

Victorian Default Offer Price Determination 2025–26

1 July 2025 to 30 June 2026

21 May 2025

Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

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1. Purpose and reasons

- 1.1. The tariffs a retailer¹ may charge to supply and sell electricity to a *prescribed customer* under a standing offer referred to in under section 35(1) of the Electricity Industry Act 2000 (Vic) (standing offer) are regulated under an Order in Council (Order) made under section 13 of this Act (EI Act) and published in the Victorian Government Gazette No. S 208 on 30 May 2019 (as amended) (the Order).
- 1.2. This price determination is made by the Essential Services Commission (commission) under section 33 of the Essential Services Commission Act 2001 (ESC Act) as required by clause 10 of the Order.
- 1.3. The purpose of this price determination is to determine the following for each distribution zone in Victoria, during the regulatory period 1 July 2025 to 30 June 2026:
 - a) the *flat tariffs* a retailer must charge a *prescribed customer* under a VDO flat tariff standing offer referred to in clause 3.1;
 - b) the two-period time of use tariffs (being non-flat tariffs) a retailer must charge a *prescribed customer* under a two-period time of use tariff standing offer referred to in clause 4.1 and clause 4.3; and
 - c) the *VDO compliant maximum annual bill* amount that a *prescribed customer* is to pay under all other standing offers (non-standard standing offers).
- 1.4. The approach, methodology and reasons that support the making of this price determination are as set out in the final decision document (Final Decision) published by the Commission on its website and cited as ‘Essential Services Commission 2025, Victorian Default Offer 2025–26: Final Decision Paper, 21 May’.
- 1.5. This price determination gives effect to the objective of the Order, which is to provide a simple, trusted and reasonably priced electricity option that safeguards consumers who are unable or unwilling to engage in the electricity retail market.
- 1.6. Unless expressly stated otherwise, terms italicised in this price determination have the same meaning as in the Order.

¹ Electricity Industry Act 2000, section 3.

2. Application period

- 2.1. This price determination takes effect on 1 July 2025 and has effect until 30 June 2026 unless the provisions of clause 2.2 apply.
- 2.2. If the commission has not made a price determination for the next regulatory period by 30 June 2026, this price determination will remain in effect, with figures updated for inflation as specified in Equation 1, and will apply for the period from 1 July 2026 and until the date on which a new price determination made for the next regulatory period comes into effect.

EQUATION 1

$$VDO_{k, July\ 2026}^i = \left[VDO_{k, July\ 2025}^i \left(1 + \left(\frac{CPI_{March\ 2026} - CPI_{March\ 2025}}{CPI_{March\ 2025}} \right) \right) \right]$$

where:

VDO	Means a standing offer made available by a retailer under section 35 of the EI Act and in respect of which tariffs are regulated under this price determination
<i>i</i>	Is the relevant distribution zones of the relevant licensed distribution company (AusNet Services, CitiPower, Jemena, Powercor or United Energy).
<i>k</i>	Is the relevant VDO price determination element, which can be the fixed <i>flat tariffs</i> referred to in clause 3, the fixed two part time of use tariffs referred to in clause 4 or the VDO compliant maximum annual bill amount referred to in clause 5, for the relevant prescribed customer in the relevant distribution zone.
CPI March 2026	Is the All Groups, Australia (Original) CPI index for the March 2026 quarter as published by the Australian Bureau of Statistics in Cat. No. 6401.0, <i>Consumer Price Index, Australia</i> .
CPI March 2025	Is the All Groups, Australia (Original) CPI index for the March 2025 quarter as published by the Australian Bureau of Statistics in Cat. No. 6401.0, <i>Consumer Price Index, Australia</i> .

3. Fixed flat tariffs

- 3.1. A retailer's standing offers for the sale of electricity to *prescribed customers* must include:
- a) one *flat tariff* that is available to each *domestic customer*;
 - b) one *flat tariff* with a controlled load tariff that is available to each *domestic customer*; and
 - c) one flat tariff that is available to each small business customer;
- (‘VDO flat tariff standing offers’).²
- 3.2. The tariffs a retailer must charge a *prescribed customer* under a VDO flat tariff standing offer as referred to in clause 3.1 (a), (b) and (c), according to the distribution zone of the customer's supply point, are fixed at the amounts specified in Schedule 1 and Schedule 2.

² See clause 7.1 of the Order.

4. Two-period time of use tariffs

- 4.1. A two-period time of use tariff offered to a *domestic customer* under a standing offer means a tariff that comprises the following components:
- a) a fixed supply charge;
 - b) a fixed peak period usage charge, which applies from 3pm to 9pm every day;
 - c) a fixed off-peak usage charge which applies at all other times; and
 - d) may additionally include a fixed controlled load usage charge (where applicable).
- 4.2. If a retailer charges a *domestic customer* a tariff or tariffs under a standing offer that contains a two-period time of use tariff, the tariffs a retailer must charge are fixed at the tariffs specified in Schedule 3.
- 4.3. A two-period time of use tariff offered to a *small business customer* under a standing offer means a tariff that comprises three components:
- a) a fixed daily supply charge;
 - b) a fixed peak period usage charge which applies from 9am to 9pm on weekdays; and
 - c) a fixed off-peak usage charge which applies at all other times.
- 4.4. If a retailer charges a *small business customer* a tariff or tariffs under a standing offer that contains a two-period time of use tariff, the tariffs a retailer must charge are fixed at the tariffs specified in Schedule 4.

5. VDO compliant maximum annual bill amount — all other standing offer tariff types

- 5.1. A retailer must not offer or charge a *prescribed customer* a tariff or tariffs under a standing offer that contains:
- a) a tariff that is not a *flat tariff*, or
 - b) any combination of a *flat tariff* and a tariff that is not a *flat tariff*, and
- is not a two-period time of use tariff referred to in clause 4.1 or clause 4.3 (non-standard standing offer), if that tariff or tariffs would produce an estimated annual electricity bill amount that would be higher than the *VDO compliant maximum annual bill* determined by the commission in Schedule 5.
- 5.2. The annual reference consumption amount (ARCA) used for purposes of determining the *VDO compliant maximum annual bill* amounts in Schedule 5 is:
- a) for a *domestic customer* — 4,000 kWh per annum;
 - b) for a *small business customer* — 20,000 kWh per annum.
- 5.3. The *VDO compliant maximum annual bill* amounts determined in *Schedule 5* have been calculated assuming the amount of electricity used by *prescribed customers* is the same on each day of the year.
- 5.4. A retailer's estimated annual bill amount for a non-standard standing offer calculated for purposes of clause 5.1 must be calculated:
- a) by selecting and apportioning the applicable ARCA determined by the commission in clause 5.2 according to the retailer's representative profile of customer usage and related usage allocations that apply to that non-standard standing offer;
 - b) by applying the retailer's tariffs for that non-standard standing offer to the ARCA (as apportioned);
 - c) for an assumed supply period of 365 days;
- to produce an estimated annual electricity bill amount for that non-standard standing offer.
- 5.5. A retailer may only vary its tariffs under a non-standard standing offer as may be required to give effect to a new price determination or a variation of an existing price determination made by the commission in relation to standing offers, or as may be necessary to give effect to an Order in force under subsection 35(3AC) of the EI Act.

6. Varying a price determination

- 6.1. The commission may, in accordance with the Order and this price determination, vary this price determination in respect of the regulatory period.
- 6.2. The circumstances under which the commission may consider, and the basis on which it will decide on a proposed variation include:

Circumstances	Matters to which the Commission may have regard when considering whether an event or circumstance is sufficiently material to warrant a proposed price determination variation
<p>1. An event occurs or will occur within the regulatory period, that:</p> <ul style="list-style-type: none"> is outside the control of a retailer was unforeseen or uncertain by the commission at the time of making of this price determination, and the impact of the event on the efficient costs of the sale of electricity by a retailer³, is assessed by the Commission as material based on the matters outlined in 1.1. 	<p>1.1. The commission will have regard to:</p> <ul style="list-style-type: none"> the timing, duration and magnitude of the event or circumstance; the extent of the impact (positive or negative) on the efficient costs of the sale of electricity by an efficient retailer; the extent of the impact (positive or negative) on the tariffs specified in Schedules 1 to 5; the general impact on prescribed customer annual bills; the capacity of retailers to manage the impact until the commencement of the next regulatory period; the costs and benefits to retailers and prescribed customers of the proposed variation; the objective of the Order; and any other matter the commission considers relevant. <p>The commission will assess the materiality of the impact of the event or circumstance on the</p>

³ Calculated by the Commission for purposes of determining the tariffs specified in Schedules 1 to 5.

Circumstances	Matters to which the Commission may have regard when considering whether an event or circumstance is sufficiently material to warrant a proposed price determination variation
	retail sector as a whole and not on a per retailer basis
2. To correct a clerical error, miscalculation, misdescription or other deficiency in this determination that is considered by the commission, to be material.	The commission will have regard to the matters set out above in relation to item 1.1.
3. To avoid an unintended consequence of this price determination.	The commission will have regard to the matters set out above in relation to item 1.1.

6.3. If the commission is proposing to vary this price determination, the commission will generally issue a draft decision and publish a notice on its internet site which comprises:

- a) a copy of the draft decision;
- b) the reasons for the draft decision; and
- c) an invitation to interested and affected parties to make submissions to the commission in relation to the draft decision before a date specified in the notice.

6.4. The commission will consult retailers and other relevant stakeholders on the draft decision, as the Commission determines reasonable and appropriate, having regard to its Charter of Consultation and Regulatory Practice (as current at the time).

6.5. The commission may vary this price determination without following the process and undertaking consultation as outlined in clause 6.3 and clause 6.4, if the commission considers:

- a) the amendment or revocation of this price determination is not sufficiently material to warrant consultation; or
- b) the need to effect the amendment or revocation is sufficiently urgent to make consultation impracticable.⁴

⁴ Clause 15(5) of the Order.

- 6.6. If the commission decides not to follow the process and undertake the consultation outlined above, it will provide reasons for this decision, will publish a copy of the reasons on its website and will provide a copy of this to any person who requests it.

SCHEDULE 1

Victorian default offer fixed flat tariffs for general usage and general usage + controlled load usage for the period 1 July 2025 to 30 June 2026 — domestic customers

Charges inclusive of GST

Distribution zone	Supply charge (\$ per day)	Usage charge structure	Usage charge (not controlled load) (\$ per kWh)	Usage charge, controlled load (\$ per kWh)
AusNet Services	\$1.4146	<ul style="list-style-type: none"> Block 1 (up to 1020 kWh during a quarter) Block 2 (> 1020 kWh during a quarter) 	\$0.3477 \$0.3477	\$0.2399
CitiPower	\$1.2407	Anytime	\$0.2733	\$0.2012
Jemena	\$1.2301	Anytime	\$0.2972	\$0.2314
Powercor	\$1.3684	Anytime	\$0.3009	\$0.2122
United Energy	\$1.1648	Anytime	\$0.2884	\$0.2107

SCHEDULE 2

Victorian default offer fixed flat tariffs for general usage for the period 1 July 2025 to 30 June 2026 — small business customers

Charges inclusive of GST

Distribution zone	Supply charge (\$ per day)	Usage charge structure	Usage charge (\$ per kWh)
AusNet Services	\$1.4146	<ul style="list-style-type: none"> Block 1 (up to 1020 kWh during a quarter) Block 2 (> 1020 kWh during a quarter) 	\$0.3881 \$0.3881
CitiPower	\$1.4469	Anytime	\$0.2657
Jemena	\$1.5834	Anytime	\$0.3141
Powercor	\$1.5905	Anytime	\$0.2927
United Energy	\$1.3711	Anytime	\$0.2789

SCHEDULE 3

Victorian default offer two-period time of use tariffs for the period 1 July 2025 to 30 June 2026 — domestic customers

Charges inclusive of GST

Distribution zone	Supply charge (\$ per day)	Peak charge (\$ per kWh)	Off-peak charge (\$ per kWh)	Usage charge: controlled load (\$ per kWh)
AusNet Services	\$1.4146	\$0.4682	\$0.2399	\$0.2399
CitiPower	\$1.2407	\$0.3633	\$0.2206	\$0.2012
Jemena	\$1.2301	\$0.3761	\$0.2368	\$0.2314
Powercor	\$1.3684	\$0.4040	\$0.2365	\$0.2122
United Energy	\$1.1648	\$0.3837	\$0.2299	\$0.2107

Note to Schedule 3:

1. The peak usage charge applies from 3pm to 9pm (local time) every day. The off-peak usage charge applies at all other times.

SCHEDULE 4

Victorian default offer two-period time of use tariffs for the period 1 July 2025 to 30 June 2026 — small business customers

Charges inclusive of GST

Distribution zone	Supply charge (\$ per day)	Peak charge (\$ per kWh)	Off-peak charge (\$ per kWh)
AusNet Services	\$1.4146	\$0.4031	\$0.2198
CitiPower	\$1.4469	\$0.3305	\$0.1947
Jemena	\$1.6722	\$0.3579	\$0.2028
Powercor	\$1.5905	\$0.3895	\$0.2111
United Energy	\$1.3711	\$0.3501	\$0.2027

Note to Schedule 4:

1. The peak usage charge applies 9am to 9pm (local time) weekdays. The off-peak usage charge applies at all other times.

SCHEDULE 5

Indicative Victorian Default Offer compliant maximum annual bill amount, by distribution zone, for non-standard standing offers referred to in clause 5 for the period 1 July 2025 to 30 June 2026.

Compliant maximum annual bill amounts inclusive of GST.

	VDO compliant maximum annual bill amount – domestic customers (4,000 kWh usage; annual bill calculated using VDO fixed flat tariffs – domestic customers)	VDO compliant maximum annual bill amount – small business customers (20,000 kWh usage; annual bill calculated using VDO fixed flat tariffs – small business customers)
AusNet Services	\$1,908.00	\$8,279.00
CitiPower	\$1,547.00	\$5,843.00
Jemena	\$1,638.00	\$6,860.00
Powercor	\$1,704.00	\$6,435.00
United Energy	\$1,579.00	\$6,079.00

Notes to Schedule 5:

The *VDO compliant maximum annual bill* amount for a non-standard standing offer tariff specified in this Schedule 5 is calculated using the applicable annual reference consumption amount (ARCA) set out below. The ARCA represents typical electricity consumption by a *domestic customer* and a *small business customer* over a 365-day period. The fixed flat tariffs specified in Schedule 1 and Schedule 2 for each applicable distribution zone, are then applied to the ARCA, based on a 365-day supply period, to determine the *VDO compliant maximum annual bill* amount.

The annual reference consumption amount (ARCA) used to calculate the VDO compliant maximum annual bill amounts in this Schedule is:

- for a domestic customer – 4,000 kWh per annum;
- for a small business customer – 20,000 kWh per annum.

THE COMMON SEAL of the)
ESSENTIAL SERVICES COMMISSION)
was affixed pursuant to the authority)
of the commission on 23 May 2025)



A handwritten signature in black ink, which appears to read "Gerard Brody".

Gerard Brody
Chairperson