90,118
Capacity charge	c/KVA/day	2,029	10.378	\$77,065	5.112	\$37,961	0.000	\$0	15.490	\$115,025
Energy consumption at business times	cents/kWh	2,714,539	1.190	\$32,303	0.494	\$13,410	4.034	\$109,505	5.718	\$155,217
Energy consumption at evening times	cents/kWh	1,132,143	0.676	\$7,653	0.280	\$3,170	2.292	\$25,949	3.248	\$36,772

Description	Units	2019/20 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 at off-peak times	cents/kWh	3,447,505	0.394	\$13,583	0.163	\$5,619	1.334	\$45,990	1.891	\$65,192
<b>121 HV TOU Demand Network – Customer LV</b>										
Network access charge per connection point	\$/day	21	20.357	\$159,583	0.000	\$0	0.000	\$0	20.357	\$159,583
Maximum demand charge	c/KVA/day	58,849	10.353	\$2,229,888	5.137	\$1,106,436	0.000	\$0	15.490	\$3,336,324
Capacity charge	c/KVA/day	68,103	10.353	\$2,580,572	5.137	\$1,280,440	0.000	\$0	15.490	\$3,861,012
Energy consumption at business times	cents/kWh	118,297,255	0.749	\$886,046	0.647	\$765,383	3.729	\$4,411,305	5.125	\$6,062,734
Energy consumption at evening times	cents/kWh	45,733,555	0.443	\$202,600	0.383	\$175,160	2.206	\$1,008,882	3.032	\$1,386,641
Energy consumption at off-peak times	cents/kWh	149,905,321	0.267	\$400,247	0.230	\$344,782	1.328	\$1,990,743	1.825	\$2,735,772
<b>122 HV TOU Demand Network – Customer HV and LV</b>										
Network access charge per connection point	\$/day	12	20.357	\$88,447	0.000	\$0	0.000	\$0	20.357	\$88,447
Maximum demand charge	c/KVA/day	10,018	10.016	\$367,234	3.906	\$143,212	0.000	\$0	13.922	\$510,446
Capacity charge	c/KVA/day	11,704	10.016	\$429,047	3.906	\$167,318	0.000	\$0	13.922	\$596,365
Energy consumption at business times	cents/kWh	18,639,720	0.442	\$82,388	0.947	\$176,518	3.736	\$696,380	5.125	\$955,286
Energy consumption at evening times	cents/kWh	8,742,245	0.261	\$22,817	0.560	\$48,957	2.210	\$193,204	3.031	\$264,977

Description	Units	2019/20 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 at off-peak times	cents/kWh	29,629,695	0.157	\$46,519	0.337	\$99,852	1.331	\$394,371	1.825	\$540,742
<b>Total forecast revenue</b>				<b>\$138,970,191</b>		<b>\$40,441,273</b>		<b>\$81,637,340</b>		<b>\$261,048,804</b>

\* 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 2019/20 NUOS tariffs, 2018/19 actual NUOS tariffs and indicative 2019/20 NUOS tariffs, excluding metering (nominal)**

Description	Unit	NUOS actual 2018/19	NUOS proposed 2019/20	Change 18/19 – 19/20 (units)	Change 18/19 - 19/20 (%)	NUOS indicative 2019/20	Change proposed 19/20 to indicative 19/20
<b>Residential tariffs</b>							
<b>010 Residential Basic Network</b>							
Network access charge	cents/day	26.630	27.105	0.475	2%	28	-3%
Energy consumption	cents/kWh	7.370	7.894	0.524	7%	8	-2%
<b>015 Residential TOU Network</b>							
Network access charge	cents/day	26.630	27.105	0.475	2%	28	-3%
Energy at max times	cents/kWh	13.168	14.131	0.963	7%	14	0%
Energy at mid times	cents/kWh	6.000	6.438	0.438	7%	7	-4%
Energy at economy times	cents/kWh	2.940	3.154	0.214	7%	3	-4%
<b>020 Residential 5000 Network</b>							
Network access charge	cents/day	48.130	48.989	0.859	2%	51	-3%
Energy for the first 60 kWh per day	cents/kWh	6.070	6.539	0.469	8%	7	-3%
Energy above 60 kWh per day	cents/kWh	7.370	7.895	0.525	7%	8	-2%
<b>025 Residential Demand Network</b>							
Network access charge	cents/day	26.630	27.104	0.474	2%	28	-3%
Energy consumption	cents/kWh	2.930	3.155	0.225	8%	3	9%
Peak period maximum demand	cents/kW/day	14.196	15.287	1.091	8%	15	2%
<b>030 Residential with Heat Pump Network</b>							
Network access charge	cents/day	91.430	93.061	1.631	2%	96	-3%

Description	Unit	NUOS actual 2018/19	NUOS proposed 2019/20	Change 18/19 – 19/20 (units)	Change 18/19 - 19/20 (%)	NUOS indicative 2019/20	Change proposed 19/20 to indicative 19/20
Energy for the first 165 kWh per day	cents/kWh	4.610	4.997	0.387	8%	5	-6%
Energy above 165 kWh per day	cents/kWh	7.370	7.894	0.524	7%	8	-2%
<b>060 Off-Peak (1) Night Network</b>							
Energy consumption	cents/kWh	2.030	2.170	0.140	7%	2	-13%
<b>070 Off-Peak (3) Day &amp; Night Network</b>							
Energy consumption	cents/kWh	3.120	3.336	0.216	7%	4	-12%
<b>LV Commercial tariffs</b>							
<b>040 General Network</b>							
Network access charge	cents/day	48.70	49.57	0.87	2%	51	-3%
Energy for the first 330 kWh per day	cents/kWh	11.24	12.04	0.80	7%	12	1%
Energy above 330 kWh per day	cents/kWh	14.60	15.64	1.04	7%	15	1%
<b>135 Small Unmetered Loads Network</b>							
Network access charge	cents/day	39.60	40.31	0.71	2%	42	-3%
Energy consumption	cents/kWh	11.48	12.25	0.77	7%	12	1%
<b>080 Streetlighting Network</b>							
Network access charge	cents/day	49.00	49.87	0.87	2%	51	-3%
Energy consumption	cents/kWh	7.85	8.36	0.51	7%	9	-3%
<b>090 General TOU Network</b>							
Network access charge	cents/day	48.70	49.57	0.87	2%	51	-3%
Energy at business times	cents/kWh	17.78	18.98	1.19	7%	19	0%
Energy at evening times	cents/kWh	8.05	8.60	0.55	7%	9	-1%

Description	Unit	NUOS actual 2018/19	NUOS proposed 2019/20	Change 18/19 – 19/20 (units)	Change 18/19 - 19/20 (%)	NUOS indicative 2019/20	Change proposed 19/20 to indicative 19/20
Energy at off-peak times	cents/kWh	3.64	3.89	0.25	7%	4	-1%
<b>101 LV TOU kVA Demand Network</b>							
Network access per connection point	cents/day	54.72	55.70	0.98	2%	57	-3%
Maximum demand charge	c/KVA/day	42.30	45.05	2.74	6%	43	5%
Energy at business times	cents/kWh	6.72	7.16	0.44	7%	8	-10%
Energy at evening times	cents/kWh	3.71	3.95	0.24	7%	4	-10%
Energy at off-peak times	cents/kWh	2.02	2.15	0.13	7%	2	-10%
<b>103 LV TOU Capacity Network</b>							
Network access per connection point	cents/day	54.72	55.70	0.98	2%	57	-3%
Maximum demand charge	c/KVA/day	19.61	20.84	1.23	6%	20	4%
Capacity charge	c/KVA/day	19.61	20.84	1.23	6%	20	4%
Energy at business times	cents/kWh	6.72	7.16	0.44	7%	8	-10%
Energy at evening times	cents/kWh	3.71	3.95	0.24	7%	4	-10%
Energy at off-peak times	cents/kWh	2.02	2.15	0.13	7%	2	-10%
<b>106 LV Demand Network</b>							
Network access charge	cents/day	48.70	49.57	0.87	2%	51	-3%
Energy consumption	cents/kWh	4.38	4.68	0.30	7%	5	-8%
Peak period maximum demand	cents/kW/day	42.05	44.78	2.73	6%	43	5%
<b>HV Commercial tariffs</b>							
<b>111 HV TOU Demand Network</b>							
Network access per connection point	cents/day	2000	2036	35.70	2%	2100	-3%

Description	Unit	NUOS actual 2018/19	NUOS proposed 2019/20	Change 18/19 – 19/20 (units)	Change 18/19 - 19/20 (%)	NUOS indicative 2019/20	Change proposed 19/20 to indicative 19/20
Maximum demand charge	c/KVA/day	14.50	15.49	0.99	7%	15	3%
Capacity charge	c/KVA/day	14.50	15.49	0.99	7%	15	3%
Energy at business times	cents/kWh	5.35	5.72	0.37	7%	6	-10%
Energy at evening times	cents/kWh	3.04	3.25	0.21	7%	4	-10%
Energy at off-peak times	cents/kWh	1.77	1.89	0.12	7%	2	-10%
<b>121 HV TOU Demand Network – Customer LV</b>							
Network access per connection point	cents/day	2000	2036	35.70	2%	2100	-3%
Maximum demand charge	c/KVA/day	14.50	15.49	0.99	7%	15	3%
Capacity charge	c/KVA/day	14.50	15.49	0.99	7%	15	3%
Energy at business times	cents/kWh	4.80	5.13	0.33	7%	6	-12%
Energy at evening times	cents/kWh	2.84	3.03	0.19	7%	3	-12%
Energy at off-peak times	cents/kWh	1.71	1.82	0.11	7%	2	-12%
<b>122 HV TOU Demand Network – Customer HV and LV</b>							
Network access per connection point	cents/day	2000	2036	35.60	2%	2100	-3%
Maximum demand charge	c/KVA/day	13.00	13.92	0.92	7%	14	2%
Capacity charge	c/KVA/day	13.00	13.92	0.92	7%	14	2%
Energy at business times	cents/kWh	4.80	5.12	0.32	7%	6	-12%
Energy at evening times	cents/kWh	2.84	3.03	0.19	7%	3	-12%
Energy at off-peak times	cents/kWh	1.71	1.82	0.11	7%	2	-12%

## 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.<sup>59</sup>

**Table 4.3 Standard control service connection charges, 2019/20**

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Residential Estate Subdivision Services (per block)</b>				
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	\$1,775.56	\$1,953.12
582	Subdivision Electricity Distribution Network Reticulation - Category 1 Blocks 650 - 1100m2 with average linear frontage of 22-25 metres	per block	\$2,326.26	\$2,558.89
<b>Upstream augmentation (per kVA of capacity)</b>				
585	HV Feeder	\$/kVA	\$38.46	\$42.31
586	Distribution substation	\$/kVA	\$22.27	\$24.50

Note: The 2019/20 prices were calculated by applying CPI of 2.42% (consistent with the Final Decision<sup>60</sup>) to 2018/19 prices.

<sup>59</sup> Evoenergy 2018, *Revised Regulatory Proposal 2019–24*, Attachment 2: Connection policy, November 2018.

<sup>60</sup> 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

Metering charges are split into two components:

- a capital cost component that is applied to customers who were connected prior to 1 July 2015; and
- 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).

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.<sup>61</sup> Attachment 1 contains a table showing all 2019/20 NUOS tariff charges including metering charges.

#### 5.1.1 Metering non-capital charges for 2019/20

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, 2019/20**

Code	Description	Unit	GST exclusive price	GST inclusive price
MP1	Quarterly metering non-capital rate	c/day/NMI	4.44	4.88
MP2	Monthly non-interval metering non-capital rate	c/day/NMI	7.77	8.55
MP3	Monthly interval metering non-capital rate	c/day/NMI	7.77	8.55
MP4	Monthly manually-read interval metering non-capital rate	c/day/NMI	63.00	69.30
MP6	Quarterly manually-read interval metering non-capital rate	c/day/NMI	17.90	19.69

<sup>61</sup> AER 2019, *Evoenergy 2019–24 – Final Decision – Ancillary services cost build-up*, April 2019.

### 5.1.2 Metering capital charges for 2019/20

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.

As explained in section 2.4 the relatively large increase in metering capital charges in 2019/20 reflects the AER's final decision on the remittal for the 2014-19 regulatory period, in relation to the calculation of Evoenergy's metering revenue allowance.<sup>62</sup> (See Section 2.4.)

**Table 5.2 Metering capital charges, 2019/20**

Code	Description	Unit	GST exclusive price	GST inclusive price
MP7	Quarterly manually-read interval metering capital rate	c/day/NMI	9.02	9.92
MP8	Monthly non-interval metering capital rate	c/day/NMI	15.77	17.35
MP9	Monthly multi-register non-interval metering capital rate	c/day/NMI	15.77	17.35
MP10	Monthly manually-read interval metering capital rate	c/day/NMI	127.30	140.03

## 5.2 The structure and basis of Evoenergy's 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:<sup>63</sup>

- capital — metering asset base recovery; and
- non-capital — operating expenditure and tax.

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<sup>64</sup> 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 able to

<sup>62</sup> AER 2018, *Evoenergy 2014-19 electricity distribution determination, Final Decision*, November, p34-35

<sup>63</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-22.

<sup>64</sup> The final day Evoenergy was permitted to install meters under transitional arrangements.

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,<sup>65</sup> Type 4 meters became the standard electricity meter in the ACT for new connections and meter replacements from 1 December 2017<sup>66</sup>. This change affects the regulated metering charges applied to customers with Type 4 meters installed from 1 December 2017.

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
<ul style="list-style-type: none"> <li>Meter installed before 1/7/15</li> <li>Evoenergy continues to provide metering services</li> </ul>	Yes	No	No	Yes
<ul style="list-style-type: none"> <li>Meter installed before 1/7/15</li> <li>Customer requested new meter (e.g., for PV system)</li> <li>Evoenergy installed new meter (before 1/12/17)</li> <li>Evoenergy continues to provide metering services</li> </ul>	Yes	Yes	No	Yes
<ul style="list-style-type: none"> <li>Meter installed before 1/7/15</li> <li>Customer requested new meter (e.g., for PV system)</li> <li>Evoenergy installed new meter (before 1/12/17)</li> <li>Customer switches to another metering provider after 1/12/17</li> </ul>	Yes	Yes	No	No
<ul style="list-style-type: none"> <li>New meter (not a replacement) installed between 1/7/15 and 1/12/17</li> <li>Evoenergy continues to provide metering services</li> </ul>	No	Yes	Yes	Yes
<ul style="list-style-type: none"> <li>Meter is replaced (in accordance with law) between 1/7/15 and 1/12/17</li> <li>Evoenergy continues to provide metering services</li> </ul>	Yes	No	No	Yes
<ul style="list-style-type: none"> <li>Meter installed before 1/7/15</li> </ul>	Yes	No	No	No

<sup>65</sup> AEMC 2015, *National Electricity Amendment (Expanding competition in metering and related services) Rule 2015*, 26 November 2015.

<sup>66</sup> 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.

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
<ul style="list-style-type: none"> <li>Meter is replaced (in accordance with law) after 1/12/17 by Metering Coordinator</li> <li>Evoenergy does not provide metering services after meter is replaced</li> </ul>				
<ul style="list-style-type: none"> <li>New connection between 1/7/15 and 1/12/17</li> <li>Meter is replaced (in accordance with the law) after 1/12/17 by Metering Coordinator (not Evoenergy)</li> <li>Evoenergy does not provide metering services after meter is replaced</li> </ul>	No	Yes	Yes	No
<ul style="list-style-type: none"> <li>New connection from 1/12/17</li> <li>Evoenergy does not install the new meter</li> <li>Evoenergy does not provide metering services</li> </ul>	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.

### 5.3 Ancillary service charges

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

#### 5.3.1 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 2019/20 in accordance with the AER's Final Decision.<sup>67</sup>

<sup>67</sup> 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, 2019/20**

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Premise re-energisation - Existing network connection*</b>				
501	Re-energise premise – Business Hours	per visit	\$78.37	\$86.21
502	Re-energise premise – After Hours	per visit	\$97.85	\$107.64
<b>Premise De-energisation – Existing Network Connection</b>				
503	De-energise premise – Business Hours	per visit	\$78.37	\$86.21
505	De-energise premise for debt non-payment	per visit	\$156.75	\$172.43
<b>Meter investigations</b>				
504	Meter Test (Whole Current) – Business Hours	per test	\$313.50	\$344.85
510	Meter Test (CT/VT) – Business Hours	per test	\$470.38	\$517.42
<b>Special meter services</b>				
506	Special meter read	per read	\$33.91	\$37.30
<b>Power of Choice services</b>				
515	Move, remove, inspect or reconfigure meter	per movement, inspection or re-configure	\$156.75	\$172.43
516	Establish temporary/permanent supply	per establishment	\$117.56	\$129.32
517	Faults investigation (meter malfunction)	per investigation	\$117.56	\$129.32
518	Faults investigation (meter bypassed)	per investigation	\$156.75	\$172.43
519	Faults investigation (customer's side of network boundary)	per investigation	\$78.37	\$86.21
<b>Temporary Network Connections</b>				
520	Temporary Builders' Supply – Overhead (Business Hours)	per installation	\$509.49	\$560.44
522	Temporary Builders' Supply – Underground (Business Hours)	per installation	\$979.73	\$1,077.70
<b>New Network Connections</b>				
523	New Underground Service Connection – Greenfield	per installation	\$0.00	\$0.00
526	New Overhead Service Connection – Brownfield (Business Hours)	per installation	\$745.30	\$819.83

Code	Description	Unit	GST exclusive price	GST inclusive price
527	New Underground Service Connection – Brownfield from Front	per installation	\$1,214.85	\$1,336.34
528	New Underground Service Connection – Brownfield from Rear	per installation	\$1,214.85	\$1,336.34
<b>Network Connection Alterations and Additions</b>				
541	Overhead Service Relocation – Single Visit (Business Hours)	per installation	\$626.99	\$689.69
542	Overhead Service Relocation – Two Visits (Business Hours)	per installation	\$1,253.99	\$1,379.39
543	Overhead Service Upgrade – Service Cable Replacement Not Required	per installation	\$626.99	\$689.69
544	Overhead Service Upgrade – Service Cable Replacement Required	per installation	\$666.23	\$732.85
545	Underground Service Upgrade – Service Cable Replacement Not Required	per installation	\$470.25	\$517.28
546	Underground Service Upgrade – Service Cable Replacement Required	per installation	\$1,214.85	\$1,336.34
547	Underground Service Relocation – Single Visit (Business Hours)	per installation	\$1,214.85	\$1,336.34
548	Install surface mounted point of entry (POE) box	per installation	\$575.39	\$632.93
549	Overhead Service Temporary Disconnect Reconnect same day (Business Hours)	per installation	\$940.49	\$1,034.54
<b>Temporary Network Infrastructure De-energisation</b>				
560	LV temporary network infrastructure de-energisation (Business Hours)	per occurrence	\$626.99	\$689.69
561	HV temporary network infrastructure de-energisation (Business Hours)	per occurrence	\$626.99	\$689.69
<b>Supply Abolishment / Removal</b>				
562	Supply Abolishment / Removal – Overhead (Business Hours)	per site visit	\$470.25	\$517.28
563	Supply Abolishment / Removal - Underground (Business Hours)	per site visit	\$1,175.61	\$1,293.17

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Miscellaneous Customer Initiated Services</b>				
564	Install & Remove Tiger Tails – Establishment (Business Hours)	per installation	\$1,174.82	\$1,292.30
565	Install & Remove Tiger Tails - Per Span (Business Hours)	per installation	\$1,808.37	\$1,989.21
566	Install & Remove Warning Flags – Installation (Business Hours)	per installation	\$1,174.82	\$1,292.30
567	Install & Remove Warning Flags – Per span (Business Hours)	per installation	\$1,565.36	\$1,721.90
<b>Operational &amp; Maintenance Fees - Export Only Embedded Generation Installations up to 5MW</b>				
568	Embedded Generation OPEX Fees - Connection Assets	per annum	2%	2%
569	Embedded Generation OPEX Fees - Shared Network Asset	per annum	2%	2%
<b>Connection Enquiry Processing - Embedded Generation Installations</b>				
570	Embedded Generation Connection Enquiry – Class 1 (Commercial)	per installation	\$431.05	\$474.16
596	Embedded Generation Connection Enquiry – Class 2	per installation	\$538.81	\$592.69
597	Embedded Generation Connection Enquiry – Class 3	per installation	\$646.57	\$711.23
598	Embedded Generation Connection Enquiry – Class 4	per installation	\$754.33	\$829.76
599	Embedded Generation Connection Enquiry – Class 5	per installation	\$862.10	\$948.31
600	Embedded Generation Connection Enquiry – Class 6	per installation	\$969.86	\$1,066.85
<b>Network Design &amp; Investigation / Analysis Services - Embedded Generation Installations</b>				
574	Embedded Generation Network Technical Study - Class 1 (Commercial)	per installation	\$1,724.19	\$1,896.61
575	Embedded Generation Network Technical Study - Class 2	per installation	\$3,448.38	\$3,793.22
576	Embedded Generation Network Technical Study - Class 3	per installation	\$6,896.77	\$7,586.45
577	Embedded Generation Network Technical Study - Class 4	per installation	\$10,345.15	\$11,379.67
578	Embedded Generation Network Technical Study - Class 5	per installation	\$13,793.53	\$15,172.88

Code	Description	Unit	GST exclusive price	GST inclusive price
579	Embedded Generation - Network Technical Study - Class 6	per installation	\$17,241.92	\$18,966.11
<b>Contract Administration, Commissioning and Testing - Embedded generation installations up to 5MW</b>				
669	Embedded Generation - Connection Contract Establishment - Class 1 (Commercial) to Class 6	per establishment	\$3,448.38	\$3,793.22
<b>Provision of Data for Network Technical Study - Embedded generation installations over 5MW</b>				
670	Embedded Generator Network Technical Study - Embedded Generation over 5MW	per provision	\$17,241.92	\$18,966.11
<b>Rescheduled Site Visits</b>				
590	Rescheduled Site Visit – One Person	per site visit	\$156.75	\$172.43
591	Rescheduled Site Visit – Service Team	per site visit	\$674.33	\$741.76
<b>Trenching charges</b>				
592	Trenching - first 2 meters	per visit	\$559.78	\$615.76
593	Trenching - subsequent meters	per meter	\$130.18	\$143.20
<b>Boring charges</b>				
594	Under footpath	per occurrence	\$1,015.42	\$1,116.96
595	Under driveway	per occurrence	\$1,210.69	\$1,331.76
<b>Cable Testing</b>				
603	Spiking/Cable Testing (Business Hours) - Evoenergy network cables only	per test	\$922.29	\$1,014.52
604	Spiking/Cable Testing (After Hours) - Evoenergy network cables only	per test	\$1,186.92	\$1,305.61
<b>Testing of Substation HV/LV Earthing or Soil Resistivity</b>				
605	Substation HV/LV Earthing/Soil Resistivity Testing (Business Hours)	per test	\$1,087.68	\$1,196.45
606	Substation HV/LV Earthing/Soil Resistivity Testing (After Hours)	per test	\$1,418.47	\$1,560.32
<b>Termination of Consumer Mains - up to 50mm<sup>2</sup> Al or Cu - Note 1</b>				
607	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	\$1,279.38	\$1,407.32
608	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	\$1,610.16	\$1,771.18

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Termination of Consumer Mains - Above 50mm<sup>2</sup> Cu or Al - Note 1</b>				
609	1x 4 Core Or 4x 1 Core (1 Set) Consumer Mains (Business Hours)	per termination	\$1,610.16	\$1,771.18
610	1x 4 Core Or 4x 1 Core(1 Set) Consumer Mains (After Hours)	per termination	\$2,073.27	\$2,280.60
611	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (Business Hours)	per termination	\$1,940.95	\$2,135.05
612	2 x 4 Core Or 8 x 1 Core (2 Set) Consumer Mains (After Hours)	per termination	\$2,536.37	\$2,790.01
613	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (Business Hours)	per termination	\$2,271.74	\$2,498.91
614	3 x 4 Core Or 12 x 1 Core (3 Set) Consumer Mains (After Hours)	per termination	\$2,999.47	\$3,299.42
615	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (Business Hours)	per termination	\$2,437.13	\$2,680.84
616	4 x 4 Core Or 16 x 1 Core (4 Set) Consumer Mains (After Hours)	per termination	\$3,231.02	\$3,554.12
<b>LV Underground Network Disconnection (permanent disconnection of existing network)</b>				
617	Including Capping/Abandoning - Underground (Business Hours)	per disconnection or per visit	\$1,775.56	\$1,953.12
618	Including Capping/Abandoning - Underground (After Hours)	per disconnection or per visit	\$2,304.82	\$2,535.30
<b>Consumer Mains Disconnection at Evoenergy Network Asset such as Point of Entry/Substation</b>				
619	Temporary or Permanent Consumer Mains as a Separate Request (Business Hours)	per disconnection or per visit	\$1,775.56	\$1,953.12
620	Temporary or Permanent Consumer Mains as a Separate Request (After Hours)	per disconnection or per visit	\$2,304.82	\$2,535.30
<b>Substation Supervised Access</b>				
621	1- 4 (Business Hours)	per visit per substation	\$1,122.78	\$1,235.06
622	1- 4 (After Hours)	per visit per substation	\$1,453.57	\$1,598.93
623	4- 8 (Business Hours)	per visit per substation	\$1,784.36	\$1,962.80

Code	Description	Unit	GST exclusive price	GST inclusive price
624	4- 8 (After Hours)	per visit per substation	\$2,379.78	\$2,617.76
<b>Temporary De-energisation/Isolation of Overhead LV Network</b>				
625	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,415.97	\$1,557.57
626	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,812.92	\$1,994.21
<b>Temporary De-energisation/Isolation of Overhead HV Network – Note 2</b>				
627	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,550.39	\$2,805.43
628	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$3,211.97	\$3,533.17
<b>Temporary De-energisation/Isolation of Underground/Overhead SLCC supply – Note 3</b>				
629	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$626.60	\$689.26
630	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$758.92	\$834.81
<b>Temporary De-energisation/Isolation of Underground HV Or LV Network – Note 3</b>				
631	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,250.58	\$1,375.64
632	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,581.37	\$1,739.51
<b>Temporary De-energisation/Isolation of Underground HV Network – Note 4</b>				
633	Business Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$1,746.76	\$1,921.44
634	After Hours Work - Per isolation or de-energisation and re-energisation on a same day	per day	\$2,276.02	\$2,503.62
<b>Temporary Pole Support Work - Using Lifter/Borer – Note 5</b>				
635	Business Hours Work	Per pole support per day as well as per visit	\$3,608.94	\$3,969.83
636	After Hours Work	Per pole support per day as well as per visit	\$4,208.87	\$4,629.76

Code	Description	Unit	GST exclusive price	GST inclusive price
<b>Temporary Pole Support Work - Using Concrete Blocks – Note 5</b>				
637	Business Hours Work	per Pole per Installation as well as per visit	\$2,771.26	\$3,048.39
638	After Hours Work	per Pole per Installation as well as per visit	\$3,172.72	\$3,489.99
<b>Pole Stay Replacement</b>				
639	With Standard Stay -Business Hours	per pole stay	\$4,012.80	\$4,414.08
640	With Standard Stay -After Hours	per pole stay	\$4,941.43	\$5,435.57
641	With Side Walk Stay -Business Hours	per pole stay	\$4,729.25	\$5,202.18
642	With Side Walk Stay -After Hours	per pole stay	\$5,671.06	\$6,238.17
<b>LVABC Replacement</b>				
643	1 Span- Business Hours	per installation	\$9,301.19	\$10,231.31
644	1 Span - After Hours	per installation	\$11,947.50	\$13,142.25
645	2 Span- Business Hours	per installation	\$13,844.33	\$15,228.76
646	2 Span - After Hours	per installation	\$17,615.31	\$19,376.84
647	3 Span- Business Hours	per installation	\$18,261.47	\$20,087.62
648	3 Span - After Hours	per installation	\$23,090.97	\$25,400.07
649	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - Business Hours	per installation	\$1,245.78	\$1,370.36
650	Cut & Shackle for LVABC Replacement - Per Cross arm One Direction - After Hours	per installation	\$1,572.05	\$1,729.26
651	Installation of LV Fuse Switch Disconnecter for LVABC Replacement Work- Business Hours	per installation	\$1,432.57	\$1,575.83
652	Installation of LV Fuse Switch Disconnecter for LVABC Replacement Work- After Hours	per installation	\$1,758.84	\$1,934.72
653	Installation of LV termination cross- arm for LVABC Replacement Work - Business Hours	per installation	\$1,449.21	\$1,594.13
654	Installation of LV termination cross- arm for LVABC	per installation	\$1,813.08	\$1,994.39

Code	Description	Unit	GST exclusive price	GST inclusive price
	Replacement Work - After Hours			
655	Installation of LV double strain cross -arm for LVABC Replacement Work - Business Hours	per installation	\$1,662.30	\$1,828.53
656	Installation of LV double strain cross -arm for LVABC Replacement Work - After Hours	per installation	\$2,220.12	\$2,442.13
657	1 Way 630A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - Business Hours	per installation	\$763.70	\$840.07
658	1 Way 630A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - After Hours	per installation	\$829.86	\$912.85
659	1 Way 1000A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - Business Hours	per installation	\$873.65	\$961.02
660	1 Way 1000A Weber Fuse Switch Disconnecter Installation for consumer mains termination work - After Hours	per installation	\$939.80	\$1,033.78
661	1 Way 1250A Jean Muller Installation for consumer mains termination work - Business Hours	per installation	\$4,098.13	\$4,507.94
662	1 Way 1250A Jean Muller Installation for consumer mains termination work - After Hours	per installation	\$4,197.37	\$4,617.11
663	1 Way Weber POE Kit Installation for consumer mains termination work- Business Hours	per installation	\$2,493.45	\$2,742.80
664	1 Way Weber POE Kit Installation for consumer mains termination work- After Hours	per installation	\$2,559.61	\$2,815.57
665	3 Way Weber POE Kit Installation for consumer mains termination work - Business Hours	per installation	\$3,253.57	\$3,578.93
666	3 Way Weber POE Kit Installation for consumer mains termination work - After Hours	per installation	\$3,319.73	\$3,651.70

Code	Description	Unit	GST exclusive price	GST inclusive price
667	Holec Fuse Kit Installation for Termination of Consumer Mains - Business Hours	per installation	\$290.41	\$319.45
668	Holec Fuse Kit Installation for Termination of Consumer Mains - After Hours	per installation	\$356.57	\$392.23

#### 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 – 2019/20 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

### 5.3.2 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,<sup>68</sup> which was unchanged in the Final Decision.<sup>69</sup>

Price = Labour + Contractor Services + Materials

The labour component is based on the Final Decision maximum raw labour rates<sup>70</sup> for 2019/20. The 2019/20 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 2019/20 hourly rates*
Office support service delivery	Admin	\$111.03
Electrical apprentice	Field Worker	\$151.11
Electrical worker	Technician	\$156.75
Electrical worker - labourer	Field Worker	\$149.46
Project officer design section	Engineer	\$187.89
Senior technical officer/engineer design section	Senior Engineer	\$215.52

\*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."<sup>71</sup>

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.

- 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.<sup>72</sup>

<sup>68</sup> AER 2018, *Draft Decision Evoenergy Distribution Determination 2019 to 2024*, Attachment 13, September 2018, p. 13-17 (accepted in the AER's Final Decision).

<sup>69</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 13 Control Mechanisms, April 2019, p. 13-5.

<sup>70</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024*, Attachment 15 Alternative control services, April 2019, p. 15-20.

<sup>71</sup> AER 2019, *Final Decision – Evoenergy Distribution Determination 2019 to 2024, Attachment 15: Alternative Control Services*, April 2019, page 15-20

<sup>72</sup> 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<sup>73</sup>.

### 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<sup>74</sup>.

### 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 constraints, which limit annual price movements within a tariff class, are also retained.

The results for avoidable and stand-alone costs are shown in Table 6.1. 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 2019/20 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	\$15,262,688	\$58,635,318	\$130,063,398
Commercial Low Voltage	\$8,324,065	\$72,641,054	\$123,124,775
High Voltage	\$585,501	\$7,693,819	\$115,386,211

### 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:

<sup>73</sup> *National Electricity Rules*, Clause 6.18.5

<sup>74</sup> 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.<sup>75</sup>

Evoenergy has carefully considered consumer impacts in developing the network tariffs for 2019/20.

The proposed 2019/20 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 \$0.91 per week (excluding GST), a real increase of 4.9 per cent<sup>76</sup> (6.8 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 \$4.88 per week (excluding GST) implying an increase of 5.1 per cent in real terms<sup>77</sup> (7.0 per cent nominal increase). The annual change in the network bill (by network bill component) is shown in Figure 6.2.

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<sup>75</sup> AEMC 2014, *National Electricity Amendment (Distribution Network Pricing Arrangements) Rule 2014, Rule Determination*, p. 12.

<sup>76</sup> This real bill impact is calculated using CPI of 1.78 per cent (December quarter 2018 CPI /December quarter 2017 CPI).

<sup>77</sup> Ibid.

**Figure 6.1 Actual 2018/19 and proposed 2019/20 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 2018/19 and proposed 2019/20 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 recently introduced kW demand tariffs<sup>78</sup>.

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 feed-in tariff 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.<sup>79</sup> In accordance with the ACT Government's legislative requirements and subsequent correspondence with the ACT Government, Evoenergy will spread its repayment of the 2017/18 large scale FiT closing balance across three years, commencing in 2018/19.

To give effect to the three year repayment for the large scale FiT, the ACT Government has to date issued two reasonable costs determinations which cover the first two years of the repayment period. The first reasonable costs determination was issued in March 2018, which determined Evoenergy's costs for 2018/19. The second reasonable costs determination was issued in January 2019, which determines Evoenergy's costs for 2019/20. 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 and 2019/20 (current) Pricing Proposals.

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

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<sup>78</sup> <https://www.evoenergy.com.au/residents/pricing-and-tariffs/peak-demand-tariffs>

<sup>79</sup> *Electricity Feed-in (Large-scale Renewable Energy Generation) (Reasonable Costs Methodology) Determination 2018* (ACT), Notifiable Instrument NI2018-130.

# Attachment 1: 2019/20 NUOS tariff charges

Table A. 1 sets out Evoenergy's proposed charges for 2019/20 including metering capital and non-capital charges. Table 4.1 set out the proposed 2019/20 prices (and forecast revenue) for NUOS components: DUOS, TUOS, and Jurisdictional Schemes. The table below (A. 1) adds proposed metering capital and non-capital charges to these NUOS charges.

**Table A. 1 2019/20 NUOS tariff charges, including metering (nominal)**

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
<b>Residential Tariffs</b>					
<b>010 Residential Basic Network</b>					
Network access charge	cents/day	27.105	9.020	4.440	40.565
Energy at any time	cents/kWh	7.894			7.894
<b>011 Residential Basic Network XMC*</b>					
Network access charge	cents/day	27.105		4.440	31.545
Energy at any time	cents/kWh	7.894			7.894
<b>015 Residential TOU Network</b>					
Network access charge	cents/day	27.105	9.020	4.440	40.565
Energy consumption at max times	cents/kWh	14.131			14.131
Energy consumption at mid times	cents/kWh	6.438			6.438
Energy consumption at economy times	cents/kWh	3.154			3.154
<b>016 Residential TOU Network XMC</b>					
Network access charge	cents/day	27.105		4.440	31.545
Energy consumption at max times	cents/kWh	14.131			14.131
Energy consumption at mid times	cents/kWh	6.438			6.438
Energy consumption at economy times	cents/kWh	3.154			3.154
<b>020 Residential 5000 Network</b>					
Network access charge	cents/day	48.989	9.020	4.440	62.449
Energy consumption for the first 60 kWh per day	cents/kWh	6.539			6.539
Energy consumption above 60 kWh per day	cents/kWh	7.895			7.895
<b>021 Residential 5000 Network XMC</b>					
Network access charge	cents/day	48.989		4.440	53.429
Energy consumption for the first 60 kWh per day	cents/kWh	6.539			6.539
Energy consumption above 60 kWh per day	cents/kWh	7.895			7.895

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
<b>025 Residential Demand Network</b>					
Network access charge	cents/day	27.104	9.020	4.440	40.564
Energy consumption	cents/kWh	3.155			3.155
Peak period maximum demand	c/kW/day	15.287			15.287
<b>026 Residential Demand Network XMC</b>					
Network access charge	cents/day	27.104		4.440	31.544
Energy consumption	cents/kWh	3.155			3.155
Peak period maximum demand	c/kW/day	15.287			15.287
<b>030 Residential with Heat Pump Network</b>					
Network access charge	cents/day	93.061	9.020	4.440	106.521
Energy consumption for the first 165 kWh per day	cents/kWh	4.997			4.997
Energy consumption above 165 kWh per day	cents/kWh	7.894			7.894
<b>031 Residential with Heat Pump Network XMC</b>					
Network access charge	cents/day	93.061		4.440	97.501
Energy consumption for the first 165 kWh per day	cents/kWh	4.997			4.997
Energy consumption above 165 kWh per day	cents/kWh	7.894			7.894
<b>060 Off-Peak (1) Night Network</b>					
Energy at controlled times	cents/kWh	2.170			2.170
<b>070 Off-Peak (3) Day &amp; Night Network</b>					
Energy at controlled times	cents/kWh	3.336			3.336
<b>LV Commercial Tariffs</b>					
<b>040 General Network</b>					
Network access charge	cents/day	49.569	15.770	7.770	73.109
Energy consumption for the first 330 kWh per day	cents/kWh	12.039			12.039
Energy consumption above 330 kWh per day	cents/kWh	15.639			15.639
<b>041 General Network XMC</b>					
Network access charge	cents/day	49.569		7.770	57.339
Energy consumption for the first 330 kWh per day	cents/kWh	12.039			12.039
Energy consumption above 330 kWh per day	cents/kWh	15.639			15.639
<b>135 Small Unmetered Loads Network</b>					

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Network access charge	cents/day	40.307			40.307
Energy consumption	cents/kWh	12.247			12.247
<b>080 Streetlighting Network</b>					
Network access charge	cents/day	49.874	15.770	7.770	73.414
Energy consumption	cents/kWh	8.361			8.361
<b>081 Streetlighting Network XMC</b>					
Network access charge	cents/day	49.874		7.770	57.644
Energy consumption	cents/kWh	8.361			8.361
<b>090 General TOU Network</b>					
Network access charge	cents/day	49.569	15.770	7.770	73.109
Energy consumption at business times	cents/kWh	18.975			18.975
Energy consumption at evening times	cents/kWh	8.603			8.603
Energy consumption at off-peak times	cents/kWh	3.890			3.890
<b>091 General TOU Network XMC</b>					
Network access charge	cents/day	49.569		7.770	57.339
Energy consumption at business times	cents/kWh	18.975			18.975
Energy consumption at evening times	cents/kWh	8.603			8.603
Energy consumption at off-peak times	cents/kWh	3.890			3.890
<b>101 LV TOU kVA Demand Network</b>					
Network access charge per connection point	cents/day	55.695	127.300	63.000	245.995
Maximum demand charge	c/KVA/day	45.046			45.046
Energy consumption at business times	cents/kWh	7.164			7.164
Energy consumption at evening times	cents/kWh	3.954			3.954
Energy consumption at off-peak times	cents/kWh	2.152			2.152
<b>103 LV TOU Capacity Network</b>					
Network access charge per connection point	cents/day	55.695	127.300	63.000	245.995
Maximum demand charge	c/KVA/day	20.844			20.844
Capacity charge	c/KVA/day	20.844			20.844
Energy consumption at business times	cents/kWh	7.163			7.163
Energy consumption at evening times	cents/kWh	3.954			3.954
Energy consumption at off-peak times	cents/kWh	2.153			2.153
<b>104 LV TOU kVA Demand Network XMC</b>					
Network access charge per connection point	cents/day	55.695		63.000	118.695

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Maximum demand charge	c/KVA/day	45.046			45.046
Energy consumption at business times	cents/kWh	7.164			7.164
Energy consumption at evening times	cents/kWh	3.954			3.954
Energy consumption at off-peak times	cents/kWh	2.152			2.152
<b>105 LV TOU Capacity Network XMC</b>					
Network access charge per connection point	cents/day	55.695		63.000	118.695
Maximum demand charge	c/KVA/day	20.844			20.844
Capacity charge	c/KVA/day	20.844			20.844
Energy consumption at business times	cents/kWh	7.163			7.163
Energy consumption at evening times	cents/kWh	3.954			3.954
Energy consumption at off-peak times	cents/kWh	2.153			2.153
<b>106 LV Demand Network</b>					
Network access charge	cents/day	49.569	15.770	7.770	73.109
Energy consumption	cents/kWh	4.682			4.682
Peak period maximum demand	c/kW/day	44.776			44.776
<b>107 LV Demand Network XMC</b>					
Network access charge	cents/day	49.569		7.770	57.339
Energy consumption	cents/kWh	4.682			4.682
Peak period maximum demand	c/kW/day	44.776			44.776
<b>HV Commercial Tariffs</b>					
<b>111 HV TOU Demand Network</b>					
Network access charge per connection point	\$/day	20.357			20.357
Maximum demand charge	c/KVA/day	15.490			15.490
Capacity charge	c/KVA/day	15.490			15.490
Energy consumption at business times	cents/kWh	5.718			5.718
Energy consumption at evening times	cents/kWh	3.248			3.248
Energy consumption at off-peak times	cents/kWh	1.891			1.891
<b>121 HV TOU Demand Network – Customer LV</b>					
Network access charge per connection point	\$/day	20.357			20.357
Maximum demand charge	c/KVA/day	15.490			15.490
Capacity charge	c/KVA/day	15.490			15.490
Energy consumption at business times	cents/kWh	5.125			5.125
Energy consumption at evening times	cents/kWh	3.032			3.032

Description	Units	Network Charges excl. metering	Metering Capital	Metering non capital	Network Charges incl. metering
Energy consumption at off-peak times	cents/kWh	1.825			1.825
<b>122 HV TOU Demand Network – Customer HV and LV</b>					
Network access charge per connection point	\$/day	20.357			20.357
Maximum demand charge	c/KVA/day	13.922			13.922
Capacity charge	c/KVA/day	13.922			13.922
Energy consumption at business times	cents/kWh	5.125			5.125
Energy consumption at evening times	cents/kWh	3.031			3.031
Energy consumption at off-peak times	cents/kWh	1.825			1.825

\* XMC tariffs exclude metering capital charges.

## Attachment 2: Indicative NUOS tariffs for future regulatory years

Table A. 2 sets out Evoenergy's proposed charges for 2019/20 and indicative NUOS charges (excluding metering) for the future regulatory years of the 2019-24 regulatory control period.

**Table A. 2 Indicative NUOS charges (excluding metering) for future regulatory years (nominal): proposed 2019/20 and indicative 2020/21-2023/24**

Tariff	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
<b>010 Residential Basic Network</b>						
Network access charge	c/ day	27.11	27.93	28.78	29.65	30.55
Energy consumption	c/kWh	7.89	7.90	7.50	7.40	7.24
<b>015 Residential TOU Network</b>						
Network access charge	c/day	27.11	27.93	28.78	29.65	30.55
Energy consumption at max times	c/kWh	14.13	14.12	13.38	13.19	12.87
Energy consumption at mid times	c/kWh	6.44	6.43	6.09	6.00	5.85
Energy consumption at economy times	c/kWh	3.15	3.15	2.99	2.94	2.87
<b>020 Residential 5000 Network</b>						
Network access charge	c/day	48.99	50.48	52.01	53.59	55.22
Energy consumption for the first 60 kWh per day	c/kWh	6.54	6.52	6.13	6.02	5.84
Energy consumption above 60 kWh per day	c/kWh	7.90	7.90	7.50	7.40	7.24
<b>025 Residential Demand Network</b>						
Network access charge	c/day	27.10	27.93	28.78	29.65	30.55
Energy consumption	c/kWh	3.16	3.14	2.96	2.90	2.82
Peak period maximum demand	c/kW	15.29	15.25	14.38	14.13	13.73
<b>030 Residential with Heat Pump Network</b>						
Network access charge	c/day	93.06	95.89	98.80	101.81	104.90
Energy consumption for the first 165 kWh per day	c/kWh	5.00	4.96	4.62	4.50	4.33
Energy consumption above 165 kWh per day	c/kWh	7.89	7.90	7.50	7.40	7.24
<b>040 General Network</b>						
Network access charge	c/day	49.57	51.08	52.63	54.23	55.88
Energy consumption for the first 330 kWh per day	c/kWh	12.04	12.05	11.46	11.31	11.07
Energy consumption above 330 kWh per day	c/kWh	15.64	15.65	14.88	14.69	14.37
<b>135 Small Unmetered Loads Network</b>						
Network access charge	c/day	40.31	41.53	42.79	44.10	45.44
Energy consumption	c/kWh	12.25	12.28	11.76	11.66	11.46

Tariff	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
<b>060 Off-Peak (1) Night Network</b>						
Energy consumption	c/kWh	2.17	2.17	2.08	2.06	2.02
<b>070 Off-Peak (3) Day &amp; Night Network</b>						
Energy consumption	c/kWh	3.34	3.34	3.19	3.16	3.10
<b>080 Streetlighting Network</b>						
Network access charge	c/day	49.87	51.39	52.95	54.56	56.22
Energy consumption	c/kWh	8.36	8.39	8.06	8.00	7.89
<b>090 General TOU Network</b>						
Network access charge	c/day	49.57	51.08	52.63	54.23	55.88
Energy consumption at business times	c/kWh	18.98	19.03	18.22	18.05	17.73
Energy consumption at evening times	c/kWh	8.60	8.62	8.24	8.16	8.02
Energy consumption at off-peak times	c/kWh	3.89	3.90	3.73	3.69	3.63
<b>101 LV TOU kVA Demand Network</b>						
Network access charge per connection point	c/day	55.70	57.39	59.13	60.93	62.78
Maximum demand charge	c/KVA/day	45.05	45.22	43.40	43.06	42.40
Energy consumption at business times	c/kWh	7.16	7.19	6.90	6.84	6.74
Energy consumption at evening times	c/kWh	3.95	3.97	3.81	3.78	3.72
Energy consumption at off-peak times	c/kWh	2.15	2.16	2.07	2.06	2.03
<b>103 LV TOU Capacity Network</b>						
Network access charge per connection point	c/day	55.70	57.39	59.13	60.93	62.78
Maximum demand charge	c/KVA/day	20.84	20.94	20.14	20.01	19.72
Capacity charge	c/KVA/day	20.84	20.94	20.14	20.01	19.72
Energy consumption at business times	c/kWh	7.16	7.19	6.89	6.84	6.74
Energy consumption at evening times	c/kWh	3.95	3.97	3.81	3.78	3.72
Energy consumption at off-peak times	c/kWh	2.15	2.16	2.07	2.06	2.03
<b>106 LV Demand Network</b>						
Network access charge	c/day	49.57	51.08	52.63	54.23	55.88
Energy consumption	c/kWh	4.68	4.69	4.49	4.45	4.38
Peak period maximum demand	c/kW/day	44.78	44.93	43.09	42.71	42.01
<b>111 HV TOU Demand Network</b>						
Network access charge per connection point	\$/day	20.36	20.98	21.61	22.27	22.95
Maximum demand charge	c/KVA/day	15.49	15.54	14.87	14.74	14.50
Capacity charge	c/KVA/day	15.49	15.54	14.87	14.74	14.50

Tariff	Unit	2019/20	2020/21	2021/22	2022/23	2023/24
Energy consumption at business times	c/kWh	5.72	5.73	5.46	5.41	5.31
Energy consumption at evening times	c/kWh	3.25	3.25	3.10	3.07	3.02
Energy consumption at off-peak times	c/kWh	1.89	1.89	1.81	1.79	1.76
<b>121 HV TOU Demand Network – Customer LV</b>						
Network access charge per connection point	\$/day	20.36	20.98	21.61	22.27	22.95
Maximum demand charge	c/KVA/day	15.49	15.54	14.87	14.74	14.50
Capacity charge	c/KVA/day	15.49	15.54	14.87	14.74	14.50
Energy consumption at business times	c/kWh	5.13	5.14	4.91	4.86	4.77
Energy consumption at evening times	c/kWh	3.03	3.04	2.90	2.88	2.83
Energy consumption at off-peak times	c/kWh	1.83	1.83	1.75	1.73	1.70
<b>122 HV TOU Demand Network – Customer HV and LV</b>						
Network access charge per connection point	\$/day	20.36	20.98	21.61	22.27	22.95
Maximum demand charge	c/KVA/day	13.92	13.94	13.30	13.15	12.90
Capacity charge	c/KVA/day	13.92	13.94	13.30	13.15	12.90
Energy consumption at business times	c/kWh	5.13	5.14	4.91	4.86	4.77
Energy consumption at evening times	c/kWh	3.03	3.04	2.90	2.88	2.82
Energy consumption at off-peak times	c/kWh	1.83	1.83	1.75	1.73	1.70

## 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
<b>6.18.2 Pricing proposals</b>	
(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 2018/19 and 2019/20.
(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 2019/20 other than 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 2018/19 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 2019/20 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 demonstrates the variation between the proposed 2019/20 charges and the indicative

Requirement	Coverage in this document
<p>indicative pricing schedule, or explain any material differences between them; and</p> <p>(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.</p>	<p>2019/20 charges set out in the second Revised TSS.</p> <p>The nature and extent of the change in network tariffs is outlined in section 4.5.</p>
<p><b>6.18.5 Pricing principles</b></p>	
<p>(e) For each tariff class, the revenue expected to be recovered must lie on or between:</p> <p>(1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and</p> <p>(2) a lower bound representing the avoidable cost of not serving those retail customers.</p>	<p>Section 6.2</p>
<p>(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:</p> <p>(1) the costs and benefits associated with calculating, implementing and applying that method as proposed;</p> <p>(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</p> <p>(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.</p>	<p>Section 6.1</p>
<p>(g) The revenue expected to be recovered from each tariff must:</p> <p>(1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff;</p> <p>(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</p> <p>(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).</p>	<p>Section 6.3 and Table 4.1.</p>
<p>(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:</p> <p>(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);</p>	<p>Section 6.4</p>

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