



Jemena Electricity Networks (Vic) Ltd

A proposal for setting electricity distribution service prices

1 January 2021 to 30 June 2021



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Glossary

2021-26 regulatory proposal	A regulatory proposal developed in accordance with the National Electricity Rule for the next regulatory period
2016-20 Decision	The Australian Energy Regulator's 2016-20 Final Decision for Jemena Electricity Networks (Vic) Ltd
Current regulatory period	The regulatory control period covering 1 January 2016 to 31 December 2020
F-factor scheme	The fire start incentive scheme outlined in the <i>F-factor scheme order 2016</i>
Intervening period	The six months between the end of the current regulatory period and beginning of the next regulatory period covering 1 Jan 2021 to 30 Jun 2021
Intervening period proposal, this proposal	A regulatory proposal developed for the intervening period
Minister	Victorian Minister for Energy, Environment and Climate Change
Next regulatory period	The regulatory control period covering 1 July 2021 to 30 June 2026
Regulatory Year	Has the same meaning as outlined in Chapter 10 of the National Electricity Rules
ROR Instrument	The AER's Rate of Return Instrument published in December 2018
Smart metering services	Installation, operation, repair & maintenance, and replacement of type 5-6 metering installations (including smart meters) ¹

¹ As defined in AER, *Final Decision, Jemena distribution determination 2016 to 2020 Attachment 13 – Classification of services*, May 2016

Abbreviations

ABS	Australian Bureau of Statistics
ACS	Alternative Control Services
AER	Australian Energy Regulator
ANS	Ancillary Network Services
CAM	Cost Allocation Methodology
CY	Calendar year
CESS	Capital Expenditure Sharing Scheme
DAE	Deloitte Access Economics
DELWP	Department of Land Water and Planning
DMIA	Demand Management Incentive Allowance
DMIS	Demand Management Incentive Scheme
DNISP	Distribution Network Service Provider
EBSS	Efficiency Benefits Sharing Scheme
EDC	Electricity Distribution Code
EDPR	Electricity Distribution Price Review
ENA	Energy Networks Australia
ECA	Energy Consumer's Australia
F&A	Framework and Approach
FY	Financial Year
GSL	Guaranteed Service Level
IAP2	International Association for Public Participation
IRU	Ignition Risk Unit
JEN	Jemena Electricity Networks (Vic) Ltd
MAB	Metering Asset Base
NEL	National Electricity Law
NER	National Electricity Rules
NEVA	National Electricity (Victoria) Act 2005
PTRM	Post Tax Revenue Model
RAB	Regulated Asset Base
SCS	Standard Control Service
STPIS	Service Target Performance Incentive Scheme

Overview

Jemena Electricity Networks (Vic) Ltd (**JEN**) is one of five licenced electricity distribution networks operating in Victoria. We are the sole distributor of electricity in north-west greater Melbourne and our distribution area covers approximately 12 per cent of the Victorian population. We build and manage the infrastructure that transports electricity through more than 950 square kilometres of Melbourne's north-west suburbs, and provide energy to support homes, businesses and critical infrastructure such as Melbourne Airport. Our role is to deliver electricity when and where our customers need it.

Figure OV–1: Jemena Electricity Network's licenced electricity distribution area



Our business is subject to economic regulation. Specifically, the Australian Energy Regulator (**AER**) determines our revenue requirement for the services we provide under Chapter 6 of the National Electricity Rules (**NER**) and to date, this has occurred on a five calendar year (**CY**) period. The AER's most recent price determination sets our revenue requirement for the period commencing 1 January 2016 to 30 December 2020 (**current regulatory period**). Each of the other Victorian Distribution Network Service Providers (**DNSPs**) currently adhere to the same five-year CY regulatory cycle. The next five-year regulatory control period for Victorian DNSPs would ordinarily commence 1 January 2021, with initial regulatory proposals due on 31 July 2019.²

As a result of Victorian Government policy change, the regulatory cycle applicable to Victorian DNSPs will be changing from a CY to financial year (**FY**) basis commencing 1 July 2021 and concluding on 30 June 2026 (**next regulatory period**). This change impacts the regulatory determination process applicable to Victorian DNSPs as a result of the six-month gap (from 1 January 2021 to 30 June 2021) between the end of the current regulatory period and the commencement of the next regulatory period (**intervening period**).

Change from CY to FY regulatory control periods for Victorian DNSPs

On 12 April 2019, the Victorian Minister for Energy, Environment and Climate Change (**Minister**) wrote to the Victorian DNSPs and the AER, announcing a policy to change the regulatory control period to align with a FY end, rather than CY, with the change to take effect from 1 July 2021. The change to the regulatory cycle was proposed

² Under cl 6.8.2(b) of the NER, a regulatory proposal must be submitted at least 17 months before the expiry of the DNSP's distribution determination.

to occur by providing a six-month extension to the current regulatory period. While the Victorian Government intends to formalise the policy change by legislative amendment, this is not expected to occur until early 2020.³

To give effect to the revised timings for the next Victorian DNSP price reset, and in the absence of the required legislative change:

- the Victorian DNSPs and the AER agreed a delayed timetable for submission of regulatory proposals relating to the next regulatory period, with regulatory proposals due on 31 January 2020⁴
- the AER advised on the approach to establishing the revenue requirement for the intervening period.⁵

In accordance with the AER's advice, JEN submits this proposal with respect to the intervening period (**intervening period proposal, this proposal**). JEN also submits a regulatory proposal with respect to the next regulatory period (**2021-26 regulatory proposal**). We note that in some instances the attachments in our 2021-26 regulatory proposal support the calculations and positions represented in this proposal.

This proposal outlines the process we followed for determining our revenue requirement and setting prices for Direct Control Services during the intervening period. It reflects the discussions with, and guidance provided by the AER and the Victorian Department of Land Water and Planning (**DELWP**) to address the issues of transitioning the regulatory control period to FY basis. In particular, this intervening period proposal has been developed, taking into account:

- anticipated framework decisions made by the Victorian Government—to be made through the legislative amendments
- the AER's letter (dated 6 November 2019) "*Victorian Distribution Reset Timing - Proposed interim measure*" (**Guidance Letter**)⁶
- positions outlined in JEN's 2021-26 regulatory proposal (where relevant) and previous AER regulatory decisions applied to JEN.

Overview of revenue requirement for Direct Control Services

Consistent with the Victorian Government's stated policy intention, the intervening period will effectively be treated as an extension of the current regulatory period. This means that most inputs into the calculation of prices for the intervening period will simply be trended forward and the only significant change is the application of a modified 2018 ROR Instrument instead of 2013 ROR guideline.⁷ This simple and pragmatic approach is designed to reduce the complexity of the transition process during the intervening period change process.

Using this approach, we forecast the following revenues to be recovered for our main services during the intervening period:

- Standard Control Service (**SCS**) revenue of \$118M (\$2020)
- Provision of Installation, operation, repair & maintenance, and replacement of type 5-6 metering installations (including smart meters) (**smart metering services**) revenue of \$12M (\$2020).

JEN specifically seeks an outcome on the following matters as proposed in this document:

- the classification of distribution services⁸

³ Minister, *Changes to timing of annual Victorian network price updates*, 30 October, 2019.

⁴ AER, *Victorian Government intention to change the electricity distribution regulatory year from a calendar to financial year*, 30 May 2019.

⁵ AER, *Victorian Distribution Reset Timing – Proposed interim measures*, 6 November 2019.

⁶ <https://www.aer.gov.au/system/files/AER%20-%20Letter%20to%20Jemena%20-%20Reset%20timing%20interim%20measure%20-%206%20November%202019.pdf>.

⁷ We also propose a change to the treatment of corporate overheads, see section 3.3.

⁸ As defined in AER, *Final Decision, Jemena distribution determination 2016 to 2020 Attachment 13 – Classification of services*, May 2016.

- the form of price control for Direct Control Services
- the revenue to be recovered for the provision of SCS under a building block approach
- the revenue to be recovered for the smart metering services under a building block approach
- which incentive schemes to apply
- extending the nominated cost pass-through events approved during the current regulatory period
- extending the negotiation framework currently in place during the current regulatory period.

Timetable for developing and reviewing this proposal

The indicative timetable for the regulatory process to determine revenues and prices for the intervening period is set out in Table OV–1 below. We have prepared the timetable based on the AER’s Guidance Letter.

Table OV–1: Timetable for determining revenues and prices for distribution services in the intervening period

Activity	Date	Status
Initial proposal submitted to the AER	31 Jan 2020	Confirmed ⁽¹⁾
A draft decision by the AER	30 Apr 2020	Estimated
Revised proposal submitted to the AER	31 May 2020	Estimated
Final decision made by the AER	31 Aug 2020	Estimated
Submit pricing proposal to the AER	30 Sep 2020	Estimated
Final decision on prices	30 Nov 2020	Estimated
Intervening period commences	1 Jan 2021	Confirmed ⁽¹⁾

(1) Refer to the Guidance Letter.

1. Guiding the development of this proposal

This section explains the matters we took into account in developing this proposal for the intervening period - including:

- the AER's Guidance Letter and other correspondence
- the agreed AER's application of the 2018 Rate of Return Instrument to the Victorian Distribution Networks from 1 January 2021 (agreed via email on 4 Oct 2019)
- the 2021-25 Framework and Approach published by the AER in January 2019⁹ (**F&A**)
- the AER's approved Cost Allocation Methodology (**CAM**) for JEN¹⁰
- JEN's regulatory proposal for the next regulatory period.

Where indicated, we also draw on other relevant decisions made by the AER in JEN's 2016-20 Final Decision (**2016-20 Decision**) and the requirements of the NER and National Electricity Law (**NEL**).

1.1 AER Guidance

Since the Minister's announcement to change the regulatory year from CY to FY, and for this change to occur from 1 July 2021, the Victorian DNSPs have been meeting with the AER regularly to discuss the approach to determining revenues and prices during the intervening period.

We note there is limited guidance under the NER to implement the Minister's transition of the regulatory cycle from CY to FY,¹¹ and accordingly, the Minister has confirmed that changes will be made to the *National Electricity (Victoria) Act 2005 (NEVA)*. However, as noted above, these changes are not expected to be confirmed until after JEN submits its proposals for the intervening period and the next regulatory period.

In the absence of this regulatory certainty, on 6 November 2019, the AER provided advice to the Victorian DNSPs on a proposed approach for setting revenue and prices for the intervening period.¹²

The AER recommended—as an interim measure—that the Victorian DNSPs apply a trended forward methodology for establishing most building blocks for determining SCS and smart metering services revenue and to escalate Alternative Control Service (**ACS**) prices. The AER advised that while it expects DNSPs to apply its 2018 Rate of Return Instrument (**RoR Instrument**), save for that matter, the recommended approach treats the intervening period as an extension of the current regulatory control period, consistent with the Victorian Government's current stated policy intention. This proposal has been prepared on a consistent basis with the AER's Guidance Letter.¹³

The F&A outlines how the AER will approach the price reset process. While the F&A was prepared on the basis of a regulatory control period commencing 1 January 2021 to 31 December 2025, we consider, that where appropriate, the F&A informs the development of this proposal (in particular, where it provides for consistency with the 2016-20 Decision and outcomes of the current regulatory period). There are, however, elements of the F&A which cannot be applied, and a summary and reasoning is covered in Table 1–1.

⁹ AER, *Final framework and approach AusNet Services, CitiPower, Jemena, Powercor and United Energy, Regulatory control period commencing 1 January 2021*, January 2019.

¹⁰ JEN, *Cost Allocation Methodology*, 29 March, 2019.

¹¹ Clause 6.11.3 of the NER does not aid the transition intended by the Minister as it relates to a gap between the end of the regulatory control period and the AER distribution determination for the new regulatory control period, and in any case it holds constant the current regulatory control period prices into the first year of the new regulatory control period with a later true up.

¹² [Guidance Letter](#).

¹³ We also propose a change to the treatment of corporate overheads, see section 3.3.

Table 1–1: Key elements of the 2021-25 Framework and Approach for the intervening period

Key elements of the 2021-25 Framework and Approach	Our proposal during the six-month intervening period
Classification of services	We do not propose to adopt the classification of services during the intervening period as outlined in the F&A; instead, we propose to classify services consistent with the service classifications from the 2016-20 Decision. ¹⁴ We consider this approach is consistent with the Minister’s intention to extend the current regulatory period.
Form of price control	We propose adopting the form of price control as outlined in the F&A—but modified to address the change in the regulatory year.
Incentive schemes	<p>Consistent with the F&A, we propose the following incentive schemes apply during the intervening period:</p> <ul style="list-style-type: none"> a) Efficiency Benefits Sharing Scheme (EBSS) b) STPIS c) Demand Management Incentive Scheme (DMIS) and Demand Management Incentive Allowance (DMIA) d) F-factor. <p>However, consistent with the AER’s Guidance, we do not propose that the Capital Expenditure Sharing Scheme (CESS) will apply.</p>
Application of the AER’s expenditure forecast assessment guideline	We do not propose to use the forecasting methodologies outlined in AER’s expenditure forecast assessment guideline. ¹⁵ Instead, we propose adopting the methodologies for determining capital expenditure and operating expenditure set out in the AER’s Guidance and approved CAM.
Depreciation	We propose to continue the year-by-year tracking approach to determining the forecast regulatory depreciation allowance as was adopted in the 2016-20 Decision.

1.2 Relevant elements of our 2021-26 regulatory proposal

Some aspects of JEN’s regulatory proposal for the next regulatory period inform the building block costs relevant to determining revenue and prices for the intervening period. We outline these areas below.

1.2.1 Calculating the Regulated Asset Base at the commencement and close of the intervening period

The value of JEN’s opening Regulated Asset Base (**RAB**) for 1 January 2021 is determined in accordance with the AER’s standard roll forward model. Specifically, the opening value is determined based on a roll-forward of the value of the RAB determined in a previous regulatory control period.

¹⁴ AER, *Final Decision, Jemena distribution determination 2016 to 2020 Attachment 13 – Classification of services*, May 2016.

¹⁵ AER, *Better Regulation, Expenditure Forecast Assessment Guideline for Electricity Distribution*, November 2013.

We adopt the intervening regulatory models provided by the AER to determine the RAB roll forward during the intervening period.¹⁶ The values of the opening RAB as at 1 January 2021 and closing RAB as at 30 June 2021 is set out in Attachment 07-04 *Regulatory asset base* of our 2021-26 regulatory proposal.¹⁷

1.2.2 Averaging period

The rate of return we apply to the RAB and Metering Asset Base (**MAB**) for the intervening period is determined using the ROR Instrument.¹⁸ As a part of the calculations, we nominate a debt and equity averaging period. The averaging period we are nominating for the intervening period is outlined in confidential Attachment 07-03 *Averaging periods* of our 2021-26 regulatory proposal.

1.2.3 Real price escalation

The AER's Guidance outlines that operating expenditure and capital expenditure forecasts for the intervening period are to trend-forward the CY20 allowance escalated in real terms; for this, we need a real price escalator. In this submission, we propose using the same methodology as that used in our 2021-26 regulatory proposal – that is, averaging the labour rate escalation forecasts of BIS/Oxford and Deloitte Access Economics (**DAE**). This approach of averaging real price escalation has been used in the past by the AER. However, in more recent decisions,¹⁹ the AER has tended towards selecting a single forecast. We do not agree this approach is in the long term interest of customers, and we elaborate on the reasons for this in our proposal for the next regulatory period.²⁰

¹⁶ Note, we apply this same approach for setting MAB values.

¹⁷ The inputs and calculations for the roll forward of the RAB are set out in Attachments 07-17 *SCS RFM CY16-FY21* and Attachment 07-21 *SCS RFM CY16-CY20*.

¹⁸ AER, *Rate of return instrument*, December 2018.

¹⁹ AER, *Draft Decision SA Power Networks Distribution Determination 2020 to 2025, Attachment 6, Operating expenditure*, October 2019, Page 6-6.

²⁰ Attachment 06-01 *Operating expenditure*.

2. Classification of services and control mechanisms

2.1 Service classification

Service classification determines the nature of economic regulation, if any, applicable to specific distribution services. Our approach to classifying distribution services for the intervening period is to continue the classifications outlined in the 2016-20 Decision. The service classifications we apply include:

- SCS – which includes our core distribution network services and new connection services requiring augmentation (including customer-initiated connections)
- ACS – routine connections; smart metering services; type 7 metering; ancillary network services, ancillary metering services and the operation, maintenance and replacement of shared public lighting services
- negotiated services – which includes installation of new public lighting services (including greenfield sites), alteration and relocation of public lighting assets, replacement of dedicated public lighting assets, and construction of reserve feeders
- Services not classified (services where competitive markets operate) – for example, emergency recoverable works; type 1-4 metering; and type 5-6 smart metering subject to competition.

2.2 Form of control mechanism

Consistent with the 2016-20 Decision, we have also proposed the same form of control mechanism to apply to directly regulated services – being SCS and ACS:

- our SCS is to be regulated through a revenue cap, determined by applying the building block approach, with the basis of control being CPI-X
- our smart metering services (those not subject to competition) be regulated through a revenue cap with the basis of control being CPI-X
- other user-requested services are regulated through a cap on individual prices.

However, we propose the specific formula be modified to address the unique circumstances caused by the creation of the intervening period. We elaborate on this in sections 5 and 6.

3. Building block approach for standard control services

We utilise the AER's post-tax revenue model (**PTRM**) to determine the revenue requirement for SCS during the intervening period.²¹

We set out the building block costs for the intervening period in Table 3–1 and compare these with those same building blocks which formed part of JEN's approved revenue allowance for CY20 after prorating for a half year effect. In this summary, we demonstrate a reduction in revenues that JEN will receive over the intervening period, driven primarily by a lower rate on capital.

Table 3–1: SCS building block revenue (\$ December 2020, millions)

Building block item	CY20 revenue requirement (50%) ⁽¹⁾	Intervening period revenue requirement ⁽²⁾
Return on capital	48	36
Depreciation	29	21
Operating expenditure	50	57 ⁽³⁾
Corporate income tax allowance	8	3
Total revenue requirement⁽⁴⁾	134	118

Source: (1) AER, 2016-20 Decision for JEN.

(2) Attachment 07-23 SCS PTRM FY21.

Note: (3) The increase in operating expenditure is largely attributed to our proposed change in the treatment of corporate overheads (refer to section 3.3 for more details).

(4) Numbers may not add up due to rounding.

The approach to calculating each of the building block costs and inputs is set out below. For completeness, we note there is no revenue adjustment within the period for EBSS or CESS performance in the intervening period in accordance with the AER's Guidance Letter which defers these adjustments to begin from 1 July 2021.

3.1 Return on capital

The return on capital represents the benchmark return that our investors can expect to earn on our RAB and is intended to compensate for the risks and costs they bear when investing funds. This includes the investment in all prior regulatory control periods. The rate of return is then multiplied by the opening RAB for the intervening period (i.e. as at 1 January 2021) to determine the return on capital for this six month period.

To determine the rate of return, we apply the method outlined in the RoR Instrument²² and AER's application of the 2018 Rate of Return Instrument from 1 January 2021. We outline the parameters used to calculate the rate of return in Table 3–2, which is explained in further detail in Attachments 07-01 *Annual revenue requirement*.

Table 3–2: Rate of return - parameters

Rate of return – parameter	Half Year Value
Placeholder return on debt	2.45%
Placeholder return on equity	2.33%
Gamma	0.585
Rate of return	2.40%

²¹ Attachment 07-23 SCS PTRM FY21.

²² AER, *Rate of return instrument*, December 2018, (v 1.02, released April 2019).

(1) The values are based on placeholder averaging periods for risk-free rate and return on debt observations in Attachment 07-16 *Rate of return model*

This is a placeholder rate of return at this stage because it is based on a placeholder averaging period for the risk-free rate and placeholder forecasts for the return on debt observations. The AER will update the rate of return using the averaging periods as proposed in Attachment 07-03 *Averaging periods*.

To determine the opening balance of the RAB (as at 1 January 2021), we use the AER's standard 5-year RAB roll forward model and made adjustments based on actual or latest estimates of capital expenditure over the current regulatory period.

The opening RAB value for SCS as at 1 January 2021 is \$1,511M (\$2020). The methodology and inputs for calculating the opening RAB are explained in Attachment 07-04 *Regulatory asset base*.

3.2 Regulatory depreciation

Consistent with the approach used in the current regulatory period, and the F&A, we apply the straight-line method to determine the regulatory depreciation building block cost. Consistent with the AER Guidance Letter, we use the value of the RAB as at 1 January 2021 (discussed above), as well as the asset classes and standard economic lives which applied in the 2016-20 Decision. Attachment 07-22 *SCS Depreciation model CY16-CY20* sets out the inputs and calculations for determining regulatory depreciation for the intervening period.

Table 3–3: Forecast regulatory depreciation for the intervening period (\$ December 2020, millions)

Details	1 January 2021 to 30 June 2021
Straight-line depreciation	38.5
Indexation	-17.6
Regulatory depreciation	21.0

3.3 Forecast operating expenditure²³

Based on the AER's Guidance Letter, our approach to setting the operating expenditure allowance for the intervening period takes the CY20 operating expenditure allowance from the 2016-20 Decision, escalates for real cost increases (see section 1.2.3) and then applies a half year adjustment.

We also propose to add a component for expensing corporate overheads to be compliant with our approved CAM. In March 2019, JEN submitted an amended CAM²⁴ to the AER. The amended CAM reflected several changes that JEN proposed to implement effective from 1 January 2021. In particular, JEN will commence expensing corporate overheads—rather than capitalising them as has been the practice during the current regulatory period—to be consistent with our accounting practices.²⁵

In May 2019, the AER approved JEN's amended CAM.²⁶ To be consistent with the change in CAM, we propose that a modification to the operating expenditure allowance during the intervening period incorporates the change in the treatment of corporate overheads.

3.4 Corporate income tax allowance

We developed our calculations of the tax allowance based on the approach used during the current regulatory period. Apart from capital expenditure and operating expenditure, the principal inputs that go into that calculation

²³ See Attachment 06-07.

²⁴ JEN, *Cost Allocation Methodology v3.1*, 29 March 2019.

²⁵ See section 3.3.2.1 of JEN's CAM.

²⁶ AER, *Jemena Electricity Networks (Vic) Ltd, Revised Cost Allocation Method AER Final Decision*, May 2019 – Section 2.3.

of the tax building block are tax depreciation, which is a function of the value of the opening tax asset base as at 1 January 2021 (**TAB**),²⁷ the statutory income tax rate, and the value of imputation credits (**gamma**).²⁸

We estimate a tax building block of \$3.3M(\$2020) over the intervening period, as set out in Table 3–4.

Table 3–4: Tax building block for the intervening period (\$ December 2020, millions)

	1 January 2021 – 30 June 2021
Income tax payable	7.9
<i>Less value of imputation credits</i>	-4.6
Tax building block	3.3

(1) Taxable income and tax building block are determined using Attachment 07-23 and consistent with NER cl 6.5.3.

The tax building block is calculated in the PTRM²⁹ consistent with the 2016-20 Decision and AER's Guidance Letter.

3.5 Other matters

3.5.1 RAB Roll forward over the intervening period

We estimated the value of JEN's RAB at the end of the intervening period in accordance with the AER's roll-forward model. The adjustments we make to the opening balance (which reflects the closing balance of the RAB in the current regulatory period) are summarised in Table 3–5 below.

Further detail is provided in Attachment 07-04 *Regulatory asset base*, noting that the closing balance for the intervening period provides the basis for the opening value of the RAB for the next regulatory period.

Table 3–5: Roll forward of RAB over the Intervening Period (\$ nominal, millions)

Details	1 January 2021 to 30 June 2021
Opening balance	1,510.7
<i>add</i> net capital expenditure	61.6
<i>add</i> indexation of RAB	17.8
<i>less</i> straight-line depreciation	-39.0
Adjustment	0.0
Closing balance	1,551.1

(1) Source: Attachment 07-23.

3.5.2 Forecast capital expenditure

We recover revenues relating to our capital expenditure over the intervening period through the return on capital and regulatory depreciation. Consistent with the AER's Guidance, we propose to forecast capital expenditure over the intervening period by taking the capital expenditure allowance for CY20—from the 2016-20 Decision—and:

1. applying half-year of real price change
2. taking half of the trended CY20 allowance

²⁷ JEN's opening TAB for the intervening period is included in Attachment 07-21 *SCS RFM CY16-CY20*.

²⁸ The value of gamma is outlined in the AER's 2018 RoR instrument.

²⁹ Attachment 07-23 *SCS PTRM FY21*.

3. removing half-year of capitalised corporate overheads embedded in the allowance to comply with the approved CAM.

Our total forecast capital expenditure over the six month period is \$78M (\$2020). As above, the capital expenditure forecast is used to calculate net capital expenditure to roll forward the RAB over the intervening period, and used to determine the return on and of capital in the next regulatory period.

3.5.3 Incentive schemes

Based on the AER's Guidance, we summarise a range of incentive schemes that will apply during the intervening period. These are outlined in Table 3–6 below.

Table 3–6: Incentive schemes applicable during the intervening period

Incentive Scheme	Source	Targets set during the intervening period
Service Target Performance incentive Scheme	National Electricity Rules (NER)	✓
Efficiency Benefits Sharing Scheme		✓
Capital Efficiency Sharing Scheme		✗
Demand Management Incentive Scheme		n/a ⁽¹⁾
Demand Management Incentive Allowance		✓
Small Scale Incentive Scheme		n/a ⁽¹⁾
Fire Factor (F-factor) Scheme	Jurisdictional laws, orders and codes	✓
Low-reliability payments ⁽²⁾		✓ ⁽³⁾

Source: AER's Guidance.

Notes: (1) JEN does not intend to use the DMIS and the Small Scale Incentive Scheme during the Intervening period.

(2) Low-reliability payments (as defined in the Victorian Electricity Distribution Code) are equivalent to Guaranteed Service Levels (GSL) payments as defined in the STPIS scheme.

(3) See section 3.5.3.2 for the approach to incorporating low-reliability payments into this proposal.

3.5.3.1 Incentive schemes outlined in the National Electricity Rules

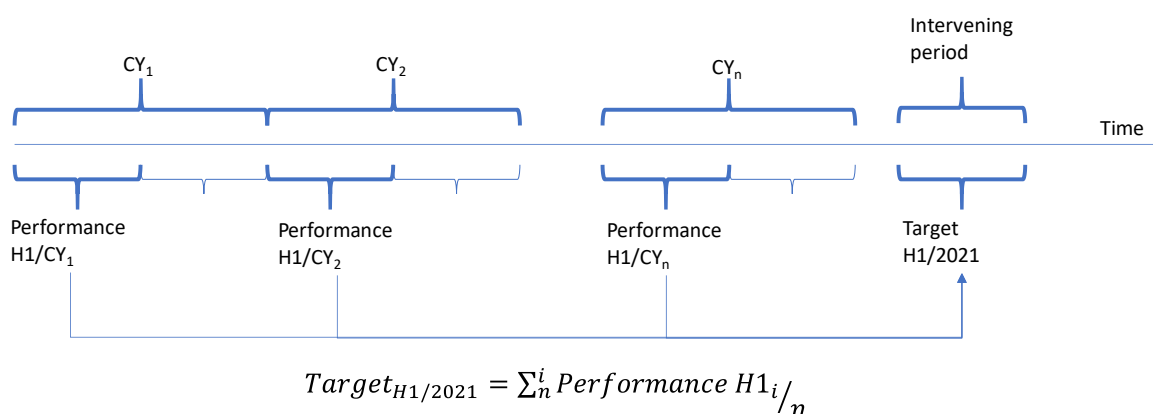
In this section, we outline how we propose to set performance targets for the STPIS and DMIA incentive scheme that operates under the NER over the intervening period. The target for EBSS is set by determining the operating expenditure allowance for the intervening period (discussed above in section 3.3).

Service Target Performance Incentive Scheme

The STPIS applies rewards and penalties outside of the regulatory decision (the rewards and penalties are determined in the annual pricing proposal). However, the targets and incentive rates for the intervening period are outlined in a regulatory decision. On this point, we propose the incentive rates from the current regulatory period are adopted during the intervening period, and the performance targets are also adopted subject to a minor adjustment, as noted below.

The delivery of Standard Control Services (SCS) is not consistent throughout a regulatory year. This is due to seasonal factors. Because of this, and with the insertion of a six-month intervening period, it is necessary to make adjustments to STPIS targets using appropriate seasonalisation factors. We, therefore, propose the performance targets for the intervening period are developed using actual performance in the first six months of each of the calendar years in 2010-2014, as demonstrated in Figure 3–1 below.

Figure 3–1: Sourcing historical performance to establish service targets



Our proposed approach to setting service targets aligns with the AER’s preliminary position on the transitional arrangement and application of STPIS to the 2021-26 revenue determination for the Victorian DNSPs.³⁰

The reliability targets we propose in the intervening period are outlined in Table 3–7.

Table 3–7: Reliability performance targets for the intervening regulatory period

Reliability parameter	Intervening period	Current regulatory period
Unplanned SAIDI		
Urban	31.743	55.401
Short rural	58.175	91.955
Unplanned SAIFI		
Urban	0.542	0.954
Short rural	0.700	1.238
MAIFI		
Urban	0.407	0.756
Short rural	1.008	1.654

(1) Reliability performance targets have been calculated under STPIS 1.0.³¹

We also propose the continuation of the current performance target for the telephone answering parameter for the customer service element of the STIPS of 64.235 per cent for the intervening period.³²

Consistent with application of the STPIS scheme in the current regulatory period, we propose that the Guaranteed Service Level (**GSL**) component of the STPIS scheme is not adopted and that the jurisdictional low-reliability payment scheme is applied instead (refer to section 3.5.3.2 for more details).

We note the STPIS reward or penalty for the actual intervening period performance will be applied to 2022/23 tariffs; therefore, two STPIS reward or penalty outcomes will be applied, one being the intervening period performance and the other from the performance in CY20.

³⁰ AER preliminary position on transitional arrangement and application of STPIS to 2021-26 revenue determinations for Victorian distributors, sent via email on 28 November 2019.

³¹ Ibid.

³² Ibid.

Efficiency Benefits Sharing Scheme

The target for EBSS is established by setting the operating expenditure allowance.

Demand Management Incentive Allowance

We propose to continue to the DMIA during the intervening period, with an allowance pro-rated for the half-year effect. In the 2016-20 Decision, JEN was allowed \$200k per annum as a DMIA, for the intervening period, we, therefore, propose DMIA amount is \$100k.

3.5.3.2 Incentive schemes outlined in Jurisdictional instruments

In this section, we outline how we propose to set performance targets for each incentive scheme that operates in Victoria through jurisdictional instruments.

F-factor Scheme

The F-factor scheme is designed to encourage DNSPs to improve their operations to reduce the number of fires caused by distribution network assets; the scheme does this through rewards and penalties, with the greatest incentives applying in bushfire prone areas at times of high fire danger.

On 22 December 2016, the Victorian Government published the “F-factor scheme order 2016”, this Order revokes the previous F-factor scheme that commenced on 23 June 2011. Under the new Order, the AER made a new F-factor scheme determination in June 2017 which replaced the F-factor scheme determination contained in the 2016-20 Decision. The new scheme establishes an incentive mechanism that targets incentives towards fire ignitions through the use of ignition risk units (**IRU**).

Consistent with the approach of extending the current regulatory period and as proposed in the F&A,³³ we propose adopting the targets as outlined in the AER’s decision on the F-factor scheme³⁴ for the intervening period, namely 9.7 IRUs.

The F-factor scheme already operates on a financial year basis; therefore, there is no need to make adjustments for the half-year effect. Consistent with the scheme design, we propose the rewards and penalties which relate to the intervening period performance be applied in the pricing proposals of the next regulatory period.

Low-reliability payment incentive

Low-reliability payment incentives under the Victorian Electricity Distribution Code (**EDC**) require Victorian DNSPs to make payments to individual customers for long or frequent outages in any given regulatory year.

In previous Victorian electricity distribution price reviews, low-reliability payments are treated as specific adjustments to the operating expenditure allowance. In this proposal, however, we propose not to make any adjustments to the operating expenditure building block item for low-reliability payments. In taking this approach, we rely on the trending approach to determining operating expenditure as the basis for establishing an allowance for low-reliability payments. We take this approach because it is consistent with the Guidance Letter.

The EDC is under review,³⁵ and we anticipate the low-reliability rates will be updated. At this stage, we do not propose to make any adjustments to the operating expenditure allowance in the intervening period to account for this change. However, depending on the timing and outcomes of the review, we may seek further amendments.

³³ AER, *Final framework and approach AusNet Services, CitiPower, Jemena, Powercor and United Energy, Regulatory control period commencing 1 January 2021*, January 2019, section 3.5.1.

³⁴ AER, *Final determinations and Explanatory statement, Electricity F-factor scheme 2016–2020 for Victorian electricity distribution network service providers*, June 2017; Appendix A.1.

³⁵ Essential Services Commission, *2019, Electricity Distribution Code review: Approach paper*, 17 April, 2019.

3.5.4 Cost pass-through events

Consistent with the 2016-20 Decision,³⁶ we propose the following nominated pass through events³⁷ apply during the intervening period:

- Insurance cap event
- Insurer credit risk event
- Natural disaster event
- Terrorism event
- Retailer insolvency event.

For the avoidance of doubt, we also propose the cost pass-through events outlined in chapter 6 of the NER apply during the intervening period.³⁸

³⁶ AER, *Final decision, Jemena distribution determination 2016 to 2020, Attachment 15—Pass through events*, May 2016, section 15.1.

³⁷ NER cl. 6.5.10.

³⁸ NER, cl. 6.6.1(a1)(1)-(4). We note that, the retailer insolvency event under the NER is only applicable in Victoria if it adopts the *National Energy Customer Framework*.

4. Alternative Control Services – Smart Metering Services

To calculate our smart metering services revenue for the intervening period, we propose to follow the same approach as that used to determine SCS revenue requirements. Specifically, we:

- update the value of the MAB by adopting the AER’s RAB standard roll forward model
- calculate capital expenditure by scaling the 2020 allowance from the 2016-20 Decision, pro-rated for six months
- calculate operating expenditure by scaling the 2020 allowance from the 2016-20 Decision pro-rated for six months
- adopt the 2018 Rate of Return Instrument to determining the return on capital
- apply the real straight-line method for determining the regulatory depreciation
- set a tax allowance using the TAB and other tax-related inputs.

Unlike the SCS building block approach to determine revenue, no incentive schemes apply for smart metering services.

4.1 MAB Roll forward

The MAB value used in the intervening period is inextricably linked to our regulatory proposal for the next regulatory period; this is because the MAB value in the next regulatory period is dependent on the MAB value determined in the intervening period. We outline the calculations used to determine the MAB in the intervening period in Attachment 07-27 *ACS Metering PTRM FY21* and attachment 07-28 *ACS Metering RFM CY16-CY20*; for completeness, we summarise these in Table 3–5 below.

Table 4–1: Roll forward of MAB over the intervening period (\$ nominal, millions)

Details	1 January 2021 to 30 June 2021 ⁽¹⁾
Opening balance	61.8
<i>add</i> net capital expenditure	2.2
<i>add</i> indexation of RAB	0.7
<i>less</i> straight-line depreciation	-4.2
Adjustment	0.0
Closing balance	60.6

Source: (1) Attachment 07-27 *ACS Metering PTRM FY21*.

4.2 Revenue requirement

We have adopted the AER's PTRM to determine the building block revenue for smart metering services that we provide during the intervening period. Table 4–2 below outlines the components of our smart metering services building block revenue.

As can be seen, our proposed revenue requirement for the intervening period is 24% less than half of the CY20 revenue requirement. This is mainly a result of a lower rate of return being applied in the intervening period (due to application of the 2018 Rate of Return Instrument), and lower allowances for depreciation and tax.

Table 4–2: Smart metering services - building block revenue (\$ December 2020, millions)

Building block item	CY20 revenue requirement (50%) ⁽¹⁾	Intervening period revenue requirement ⁽²⁾
Return on capital	2	1
Depreciation	6	3
Operating expenditure	7	7
Tax allowance	1	0
Total	16	12

Source: (1) AER, *FINAL DECISION, Jemena distribution determination - 2016 to 2020, Attachment 1 – Annual revenue requirement*, May 2016.

(2) Attachment 07-27 ACS Metering PTRM FY21.

5. Price control mechanism for SCS and smart metering services

5.1.1 Form of price control

Consistent with the approach outlined in the F&A and the approach used in the current regulatory period,³⁹ we propose to apply a revenue cap form of price regulation for SCS and smart metering services in the intervening period.

5.1.1.1 Revenue cap for standard control services

Box 5-1 sets out our proposed control mechanism for SCS. In the AER's December 2019 email, we received advice on the price control formula preferred approach. Our proposal is consistent with the AER's preferred approach.

Box 5-1. Control mechanism for standard control services

$$(1) \text{ TAR}_t \geq \sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_t^{ij}$$

$$(2) \text{ TAR}_t = \text{AR}_t$$

Side constraint

$$\frac{(\sum_{i=1}^n \sum_{j=1}^m d_t^{ij} q_t^{ij})}{(\sum_{i=1}^n \sum_{j=1}^m d_{t-1}^{ij} q_{t-1}^{ij})} \leq (1 + \Delta \text{CPI}_t) \times (1 + 2\%)$$

Where:

TAR is the maximum allowable revenue in the intervening period t.

p_t^{ij} is the price of component 'j' of tariff 'i' in the intervening period t.

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

t is the intervening period

AR_t is the nominal revenue requirement in the PTRM for the intervening period t.

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

The ABS CPI All Groups, Weighted Average of Eight Capital Cities⁴⁰ for the June quarter in regulatory year t-1

divided by

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in regulatory year t-2

minus one.

³⁹ AER, *Final Decision, Jemena distribution determination 2016 to 2020, Attachment 14 – Control mechanisms*, May 2016.

⁴⁰ If the Australian Bureau of Statistics (**ABS**) does not or ceases to publish the index, then CPI will mean an index which the AER considers is the best available alternative index.

5.1.1.2 Revenue cap for smart metering service

Box 5-2 sets out our proposed control mechanism for smart metering services. In the AER's December 2019 email, we received advice on the price control formula preferred approach. Our proposal is consistent with the AER's preferred approach. However, we propose to remove the side constraint as there is no requirement for side constraints for alternative controls services.

Box 5-2. The control mechanism for type 5, type 6 and smart meters

$$(1) TARM_t \geq \sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_t^{ij}$$

$$(2) TARM_t = AR_t$$

Where:

$TARM_t$ is the maximum allowable revenue for metering charges in the intervening period t .

p_t^{ij} is the price of component 'j' of tariff 'i' in the intervening period t .

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

t is the intervening period

AR_t is the nominal revenue requirement for the intervening period t .

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

The ABS CPI All Groups, Weighted Average of Eight Capital Cities⁴¹ for the June quarter in regulatory year $t-1$

divided by

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in regulatory year $t-2$

minus one.

⁴¹ If the ABS does not or ceases to publish the index, then CPI will mean an index which the AER considers is the best available alternative index.

6. Alternative Control Services - Other

We propose that the form of price control for ACS (other than smart metering services) in the intervening period is a cap on individual prices. This is consistent with the AER's December 2019 notification of their price control expectations.⁴²

6.1 Metering exit fees and public lighting

For public lighting services and metering exit fees, consistent with the AER's 2 December 2019 email, we propose prices are kept fixed in nominal terms for the intervening period—relative to the prices approved by the AER for the last year of the current regulatory period. Appendix B outlines the public lighting ACS we propose for the intervening period, along with our proposed prices.

Price control formula

Box 6-1 sets out our proposed control mechanism for metering exit fees and public lighting.

Box 6-1. The control mechanism for metering exit fees and public lighting

$$\bar{p}_t^i \leq \bar{p}_{t-1}^i$$

Where:

\bar{p}_t^i is the cap on the price of service i in the intervening period

\bar{p}_{t-1}^i is the cap on the price of service i in the year immediately prior to the intervening period

t is the intervening period

⁴² Email from the AER to JemenaEDPR2021@jemena.com.au, 2 December 2019, 5:16pm.

6.2 Type 7 metering service

Box 6-2 sets out our proposed control mechanism for type 7 metering service to increase by inflation. In the AER's December 2019 email, we received advice on the price control formula preferred approach,⁴³ our proposal is consistent with the AER's preferred approach.

Box 6-2. Control mechanism for type 7 metering service

$$\bar{p}_t^i \leq \bar{p}_{t-1}^i \times (1 + \Delta CPI_t)$$

Where:

\bar{p}_t^i is the cap on the price of service i in the intervening period

\bar{p}_{t-1}^i is the cap on the price of service i in the year immediately prior to the intervening period

t is the intervening period

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

The ABS CPI All Groups, Weighted Average of Eight Capital Cities⁴⁴ for the June quarter in regulatory year t-1

divided by

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in regulatory year t-2

minus one.

6.3 Remaining Alternative Control Services - Other services

For the remaining Alternative Control Services - Other (termed, ancillary network services (**ANS**)), and consistent with the AER's 2 December 2019 email, we propose:

- a fixed price for the provision of fee-based Alternative Control Services
- labour rate used to calculate prices for the provision of quoted services Alternative Control Services.

For ANS, we propose to adjust prices for inflation and a real price escalation (X-factor); we propose a real price escalator using the method as outlined in section 1.2.3. At the time of preparing this proposal, the inflation and a real price escalation (X-factor) are not known, meaning that we cannot advise actual prices; however, we will outline prices as a part of our pricing proposal process which will take place in late 2020.

Relevant services

Appendix B outlines the services we propose for the intervening period, which is consistent with the services we provide during the current regulatory period.

⁴³ Email from the AER to JemenaEDPR2021@jemena.com.au, 2 December 2019, 5:16pm.

⁴⁴ If the ABS does not or ceases to publish the index, then CPI will mean an index which the AER considers is the best available alternative index.

Price control formula

Box 6-3 sets out our proposed control mechanism for remaining ANS. In the AER's December 2019 email, we received advice on the price control formula preferred approach. Our proposal is consistent with the AER's preferred approach.

Box 6-3. The control mechanism for ANS

$$\bar{p}_t^i \leq \bar{p}_{t-1}^i \times (1 + \Delta CPI_t) \times (1 - X_t)$$

Where:

\bar{p}_t^i is the cap on the price (or labour rate) of each remaining ACS i in the intervening period

\bar{p}_{t-1}^i is the cap on the price (or labour rate) of each remaining ACS i in the year immediately prior to the intervening period

t in the intervening period

X_t is the real price escalator as outlined in section 1.2.3 of this proposal

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

The ABS CPI All Groups, Weighted Average of Eight Capital Cities⁴⁵ for the June quarter in regulatory year $t-1$

divided by

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in regulatory year $t-2$

minus one.

⁴⁵ If the ABS does not or ceases to publish the index, then CPI will mean an index which the AER considers is the best available alternative index.

7. Negotiated services and framework

Negotiated services are services for which competition is evolving, and price controls are not required; instead, the NER requires a framework for negotiation as a means to ensure a balance in achieving price and service outcomes.

We propose the services classified as negotiated in the current regulatory period continue in the intervening period. We also propose to use the negotiation framework that was approved by the AER in the current regulatory period also applies during the intervening period.

Appendix A

Model listing

A1. Model listing

Table A1–1 details the models used in the development of this proposal.

Table A1–1: Models used in the development of this proposal

Service Type	Model
SCS	JEN – Att 06-07 SCS Opex Model HY21 – 20200131 – Public
	JEN – Att 07-16 Rate of Return Model – 20200131 – Public
	JEN – Att 07-21 SCS RFM CY16-CY20 – 20200131 – Public
	JEN – Att 07-22 SCS Depreciation Model CY16-CY20 – 20200131 – Public
	JEN – Att 07-23 SCS PTRM HY21 – 20200131 – Public
	JEN – Att 07-35 HY21 Capex Forecast – 20200131 – Public
ACS - Smart metering services	JEN – Att 07-16 Rate of Return Model – 20200131 – Public
	JEN – Att 07-27 ACS Metering PTRM HY21 – 20200131 – Public
	JEN – Att 07-28 ACS Metering RFM CY16-CY20 – 20200131 – Public
	JEN – Att 07-33 ACS Metering Opex Model HY21 – 20200131 – Public
	JEN – Att 07-35 HY21 Capex Forecast HY21 – 20200131 – Public
ACS - Other	Nil

Appendix B

Alternative Control Services - Service list

B1. Alternative Control Services – Public lighting

A list of public lighting ACS provided during the intervening period is outlined in Table B1–1, with the prices as approved by the AER in our 2020 pricing proposal.

Table B1–1: Approved Public Lighting prices (\$ December 2020), excluding GST

Service	OMR Charge
Light type	
Mercury Vapour 80 watt	\$55.40
Sodium High Pressure 150 watt	\$102.07
Sodium High Pressure 250 watt	\$103.31
55W Ind	\$69.25
Fluorescent 20 watt	\$69.25
Fluorescent 40 watt	\$69.25
Fluorescent 80 watt	\$69.25
Mercury Vapour 50 watt	\$69.25
Mercury Vapour 125 watt	\$81.44
Mercury Vapour 250 watt	\$99.18
Mercury Vapour 400 watt	\$111.57
Sodium High Pressure 50 watt	\$127.59
Sodium Low Pressure 90 watt	\$108.19
Sodium High Pressure 100 watt	\$139.84
Sodium High Pressure 400 watt	\$137.40
Metal Halide 70 watt	\$142.39
Metal Halide 150 watt	\$226.59
Metal Halide 250 watt	\$222.12
Incandescent 100 watt	\$86.43
Incandescent 150 watt	\$108.04
Sodium High Pressure 250 watt (24 hrs)	\$161.16
Metal Halide 100 watt	\$226.59
Energy-efficient lights	
T5 (2x14W)	\$38.35
T5 (2x24W)	\$43.20
18W LED (including other Cat. P LEDs)	\$25.13
Compact Fluoro 32W	\$33.08
Compact Fluoro 42W	\$37.31

Source: JEN 2020 Pricing Proposal, AER approved.

B2. Alternative Control Services – Remaining (Fee-based)

A list of the remaining ACS (fee-based) provided during the intervening period is outlined in Table B2–1, with the prices as approved by the AER in our 2020 pricing proposal.

Table B2–1: Approved remaining (fee-based) ACS price (\$ December 2020), excluding GST

Service	Price (Business hours)	Price (After hours)
Routine new connections where JEN is responsible for metering services < 100 amps		
Connection – single phase service	\$631.01	\$631.01
Connection – three-phase service with directly connected metering	\$817.64	\$817.64
Connection – three-phase service greater than 100 amps requiring current transformer (CT) metering	Quoted	Quoted
Routine new connections where JEN is not responsible for metering services < 100 amps⁴⁶		
Connection – single phase service	\$631.01	\$631.01
Connection – three-phase service with directly connected metering	\$817.64	\$817.64
Connection – three-phase service greater than 100 amps requiring current transformer (CT) metering.	Quoted	Quoted
Temporary Supply		
Single-Phase Temporary supply – overhead supply with coincident abolishment	\$614.59	\$614.59
Three-Phase Temporary supply – overhead supply with coincident abolishment	\$786.48	\$786.48
Field Officer Visits		
Manual energisation of new premises (fuse insert)	\$38.54	\$61.24
Manual re-energisation of existing premises (fuse insert)	\$38.54	\$61.24
Manual de-energisation of existing premises (fuse removal)	\$59.46	\$78.08
Temporary disconnect – reconnect for non-payment	\$72.93	\$81.43
Manual special meter read	\$34.42	N/A
Service vehicle visits		
Service vehicle visit	\$478.95	\$629.55
Wasted service vehicle visit (not JEN's fault)	\$444.19	\$629.54
Fault response (not JEN's fault)	\$478.95	\$629.55
After hours service truck by appointment	N/A	Quoted
Meter installation test		
Re-test of types 5 and 6 metering installations for first tier customers	\$405.68	\$667.67
Miscellaneous distribution services		

⁴⁶ JEN is not responsible for providing metering services to customers consuming above 160 MWh of electricity per annum.

Service	Price (Business hours)	Price (After hours)
The temporary covering of low voltage mains and service lines	Quoted	Quoted
Elective undergrounding where an existing overhead service exists	Quoted	Quoted
High load escorts—lifting of overhead lines	Quoted	Quoted
Restoration of overhead service cables pulled down by transport vehicles transporting high loads	Quoted	Quoted
Supply abolishment greater than 100 amps	Quoted	Quoted
Rearrangement of network assets at customer request, excluding alteration and relocation of existing public lighting services	Quoted	Quoted
Reserve feeder		
Reserve feeder maintained - \$/kW per annum	\$16.48	N/A
Meter data services		
Type 7 metering (meter data service)	\$0.660	N/A
AMI Meter Charges(per annum per meter) Customers consuming <160 MWh per annum		
Single Phase Non-Off Peak per meter/pa	\$79.64	N/A
Single Phase Off-Peak per meter/pa*	\$79.55	N/A
Multi-Phase Direct Connect per meter/pa	\$96.60	N/A
Multi-Phase CT per meter/pa	\$107.67	N/A
Remote AMI Metering Services		
Remote meter re-configuration	\$54.49	N/A
Remote de-energisation	\$10.42	N/A
Remote re-energisation	\$10.42	N/A
Remote Special Meter Read	\$0.00	N/A

Source: JEN 2020 Pricing Proposal, AER approved.

B3. Alternative Control Services – Remaining (Quoted)

A list of the remaining (quoted) ACS provided during the intervening period is outlined in Table B3–1, with the prices as approved by the AER in our 2020 pricing proposal.

Table B3–1: Approved remaining (quoted) ACS price (\$ December 2020), excluding GST

Service	Price \$/hour (Business hours)	Price \$/hour (After hours)
Back office/administration	92.08	N/A
Linesperson/field worker	114.21	141.36
Technical officer	158.02	184.93
Engineer	205.59	225.07

B4. Alternative Control Services – Metering exit service

A list of metering exit services to be provided during the intervening period is set out in Table B4–1, with the prices as approved by the AER in our 2020 pricing proposal.

Table B4–1: Approved remaining ACS price (\$ December 2020), excluding GST

Service	Price (Business hours)	Price (After hours)
AMI Metering Exit Fees		
Single Phase	\$535.31	N/A
Single Phase, Two element	\$537.65	N/A
Three Phase Direct Connect	\$565.10	N/A
Three Phase CT	\$566.17	N/A

Source: JEN, 2020 Pricing Proposal, AER approved.