Pricing Proposal

For the financial year ending June 2022

March 2021

Content

1 ABOUT THIS PRICING PROPOSAL

1.1 Introduction

We submit this Pricing Proposal for 2021-22, the third regulatory year of the 2019-24 regulatory control period, to the Australian Energy Regulator (AER) in accordance with the requirements of the National Electricity Rules (NER clause 6.18.2(a)(2)).

On 30 April 2019, the AER released its final decision on Ausgrid's electricity distribution determination for the 2019-24 regulatory control period (referred to as 'the AER's final determination' or 'the AER's final decision').[1] This includes the AER's decision on our Tariff Structure Statement (TSS) for the 2019-24 control period.[2] Our approved TSS (referred to as 'the TSS', 'Ausgrid's TSS' or 'our TSS') is published on the AER's website[3] and is also available on our website.[4]

On 30 September 2019, Ausgrid submitted a proposal to the AER to approve an amendment to our TSS to include new network tariffs to apply to certain embedded network customers.[5] We lodged this request in accordance with clause 6.18.1B of the NER.

On 28 February 2020, the AER released its decision to not approve our proposal to amend the TSS. The AER was not satisfied that the threshold to amend the TSS under clause 6.18.1B of the NER had been met.[6]

As a result of the AER's decision, our current TSS released on 30 April 2019 ('the TSS') continues to apply.

Our Pricing Proposal for standard control services is based on the TSS. It also provides schedule of charges for alternative control services (public lighting, ancillary network services and metering services) based on the AER's final determination.

1.2 Structure of this Pricing Proposal

This Pricing Proposal has the following structure:

- Chapter 2 presents an overview of our Pricing Proposal
- Chapter 3 presents our tariff classes
- Chapter 4 presents our tariffs and charging parameters

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1 AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024*, April 2019. Available at https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausgrid-determination-2019-24/final-decision.

2 AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

3 AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Amended Tariff Structure Statement*, April 2019 – Clean. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20Decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Amended%20Tariff%20Structure%20Statement%20-%20April%202019%20-%20Clean.pdf.

4 Ausgrid, *Attachment 10.1 – Tariff Structure Statement*, April 2019. Available at https://www.ausgrid.com.au/-/media/Documents/Regulation/Reports-plans/Ausgrid-approved-TSS-2019-24.pdf.

5 Ausgrid, *Tariff Structure Statement Amendment*, September 2019. Available at https://www.aer.gov.au/system/files/Ausgrid%20-%20Clean%20version%20-%20Tariff%20Structure%20Statement%20amendment%20-%2030%20September%202019_0.pdf.

6 AER, Determination *Ausgrid Tariff Structure Statement 2019-24 Amendment Proposal*, February 2020. Available at https://www.aer.gov.au/system/files/AER%20decision%20-%20Ausgrid%20TSS%20amendment%20proposal%20-%2028%20February%202020.pdf.

- Chapter 5 summarises the weighted average revenue
- Chapter 6 summarises variations to tariffs
- Chapter 7 summarises designated pricing proposal charges
- Chapter 8 summarises Climate Change Fund charges
- Chapter 9 summarises the distribution use of system unders and overs account
- Chapter 10 summarises changes from the previous regulatory year
- Chapter 11 summarises customer impacts
- Chapter 12 demonstrates consistency with the TSS
- Chapter 13 demonstrates compliance with National Electricity Rules
- Chapter 14 summarises the annual system of assessment and review of tariffs
- Chapter 15 covers public lighting services
- Chapter 16 covers ancillary network services
- Chapter 17 covers metering services.

The accompanying Explanatory Notes in Appendix A provide more detail on this Pricing Proposal including indicative prices for the remaining regulatory years of the 2019-24 regulatory control period (Appendix A.1), our customer impacts analysis (Appendix A.2) and supporting information. Appendix B provides a schedule of charges for alternative control services.

1.3 Feedback

We welcome feedback from our customers and stakeholders. Please provide feedback to:

pricing@ausgrid.com.au or

Network Pricing Manager
Ausgrid
GPO Box 4009
Sydney NSW 2001

Customers may also comment via Ausgrid's Facebook page at www.facebook.com/Ausgrid or via twitter.com/Ausgrid.

2 OVERVIEW

This document is our Pricing Proposal for the third year of the 2019-24 regulatory control period. We submit it for review and approval by the AER as required by clause 6.18.2(a)(2) of Chapter 6 of the National Electricity Rules (NER). It is structured to allow ready assessment of compliance by the AER.

2.1 Key reforms

The proposal is based on our TSS. The key pricing reforms proposed for the 2019-24 regulatory period and approved by the AER are:

- Introduction of demand tariffs as the default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice, from 1 July 2019.
- Our new TOU-demand and existing TOU tariffs are opt-out options for all customers assigned to a demand tariff.
- Transitional TOU tariffs for residential and small business customers are no longer transitioning and are set to the same level as legacy flat tariffs for the 2019-24 regulatory period. Together they are referred to as 'flat tariffs'.
- Flat tariffs are closed to new customers as they are not cost reflective.
- Customers on flat tariffs replacing faulty meters are assigned to the introductory demand tariff for 12 months, and then reassigned to a demand tariff.
- TOU customers replacing a meter for any reason remain on TOU tariffs and can opt-in to demand tariffs.
- Transitional tariffs for medium and large business customers will transition to an appropriate capacity-based tariff over the 2019-24 regulatory period.
- No change to the seasonal TOU charging windows for energy for residential and small business customers.
- Alignment of seasonal charging windows for peak energy with summer and winter seasonal demand charges. Residential and small business charging windows for 'low season' maximum demand are aligned with the capacity charging windows for larger businesses (2-8 pm working weekdays).

Our tariff classes are presented in Chapter 3. Proposed tariffs and charging parameters are presented in Chapter 4.

Our Pricing Proposal also includes assessment and reassignment of existing customers to an appropriate tariff based on the consumption threshold (see Chapter 14).

2.2 Target revenue

The AER's 2019-24 Determination for Ausgrid established our smoothed revenue allowance for 2021-22 and methodology to calculate the resulting revenue targets. Table 2.1 below shows the revenue targets for Distribution Use of System (DUOS), Transmission Use of System (TUOS), Climate Change Fund (CCF), and the resulting Network Use of System (NUOS) revenue target. We have set our proposed network tariffs for 2021-22 to recover these revenue targets.

The target revenue includes the AER's decision on revenue adjustments from the capital expenditure sharing scheme (CESS), Demand Management Innovation Mechanism, the Service Target Performance Incentive Scheme (STPIS) and a pass through event relating to the 2019-20 storm season. These entitlements have been included in the AER's determination for the 2019-24 period.[7] The AER also approved a new Post Tax Revenue Model (PTRM) with its decision on our 2019-20 storm pass through application.[8]

The unders and overs account for 2021-22 has been adjusted to reflect deliberately under-recovered revenue associated with the relief package offered to customers affected by COVID-19 in 2020-21. The relief package was made available to retailers to waive network charges for residential and small business customers experiencing hardship due to COVID-19. This adjustment ensures that customers do not pay for these waived revenue amounts in future network charges. In 2020-21, Ausgrid has also implemented capacity resets for the worst affected customers whose network capacity was expected to be reduced for greater than 12 months as a result of COVID-19. This was provided for under the ES7 Network Price Guide and does not constitute a deliberate under-recovery event.[9]

Table 2.1. Ausgrid's target revenues for 2021-22 ($m, $2021-22)

Revenue component	Target revenue for 2021-22 ($m)
Distribution use of system (DUOS)	1,419.19
Transmission use of system (TUOS)	351.74
Climate Change Fund (CCF)	142.15
Total Network use of system (NUOS)	1,913.08

Weighted average revenue for DUOS is discussed in Chapter 5.

2.3 Customer impacts

Our Pricing Proposal results in our average network charges remaining relatively stable, with a $3 (0.3%) increase in average network charges (NUOS) from 2020-21 to 2021-22.

Our 'typical' residential customer on a legacy flat energy tariff with energy consumption of 5 MWh per year, has a $17 (less than 3%) increase in the network component of the annual bill from 2020-21 to 2021-22.

Our 'typical' small business customer on a legacy flat energy tariff with energy consumption of 10 MWh per year has a small reduction of -$4 (-0.4%) in the network component of the annual bill from 2020-21 to 2021-22.

Our 'typical' medium size customers are proposed to have their network bill unchanged from 2020-21 to 2021-22.

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7 AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 1 – Annual revenue requirement*, April 2019, p 1-8. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%201%20-%20Annual%20revenue%20requirement%20-%20April%202019.pdf.

8 AER, *Cost pass through: Storm season 2019-20,* December 2020. Available at https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/cost-pass-throughs/ausgrid-cost-pass-through-storm-season-2019-20/decision.

9 Ausgrid, ES7 Network Price Guide, December 2019, pp 17-18. Available at https://www.ausgrid.com.au/-/media/Documents/Technical-Documentation/ES/ES7-Network-Price-Guide.pdf.

Network prices for our large (>750 MWh per year) and commercial and industrial customers are proposed to increase by between 5.5% and 7.0%, reflective of the increase in our transmission charges and the share of these customers in our total network costs.

2.4 Consistency with the approved TSS

Our Pricing Proposal is based on our approved TSS. There are no departures in proposed tariff classes, tariffs and charging parameters. Differences in indicative prices are explained by our update of forecasts of customer numbers, energy consumption and demand, as well as an updated estimate of the 2021-22 designated pricing proposal charges including TransGrid's charges, and the Climate Change Fund contributions (see Chapter 12).

Our Pricing Proposal resumes the transition and rebalancing of certain tariffs envisaged in our TSS, paused in 2020-21 due to uncertainties associated with the current COVID-19 pandemic. We have updated our energy consumption and tariff forecasts for the remainder of the regulatory period, reflecting an updated expectation about the shape of the COVID-19 recovery.

2.5 Compliance with the NER

Our Pricing Proposal complies with the AER's determination and the National Energy Rules (see Chapter 13).

2.6 Annual tariff review outcomes

Our Pricing Proposal includes reassignment of about 3,300 non-residential customers to an appropriate tariff based on their average consumption profiles supported by 24 months of historical data, subject to customer impacts assessment (see Chapter 14).

2.7 Alternative control services

Our Pricing Proposal provides a schedule of charges for alternative control services: public lighting (Chapter 15), ancillary network services (Chapter 16) and metering services (Chapter 17).

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3 TARIFF CLASSES

This section sets out the tariff classes for standard control services that are specified in our approved TSS for 2019-24 (NER clause 6.18.2(b)(2)). Our TSS contains policies and procedures we will apply to assign customers to tariff classes. It also sets out the policies and procedures for assigning customers to tariffs within each class. Additional explanation is provided in our ES7 Network Price Guide.

Table 3.1 below summarises our five network tariff classes, and the individual tariffs in each tariff class, including a set of demand tariffs for residential customers and for non-residential customers with less than 40 MWh energy consumption a year, introduced on 1 July 2019 (see Section 2.1 of the TSS).

Assignment of customers to tariff classes are presented in Section 2.2 of the TSS.

Assignment of customers to a tariff within the tariff class are presented in Section 2.3 of the TSS.

Table 3.1. Ausgrid's tariff class descriptions from 1 July 2020

Tariff Class	Definition	Primary Network Tariffs	Other Network Tariffs
Low Voltage	Applicable to separately metered low voltage (400V or 230V) connections, as measured at the metering point.	EA025 – Residential TOU EA111 – Residential demand (introductory) EA115 – Residential TOU demand EA116 – Residential demand EA225 – Small business TOU EA251 – Small business demand (introductory) EA255 – Small business TOU demand EA256 – Small business demand EA302 – LV 40-160 MWh EA305 – LV 160-750 MWh EA310 – LV >750 MWh	*Secondary* EA030 – Controlled load 1 EA040 – Controlled load 2 *Closed** EA010 – Residential non-TOU *closed* EA011 – Residential transitional TOU *closed* EA050 – Small business non-TOU *closed* EA051 – Small business transitional TOU *closed* EA316 – Transitional 40-160 MWh *closed* EA317 – Transitional 160-750 MWh *closed* EA325 – LV Connection (standby) *closed*
High Voltage	Applicable to any connection at high voltage (11kV) level, as measured at the metering point.	EA370 – HV Connection (system) EA380 – HV Connection (substation)	EA360 – HV Connection (standby) *closed* Individually calculated tariffs
Sub-transmission	Applicable to any connection at a sub-transmission voltage (132/66/33kV), as measured at the metering point.	EA390 – ST Connection (system) EA391 – ST Connection (substation)	Individually calculated tariffs
Unmetered	Applicable to any LV connection that is defined as an unmetered supply by Ausgrid in consultation with AEMO as per clause S7.2.3 (Item 5) of the Rules.	EA401 – Public lighting EA402 – Constant unmetered EA403 – EnergyLight	
Transmission	Applicable to any site that is connected to the electricity transmission network.	EA501 – Transmission tariff	Individually calculated tariffs

Note: * *Closed* means only available for customers already assigned to the tariff. Transitional tariffs EA316 and EA317 closed during 2019-20 after the reassignments of existing customers reviewed for consumption thresholds was completed, to mitigate customer impacts. Once there are no more customers assigned to the closed tariff, we may remove this tariff from the pricing table at the annual pricing proposal. If there are no customers assigned to a tariff, we may also exclude it from the tariff table for the annual pricing proposal.

4 PROPOSED TARIFFS AND CHARGING PARAMETERS

This section sets out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates (NER clause 6.18.2(b)(3)).

Tables 4.1 – 4.4 below set out our proposed prices for NUOS and its components (DUOS, TUOS and CCF) for 2021-22. Indicative NUOS prices for each remaining year of the 2019-24 regulatory period are provided in Appendix A.1 (NER clause 6.18.2(d)).

The four types of charging parameters are:

- network access charge
- energy consumption charge
- demand charge
- capacity charge.[10]

The energy consumption and demand charges may vary by time of day and/or by season, with different time periods applied to residential and non-residential customers.

Seasonal definitions of time periods used in the charging parameters for the Time of Use (TOU) energy consumption charge, demand charge and capacity charge for different customer categories are provided in our TSS[11] and are further explained in our ES7 Network Price Guide.[12]

[10] Ausgrid's TSS, Section 3.1, p 15.
[11] Ausgrid's TSS, Section 3.1, pp 16-24.
[12] Ausgrid, *ES7 - Network Price Guide*, December 2019. Available at https://www.ausgrid.com.au/Industry/Regulation/Network-prices.

Table 4.1. Ausgrid's network use of system (NUOS) tariffs by charging parameter from 1 July 2021 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	38.9236	8.6540							
	EA011	Residential transitional TOU *closed*	38.9236		8.6540	8.6540	8.6540				
	EA025	Residential TOU	48.7242		25.3719	5.6227	3.6163				
	EA111	Residential demand (introductory)	39.2285		8.2877	8.2877	8.2877	1.0659	1.0659		
	EA115	Residential TOU demand	49.6768		24.5044	3.9269	2.8618	4.3294	4.3294		
	EA116	Residential demand	39.2285		2.8855	2.8855	2.8855	21.3184	10.6592		
	EA030	Controlled load 1	0.1588	1.8073							
	EA040	Controlled load 2	11.6309	4.7632							
	EA050	Small business non-TOU *closed*	129.4497	7.9316							
	EA051	Small business transitional TOU *closed*	129.4497		7.9316	7.9316	7.9316				
	EA225	Small business TOU	127.6294		21.6817	7.4489	2.9666				
	EA251	Small business demand (introductory)	128.8282		7.6126	7.6126	7.6126	1.0659	1.0659		
	EA255	Small business TOU demand	128.8282		18.7598	6.8678	2.2887	4.2637	4.2637		
	EA256	Small business demand	128.8282		2.8877	2.8877	2.8877	21.3184	15.9888		
	EA302	LV 40-160 MWh	535.6080		5.1718	1.9569	0.8826			36.9001	
	EA305	LV 160-750 MWh	1730.4159		5.0788	1.9401	0.9438				36.9001
	EA310	LV >750 MWh	2806.1386		4.7584	1.8400	0.8875				36.9038
	EA316	Transitional 40-160 MWh *closed*	194.7000		21.8645	7.9919	1.8639			6.0000	
	EA317	Transitional 160-750 MWh *closed*	474.0000		17.9123	5.3266	1.5099				6.1000
	EA325	LV Connection (standby) *closed*	2679.2144		9.8110	8.0488	2.3191				0.4105
High Voltage	EA360	HV Connection (standby) *closed*	2206.2880		8.0666	3.7360	2.2122				0.7719
	EA370	HV Connection (system)	5244.0192		2.8492	1.8119	1.1879				22.4069
	EA380	HV Connection (substation)	5244.0192		2.5931	1.6398	1.1004				18.6953
Sub-transmission	EA390	ST Connection (system)	6759.4373		2.3394	1.7910	1.1636				7.2757
	EA391	ST Connection (substation)	6759.4373		2.1898	1.5676	1.0598				6.3939
Unmetered	EA401	Public lighting		7.5700							
	EA402	Constant unmetered		9.0693							
	EA403	EnergyLight		6.9586							
Transmission	EA501	Transmission-connected	28623.1365								0.9193

Table 4.2. Ausgrid's distribution use of system (DUOS) tariffs by charging parameter from 1 July 2021 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	38.9236	4.7157							
	EA011	Residential transitional TOU *closed*	38.9236		4.7157	4.7157	4.7157				
	EA025	Residential TOU	48.7242		16.2986	4.8682	2.8972				
	EA111	Residential demand (introductory)	33.8072		6.4291	6.4291	6.4291	1.0659	1.0659		
	EA115	Residential TOU demand	44.2555		16.2051	2.3527	1.3860	4.3294	4.3294		
	EA116	Residential demand	33.8072		0.5804	0.5804	0.5804	21.3184	10.6592		
	EA030	Controlled load 1	0.1588	0.0000							
	EA040	Controlled load 2	11.6309	0.0000							
	EA050	Small business non-TOU *closed*	129.4497	4.4801							
	EA051	Small business transitional TOU *closed*	129.4497		4.4801	4.4801	4.4801				
	EA225	Small business TOU	127.6294		15.0902	6.2976	2.0028				
	EA251	Small business demand (introductory)	111.4305		4.9676	4.9676	4.9676	1.0659	1.0659		
	EA255	Small business TOU demand	111.4305		12.3282	5.9790	1.5212	4.2637	4.2637		
	EA256	Small business demand	111.4305		0.9870	0.9870	0.9870	21.3184	15.9888		
	EA302	LV 40-160 MWh	535.6080		4.0664	1.1618	0.1482			36.9001	
	EA305	LV 160-750 MWh	1730.4159		3.7329	1.0321	0.1331				36.9001
	EA310	LV >750 MWh	2806.1386		1.8953	0.2964	0.0079				36.9038
	EA316	Transitional 40-160 MWh *closed*	194.7000		9.5978	6.1794	0.8457			6.0000	
	EA317	Transitional 160-750 MWh *closed*	474.0000		5.4073	3.4814	0.4765				6.1000
	EA325	LV Connection (standby) *closed*	2679.2144		8.4170	6.7906	1.1473				0.4105
High Voltage	EA360	HV Connection (standby) *closed*	2206.2880		4.8300	0.5128	0.3715				0.1133
	EA370	HV Connection (system)	5244.0192		1.8042	0.9880	0.3721				19.8674
	EA380	HV Connection (substation)	5244.0192		1.5778	0.8640	0.3254				16.8873
Sub-transmission	EA390	ST Connection (system)	6759.4373		1.3083	0.9239	0.3567				6.1258
	EA391	ST Connection (substation)	6759.4373		1.2063	0.7480	0.3005				5.3211
Unmetered	EA401	Public lighting		5.1928							
	EA402	Constant unmetered		6.2946							
	EA403	EnergyLight		4.3936							
Transmission	EA501	Transmission-connected	0.0000								0.0000

Table 4.3. Ausgrid's transmission use of system (TUOS) tariffs by charging parameter from 1 July 2021 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	0.0000	3.5154							
	EA011	Residential transitional TOU *closed*	0.0000		3.5154	3.5154	3.5154				
	EA025	Residential TOU	0.0000		8.6330	0.3246	0.2996				
	EA111	Residential demand (introductory)	5.4212		1.4316	1.4316	1.4316	0.0000	0.0000		
	EA115	Residential TOU demand	5.4212		7.8590	1.1443	1.0563	0.0000	0.0000		
	EA116	Residential demand	5.4212		1.8790	1.8790	1.8790	0.0000	0.0000		
	EA030	Controlled load 1	0.0000	1.4849							
	EA040	Controlled load 2	0.0000	4.4963							
	EA050	Small business non-TOU *closed*	0.0000	2.8633							
	EA051	Small business transitional TOU *closed*	0.0000		2.8633	2.8633	2.8633				
	EA225	Small business TOU	0.0000		6.0025	0.5624	0.3749				
	EA251	Small business demand (introductory)	17.3977		2.1096	2.1096	2.1096	0.0000	0.0000		
	EA255	Small business TOU demand	17.3977		5.9067	0.3639	0.2426	0.0000	0.0000		
	EA256	Small business demand	17.3977		1.3657	1.3657	1.3657	0.0000	0.0000		
	EA302	LV 40-160 MWh	0.0000		0.4756	0.1653	0.1047			0.0000	
	EA305	LV 160-750 MWh	0.0000		0.7162	0.2783	0.1810				0.0000
	EA310	LV >750 MWh	0.0000		2.2333	0.9138	0.2499				0.0000
	EA316	Transitional 40-160 MWh *closed*	0.0000		11.7835	1.3293	0.5349			0.0000	
	EA317	Transitional 160-750 MWh *closed*	0.0000		12.0218	1.3620	0.5502				0.0000
	EA325	LV Connection (standby) *closed*	0.0000		0.9107	0.7750	0.6886				0.0000
High Voltage	EA360	HV Connection (standby) *closed*	0.0000		2.6207	2.6074	1.2248				0.6587
	EA370	HV Connection (system)	0.0000		0.3017	0.0806	0.0725				2.5395
	EA380	HV Connection (substation)	0.0000		0.3176	0.0781	0.0773				1.8081
Sub-transmission	EA390	ST Connection (system)	0.0000		0.2833	0.1194	0.0591				1.1499
	EA391	ST Connection (substation)	0.0000		0.2833	0.1194	0.0591				1.0729
Unmetered	EA401	Public lighting		1.3424							
	EA402	Constant unmetered		1.7399							
	EA403	EnergyLight		1.5303							
Transmission	EA501	Transmission-connected	28623.1365								0.9193

Table 4.4. Ausgrid's Climate Change Fund (CCF) tariffs by charging parameter from 1 July 2021 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	0.0000	0.4229							
	EA011	Residential transitional TOU *closed*	0.0000		0.4229	0.4229	0.4229				
	EA025	Residential TOU	0.0000		0.4403	0.4299	0.4195				
	EA111	Residential demand (introductory)	0.0000		0.4271	0.4271	0.4271	0.0000	0.0000		
	EA115	Residential TOU demand	0.0000		0.4403	0.4299	0.4195	0.0000	0.0000		
	EA116	Residential demand	0.0000		0.4262	0.4262	0.4262	0.0000	0.0000		
	EA030	Controlled load 1	0.0000	0.3224							
	EA040	Controlled load 2	0.0000	0.2668							
	EA050	Small business non-TOU *closed*	0.0000	0.5883							
	EA051	Small business transitional TOU *closed*	0.0000		0.5883	0.5883	0.5883				
	EA225	Small business TOU	0.0000		0.5889	0.5889	0.5889				
	EA251	Small business demand (introductory)	0.0000		0.5354	0.5354	0.5354	0.0000	0.0000		
	EA255	Small business TOU demand	0.0000		0.5249	0.5249	0.5249	0.0000	0.0000		
	EA256	Small business demand	0.0000		0.5351	0.5351	0.5351	0.0000	0.0000		
	EA302	LV 40-160 MWh	0.0000		0.6297	0.6297	0.6297			0.0000	
	EA305	LV 160-750 MWh	0.0000		0.6297	0.6297	0.6297				0.0000
	EA310	LV >750 MWh	0.0000		0.6297	0.6297	0.6297				0.0000
	EA316	Transitional 40-160 MWh *closed*	0.0000		0.4832	0.4832	0.4832			0.0000	
	EA317	Transitional 160-750 MWh *closed*	0.0000		0.4832	0.4832	0.4832				0.0000
	EA325	LV Connection (standby) *closed*	0.0000		0.4832	0.4832	0.4832				0.0000
High Voltage	EA360	HV Connection (standby) *closed*	0.0000		0.6159	0.6159	0.6159				0.0000
	EA370	HV Connection (system)	0.0000		0.7433	0.7433	0.7433				0.0000
	EA380	HV Connection (substation)	0.0000		0.6977	0.6977	0.6977				0.0000
Sub-transmission	EA390	ST Connection (system)	0.0000		0.7478	0.7478	0.7478				0.0000
	EA391	ST Connection (substation)	0.0000		0.7002	0.7002	0.7002				0.0000
Unmetered	EA401	Public lighting		1.0348							
	EA402	Constant unmetered		1.0348							
	EA403	EnergyLight		1.0348							
Transmission	EA501	Transmission-connected	0.0000								0.0000

5 WEIGHTED AVERAGE REVENUE

This chapter sets out the weighted average revenue from tariffs within each tariff class for standard control services proposed for the third year of the 2019-24 regulatory control period (NER clause 6.18.2(b)(4)).

Table 5.1 below demonstrates that there is no economic cross-subsidy between tariff classes, consistent with the requirements of clause 6.18.5(e)(1) of the NER.

Table 5.1. Comparison of 2021-22 DUOS tariffs vs standalone and avoidable costs ($m)

Regulatory year		2021-22, $m	
Tariff Class	**Avoidable costs**	**Expected DUOS revenue**	**Standalone costs**
Low Voltage	294.11	1,315.37	1,349.48
High Voltage	17.95	53.78	815.18
Subtransmission	33.20	40.52	314.15
Unmetered	1.53	9.53	1,056.90

Note: Excludes GST.

6 VARIATIONS TO TARIFFS

Clause 6.18.2(b)(5) of the NER requires that a pricing proposal 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.

We do not propose to vary or adjust our network tariffs during 2021-22.

7 DESIGNATED PRICING PROPOSAL CHARGES

Clause 6.18.2(b)(6) of the NER requires that a pricing proposal must set out how charges for designated pricing proposal charges (previously known as transmission use of system services and related 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.

In addition, clause 6.18.7(b) states that recovery of designated pricing proposal charges should not exceed the estimated amount of these charges for the relevant regulatory year, once the overs and unders account has been taken into account.

Ausgrid's Transmission Use of System (TUOS) tariffs[13] are designed to recover the allowed revenue for our electricity transmission (dual-function) network, to pass through the prescribed transmission costs of TransGrid, inter-distributor transfers and avoided TUOS, and to recover/return any under/over recovery of designated transmission revenues in the previous period.

In our Pricing Proposal, we have updated the forecast of TransGrid charges for 2021-22, as well as the estimate of inter-distributor transfers and avoided TUOS, to calculate the 2021-22 prices.

The unders and overs account for TUOS for 2021-22 has been adjusted to reflect deliberately under-recovered revenue associated with the relief package offered to customers affected by COVID-19 in 2020-21. In 2020-21, an accrual was made to account for this under-recovered revenue based on estimated take-up of the relief. This amount was excluded from the under-recovery in 2020-21 and would therefore represent a permanent loss of revenue. The actual amount was different from the accrued estimate so an adjustment has been made in 2021-22 to account for the difference.

We set TUOS prices that satisfy the revenue cap compliance formula.[14]

Table 7.1. Unders and overs account forecast closing balance – TUOS ($'000)

Financial Year	Units	2019-20 (actual)	2020-21 (estimate)	2021-22 (forecast)
Interest rate applicable to balance	%	5.06%	4.90%	3.63%
Opening balance	$'000	0	5,713	12,431
Interest on opening balance	$'000	0	280	452
Under/over recovery for regulatory year	$'000	5,574	6,286	-12,655
Interest on under/over recovery for regulatory year	$'000	139	152	-228
Closing balance of TUOS unders and overs account	$'000	5,713	12,431	-0

[13] This document uses the terms Transmission Use of System (TUOS) and Designated pricing proposal charges interchangeably.

[14] AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, March 2021, p 13-9.

8 CLIMATE CHANGE FUND

Clause 6.18.2(b)(6A) of the NER requires that a pricing proposal must set out how the jurisdictional scheme amounts (in NSW, the Climate Change Fund, or the CCF) are to be passed on to customers, including any adjustments for over or under recovery of these amounts in any previous regulatory year.

We have updated the forecast CCF contributions for 2021-22 (see Appendix A.4). We also updated interest rate applicable to the balance using the AER's final decision.

The unders and overs account for CCF for 2021-22 has been adjusted to reflect deliberately under-recovered revenue associated with the relief package offered to customers affected by COVID-19 in 2020-21. In 2020-21, an accrual was made to account for this under-recovered revenue based on estimated take-up of the relief. This amount was excluded from the under-recovery in 2020-21 and would therefore represent a permanent loss of revenue. The actual amount was different from the accrued estimate so an adjustment has been made in 2021-22 to account for the difference.

We set CCF prices for 2021-22 to target a zero balance for the CCF unders and overs account.

Table 8.1. Unders and overs account forecast closing balance – CCF ($'000)

Financial Year	Units	2019-20 (actual)	2020-21 (estimate)	2021-22 (forecast)
Interest rate applicable to balance	%	5.06%	4.90%	3.63%
Opening balance	$'000	242	-3,938	-7,460
Interest on opening balance	$'000	12	-193	-271
Under/over recovery for regulatory year	$'000	-4,090	-3,250	7,594
Interest on under/over recovery for regulatory year	$'000	-102	-79	137
Closing balance of CCF unders and overs account	$'000	-3,938	-7,460	0

9 DISTRIBUTION USE OF SYSTEM UNDERS AND OVERS ACCOUNT

Ausgrid must maintain a DUOS unders and overs account in its annual pricing proposal under clause 6.18.2(b)(7) of the NER.

We set DUOS prices for 2021-22 to target a zero balance for the DUOS unders and overs account, taking into account estimated revenue for 2020-21 (see Table 9.1).

The unders and overs account for DUOS for 2021-22 has been adjusted to reflect deliberately under-recovered revenue associated with the relief package offered to customers affected by COVID-19 in 2020-21. In 2020-21, an accrual was made to account for this under-recovered revenue based on estimated take-up of the relief. This amount was excluded from the under-recovery in 2020-21 and would therefore represent a permanent loss of revenue. The actual amount was different from the accrued estimate so an adjustment has been made in 2021-22 to account for the difference.

The target revenue under the final decision includes the amount for STPIS as calculated under the STPIS 2.0 guideline and the revised control mechanism formula (see Table 9.2).[15]

To verify compliance, we applied the AER's decision on the side constraint which includes factors related to the incentive schemes (see Table 9.3).[16]

Compliance with the side constraint by each tariff class is demonstrated in Table 9.4.

Table 9.1. Unders and overs account forecast closing balance – DUOS ($'000)

Financial Year	Units	2019-20 (actual)	2020-21 (estimate)	2021-22 (forecast)
Interest rate applicable to balance	%	5.19%	4.90%	3.63%
Opening balance	$'000	0	-14,994	-27,879
Interest on opening balance	$'000	0	-735	-1,013
Under/over recovery for regulatory year	$'000	-14,620	-11,863	28,381
Interest on under/over recovery for regulatory year	$'000	-375	-287	511
Closing balance of DUOS unders and overs account	$'000	-14,994	-27,879	-0

[15] AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, March 2021, p 13-6.

[16] AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, March 2021, p 13-9.

Table 9.2. DUOS control mechanism – compliance with revenue cap ($'000)

Control Mechanism	Formula	Value
Adjusted annual smoothed revenue requirement (t-1)	ARR_{t-1}	1,445,060
CPI	ΔCPI_t	0.86%
X-factor	X_t	2.45%
S-factor	S_{t-1}	-0.18%
S-factor	S_{t-2}	0.95%
Adjusted annual smoothed revenue requirement (t)	$ARR_t = ARR_{t-1} \times (1+\Delta CPI_t) \times (1-X_t) / (1+S_{t-1}) / (1+S_{t-2})$	1,410,993
DMIS, DMIA and STPIS adjustments	I_t	-20,180
Annual adjustment factors	B_t	28,381
Cost pass-through amounts	C_t	0
FY19 true-up (applicable to FY21 only)	RV_t	0
Total allowable revenue	$TAR_t = ARR_t + I_t + B_t + C_t + RV_t$	1,419,195
Proposed revenue	PR_t	1,419,195
Revenue cap compliance	**$TAR_t >= PR_t$**	**Yes**

Table 9.3. DUOS - compliance with side constraint

Side constraint	Formula	Value
CPI	ΔCPI_t	0.86%
X-factor	X_t	2.45%
S-factor	S_{t-1}	-0.18%
S-factor	S_{t-2}	0.95%
DMIS, DMIA and STPIS adjustments	I_t	-1.44%
Annual adjustment factors	B_t	2.02%
Cost pass through amounts	C_t	0.00%
Side Constraint Limit	$(1+\Delta CPI_t) \times (1-X_t) \times (1+2\%) / (1+S_{t-1}) / (1+S_{t-2}) + I_t' + B_t' + C_t'$	2.68%

Note: If $X_t > 0$ then X_t will be set equal to zero.

Table 9.4. DUOS – average tariff class price change

Tariff class	Weighted Average revenue 2020-21* ($'000)	Weighted Average revenue 2021-22* ($'000)	% change
Low Voltage	1,303,736	1,315,369	0.89%
High Voltage	48,830	50,056	2.51%
Subtransmission	37,520	38,479	2.55%
Unmetered	9,279	9,527	2.67%

Note: Excludes tariffs that did not exist in 2020-21 (eg, new customers on Individually Calculated Tariffs in 2021-22).

10 CHANGES FROM THE PREVIOUS REGULATORY YEAR

Clause 6.18.2(b)(8) of the NER requires that a pricing proposal must 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.

Our approved TSS for the 2019-24 regulatory control period further advances our tariff reform towards cost reflective tariffs.

The transition towards cost reflective tariffs for medium and large low voltage customers on transitional tariffs was delayed in 2020-21 due to uncertainties associated with the COVID-19 pandemic. Re-balancing of tariff was also delayed. This Pricing Proposal resumes the transition and re-balancing paths envisaged in our TSS, adjusted for the changes in the forecasts and revenues and moderated by consideration of customer impacts.

10.1 Demand tariffs for residential and small business customers

From 1 July 2019, we introduced demand tariffs for residential and small business customers.

Each demand tariff consists of a fixed daily charge (in cents per day), an energy consumption charge (in cents per kWh) with a seasonal TOU structure, and a seasonal demand charge (in cents per kW per day). The demand measure is the maximum energy consumption recorded over any 30-minute period within the defined seasonal demand window on a working weekday in each month (measured in kW). The resulting demand charge applies for each day in the month (before being reset for the next month) (see TSS Section 3.2).

The demand window for measuring the maximum demand is aligned with a corresponding TOU peak energy window. In seasons where there is no peak energy on working weekdays, a summer window of 2-8 pm applies (see TSS Section 3.1 and ES7 Network Price Guide for detail).

We do not propose any changes in our tariffs or tariff structures from the previous regulatory year (2020-21).

10.2 Tariff assignment policy

From 1 July 2019, demand tariffs became a default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.

Tariff assignment policy and tariffs include a demand (introductory) tariff for 12 months for existing residential and small business customers on a flat tariff when they replace their meter due to meter failure. The demand (introductory) tariffs give customers an opportunity to understand their patterns of usage for 12 months before being automatically reassigned to the default demand tariff. Customers assigned to the demand (introductory) tariff have the option to be reassigned to another demand tariff, or to a TOU tariff (see TSS Section 2.3). After 12 months on a demand (introductory) tariff, customers are automatically re-assigned to a demand tariff.

TOU-demand and TOU tariffs are opt-out options for all customers assigned to a demand tariff.

TOU customers replacing meter for any reason remain on TOU tariffs and can opt-in to demand tariffs (see ES7 Network Price Guide for detail).

We do not propose any changes in our tariffs assignment policy from the previous regulatory year (2020-21).

10.3 Closure of non-cost reflective tariffs

In line with the AER's final decision on our TSS, our transitional TOU tariffs for residential (EA011) and small business (EA051) customers introduced during 2018-19 were set to the legacy flat tariff in NUOS charges in 2019-20.[17] Note that EA010 and EA011 customers might be subject to different metering service charges depending on the meter type and the connection history (see Chapter 17).

Existing flat (non-cost reflective) residential and small business tariffs (EA010/EA011 and EA050/EA051) were closed in 2019-20 to new customers (see ES7 Network Price Guide for detail).

We do not propose any changes in policy regarding closure of non-cost reflective tariffs from the previous regulatory year (2020-21).

10.4 Transitional tariffs for medium to large customers

Transitional tariffs for medium and large business customers will transition to an appropriate capacity-based tariff over the 2019-24 period.[18] Transitional tariff EA316 (40-160 MWh) will converge with EA302 (40-160 MWh). Transitional tariff EA317 (160-750 MWh) will converge with EA305 (160-750 MWh).

We had planned to introduce capacity charges for the transitional tariffs EA316 (in kW) and EA317 (in kVA) effective from 1 July 2020. However, due to uncertainties associated with the COVID-19 pandemic, the above transition was postponed for one year. We are proposing to progress this transition in 2021-22. We have sent communication to the retailers outlining the approved changes and a list of their impacted customers, in order for the retailers to inform customers. We have also advised retailers that customers on tariff EA316 with MRIM meters that are currently being read on a quarterly cycle will be transitioned to a monthly read schedule from 1 April 2021 to ensure the 12-month rolling capacity is applied.

10.5 Demand windows are aligned with TOU peak

Our Pricing Proposal, in line with the TSS, maintains current seasonal TOU charging windows for energy for residential and small business customers. The summer and winter seasonal demand windows are aligned with corresponding peak energy windows. In other months ('low season') where the peak energy price does not apply, residential and small business charging windows are aligned with the capacity charging windows for larger businesses (2-8 pm working weekdays).

We do not propose any changes in our charging windows from the previous regulatory year (2020-21).

[17] AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, p 18-15. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

[18] AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, p 18-16. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

11 CUSTOMER IMPACTS

In setting our tariffs we apply pricing principles under clause 6.18.5 of the NER which include considering customer impacts (NER section 6.18.5(h)). We have supported our approved TSS with extensive customer impact analysis (see TSS Section 4.4). We replicate this analysis in Appendix A.2.

This Pricing Proposal for 2021-22 has been developed when the uncertainty about the COVID-19 pandemic has somewhat reduced but not yet fully resolved, with the degree of its impact on Australian people and business, and the future recovery path, still remaining uncertain.

We have updated our volume forecasts downwards and addressed a revenue under-recovery of about $23m that occurred in 2020-21. Our transmission charges for 2021-22 have also increased, as Ausgrid's allowed transmission revenue is on an increasing path while distribution revenue is on a decreasing path for the 2019-24 regulatory period.

Overall, our target revenue from tariffs (including under-recovery from 2020-21) increased while residential volumes projected to decrease due to the unwinding of the COVID-19 effects and the accelerating growth in rooftop solar. Overall projected 2.2% growth in energy volumes in 2021-22 is driven by non-residential sector. This trend is projected to continue for the remainder of the 2019-24 regulatory period. We have also revised downwards our projected 2021-22 growth in customer numbers.

Our proposed prices result in the average network charges remaining relatively stable, with an $3 (0.3%) increase in average network charges (NUOS) from 2020-21 to 2021-22. Average network charges are defined as total NUOS revenue divided by the total number of customers.

Our 'typical' residential customer bills are proposed to increase by less than 3% from 2020-21 to 2021-22.

Our small business customers progress towards closing the gap between residential and small business gross energy charges, as envisaged in the TSS, with a 'typical' small business customer receiving a marginal reduction in network bill (-0.4%) from 2020-21 to 2021-22.

Our 'typical' medium customer network bill remains unchanged, a move in line with the TSS transition and rebalancing path. For the same reason, large customers face a moderate increase (between 5.5% and 7.0%) in their network charges from 2020-21 to 2021-22.

11.1 Impact on residential customers

From 1 July 2019, demand tariffs became the default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.

Our 'typical' residential customer on a legacy flat energy tariff with energy consumption of 5 MWh per year, has a $17 (less than 3%) increase in the network component of the annual bill from 2020-21 to 2021-22 (see Table 11.1).

Table 11.1. Impacts on typical residential customer bills in 2021-22

Tariff	Usage MWh pa	Network component of bill in 2021-22	Percentage and $ change from 2020-21	Bill with 10% reduction in demand
Existing: EA010 Non-Time of Use	5	$575	3% ($17)	
Existing: EA025 Time of Use	5	$570	3% ($16)	
New: EA116 Demand	5	$507	3% ($14)	$485
New: EA115 Time of Use demand	5	$559	3% ($18)	$553

Note: Excludes GST.

11.2 Impact on small business customers

Our 'typical' small business customer on a legacy flat energy tariff with energy consumption of 10 MWh per year has a small reduction of -$4 (-0.4%) in the network component of the annual bill from 2020-21 to 2021-22 (see Table 11.2).

Table 11.2. Impacts on typical small business customer bills in 2021-22

Tariff	Usage MWh pa	Network component of bill in 2021-22	Percentage and $ change from 2020-21	Bill with 10% reduction in demand
Existing: EA050 Non-Time of Use	10	$1,266	-0.4% (-$4)	
Existing: EA225 Time of Use	10	$1,262	1% ($8)	
New: EA256 Demand	10	$1,209	1% ($7)	$1,164
New: EA255 Time of Use demand	10	$1,246	1% ($15)	$1,236

Note: Excludes GST.

11.3 Impact on medium and large business customers

Our 'typical' medium size customers are proposed to have their network bill unchanged: $0 (0.0%) in the network component of the annual bill from 2020-21 to 2021-22 for a 'typical' medium size non-residential customer with energy consumption of 70 MWh, and a marginal increase of $7 (0.03%) for a medium to large customer with energy consumption of 300 MWh per year.

Network prices for our typical large (>750 MWh per year) low voltage customers and commercial and industrial customers are proposed to increase by between 5.5% and 7.0%, reflective of the increase in our transmission charges and the share of these customers in our total network costs (see Table 11.3).

Table 11.3. Impacts on typical medium and large business customer bills in 2021-22

Tariff	Usage MWh pa	Network component of bill in 2021-22	Percentage and $ change from 2020-21
Existing: EA302 40-160 MWh pa	70	$6,714	0% ($0)
Existing: EA305 160-750 MWh pa	300	$24,877	0.03% ($7)
Existing: EA310 >750 MWh pa	1000	$61,778	7% ($4,087)

Note: Excludes GST. Usage is for a 'typical' customer on each tariff.

Detailed analysis of customer impacts is presented in Appendix A.2.

12 CONSISTENCY WITH THE TARIFF STRUCTURE STATEMENT

Clause 6.18.2(b)(7A) of the NER requires that a pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them.

This Pricing Proposal is based on our TSS for 2019-24, with tariff transition and revenue rebalancing across classes delayed by one year in 2020-21 due to uncertainties associated with the COVID-19 pandemic. Consideration of customer impacts influence the speed of proposed transition and rebalancing, both aiming to deliver more efficient pricing. The transition may be further be slowed due to the revised forecasts and revenues, including under-recovery for 2020-21, and consideration of customer impacts.

Our 2020-21 Pricing Proposal volume estimates were determined in March 2020, when there was significant uncertainty about the impact at the developing COVID-19 pandemic on the economy and energy consumption. For this Pricing Proposal we have taken the opportunity to update our volume estimates. These changes are driven by our standard econometric approach and reflect the growth of rooftop solar in our distribution area. With uncertainty about COVID-19 reduced but not fully resolved, our forecasts also reflected the changed pattern of consumption across residential and non-residential customers.

Our Pricing Proposal's revised volume estimates for 2020-21 and 2021-22 are about 4% and 5% lower (respectively) than the forecasts used to set the 2020-21 prices and 2021-22 indicative prices in our 2020-21 Pricing Proposal. We have also updated the volume forecasts for the remainder of the regulatory period, with a downward revision of about 4% in all remaining years.

Deviations from the indicative prices for 2021-22 are due to the updates to:

- allowed revenues
- forecast customer numbers
- energy and demand forecasts including those resulting from the proposed reassignment of customers as part of the annual review of tariff thresholds
- prescribed services (TransGrid TUOS)
- approved jurisdictional schemes (Climate Change Fund) contributions, and
- the proposed deferral by one year of the tariff transition and tariff rebalancing under our TSS, due to uncertainty associated with COVID-19.

Our indicative prices for the remaining years of the regulatory period reflect our tariff reform which includes:

- ensuring that the disparity between small business and residential demand tariffs is progressively removed

- rebalancing our small to medium business tariffs to maintain the reduction in fixed charges as indicated in our approved TSS. The rebalancing is within the long-term view of simplifying our tariff structures flagged in our Revised Proposal.[19]
- offsetting any increases in peak energy charges by decreases in shoulder or off-peak charges to remove incentive for inefficient investment in distributed energy resources (DER) by businesses.

Table 12.1 provides a comparison of network tariff prices by charging parameter (prices proposed for 2021-22 in this Pricing Proposal vs indicative prices for 2021-22 based on the initial Pricing Proposal 2019-20).

[19] Ausgrid, Revised Proposal – Attachment 10.1 *Tariff Structure Statement*, January 2019, p 48. Available at https://www.aer.gov.au/system/files/Ausgrid%20-%20Revised%20Proposal%20-%20Attachment%2010.01%20Tariff%20Structure%20Statement%20-%20January%202019.pdf.

Table 12.1. Comparison of Ausgrid's 2021-22 network tariffs by charging parameter (exclusive of GST) – proposed vs indicative – Low Voltage tariff class

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA010	Residential non-TOU *closed*	Proposal	38.9236	8.6540							
		Indicative	38.9236	8.5079							
		% difference	0.0%	1.7%							
EA011	Residential transitional TOU *closed*	Proposal	38.9236		8.6540	8.6540	8.6540				
		Indicative	38.9236		8.5079	8.5079	8.5079				
		% difference	0.0%		1.7%	1.7%	1.7%				
EA025	Residential TOU	Proposal	48.7242		25.3719	5.6227	3.6163				
		Indicative	48.3010		24.6272	5.5932	3.6579				
		% difference	0.9%		3.0%	0.5%	-1.1%				
EA030	Controlled load 1	Proposal	0.1588	1.8073							
		Indicative	0.1582	1.8393							
		% difference	0.4%	-1.7%							
EA040	Controlled load 2	Proposal	11.6309	4.7632							
		Indicative	11.5903	4.7638							
		% difference	0.4%	0.0%							
EA111	Residential demand (introductory)	Proposal	39.2285		8.2877	8.2877	8.2877	1.0659	1.0659		
		Indicative	38.9236		8.1742	8.1742	8.1742	1.0678	1.0678		
		% difference	0.8%		1.4%	1.4%	1.4%	-0.2%	-0.2%		
EA115	Residential TOU demand	Proposal	49.6768		24.5044	3.9269	2.8618	4.3294	4.3294		
		Indicative	48.3010		24.6272	3.7700	2.7755	4.2712	4.2712		
		% difference	2.8%		-0.5%	4.2%	3.1%	1.4%	1.4%		
EA116	Residential demand	Proposal	39.2285		2.8855	2.8855	2.8855	21.3184	10.6592		
		Indicative	38.9236		2.3910	2.3910	2.3910	21.3560	10.6780		
		% difference	0.8%		20.7%	20.7%	20.7%	-0.2%	-0.2%		

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA050	Small business non-TOU *closed*	Proposal	129.4497	7.9316							
		Indicative	126.0956	7.2790							
		% difference	2.7%	9.0%							
EA051	Small business transitional TOU *closed*	Proposal	129.4497		7.9316	7.9316	7.9316				
		Indicative	126.0956		7.2790	7.2790	7.2790				
		% difference	2.7%		9.0%	9.0%	9.0%				
EA225	Small business TOU	Proposal	127.6294		21.6817	7.4489	2.9666				
		Indicative	124.3224		22.5061	5.8484	2.4572				
		% difference	2.7%		-3.7%	27.4%	20.7%				
EA251	Small business demand (introductory)	Proposal	128.8282		7.6126	7.6126	7.6126	1.0659	1.0659		
		Indicative	124.3224		6.9840	6.9840	6.9840	1.0678	1.0678		
		% difference	3.6%		9.0%	9.0%	9.0%	-0.2%	-0.2%		
EA255	Small business TOU demand	Proposal	128.8282		18.7598	6.8678	2.2887	4.2637	4.2637		
		Indicative	124.3224		19.6317	5.0354	1.8487	4.2712	4.2712		
		% difference	3.6%		-4.4%	36.4%	23.8%	-0.2%	-0.2%		
EA256	Small business demand	Proposal	128.8282		2.8877	2.8877	2.8877	21.3184	15.9888		
		Indicative	124.3224		1.8969	1.8969	1.8969	21.3560	16.0170		
		% difference	3.6%		52.2%	52.2%	52.2%	-0.2%	-0.2%		

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA302	LV 40-160 MWh	Proposal	535.6080		5.1718	1.9569	0.8826			36.9001	
		Indicative	327.3280		5.9378	2.1948	1.1133			34.4215	
		% difference	63.6%		-12.9%	-10.8%	-20.7%			7.2%	
EA305	LV 160-750 MWh	Proposal	1730.4159		5.0788	1.9401	0.9438				36.9001
		Indicative	1193.8356		5.6938	2.1978	1.1476				34.4215
		% difference	44.9%		-10.8%	-11.7%	-17.8%				7.2%
EA310	LV >750 MWh	Proposal	2806.1386		4.7584	1.8400	0.8875				36.9038
		Indicative	2617.3888		4.9746	1.9973	1.0834				34.4215
		% difference	7.2%		-4.3%	-7.9%	-18.1%				7.2%
EA316	Transitional 40-160 MWh *closed*	Proposal	194.7000		21.8645	7.9919	1.8639			6.0000	
		Indicative	247.5390		14.7563	5.2856	1.5516			18.1904	
		% difference	-21.3%		48.2%	51.2%	20.1%			-67.0%	
EA317	Transitional 160-750 MWh *closed*	Proposal	474.0000		17.9123	5.3266	1.5099				6.1000
		Indicative	848.1128		13.7081	4.6006	1.4725				22.2076
		% difference	-44.1%		30.7%	15.8%	2.5%				-72.5%
EA325	LV Connection (standby) *closed*	Proposal	2679.2144		9.8110	8.0488	2.3191				0.4105
		Indicative	2499.0020		9.6985	7.9485	2.3418				0.3828
		% difference	7.2%		1.2%	1.3%	-1.0%				7.2%

Table 12.2. Comparison of Ausgrid's 2021-22 network tariffs by charging parameter (exclusive of GST) – proposed vs indicative – other tariffs

Tariff Class	Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
					Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
				c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
High Voltage	EA360	HV Connection (standby) *closed*	Proposal	2206.2880		8.0666	3.7360	2.2122				0.7719
			Indicative	2176.6200		8.0660	3.7932	2.2459				0.6747
			% difference	1.4%		0.0%	-1.5%	-1.5%				14.4%
	EA370	HV Connection (system)	Proposal	5244.0192		2.8492	1.8119	1.1879				22.4069
			Indicative	5173.5029		2.8352	1.7845	1.1576				20.9105
			% difference	1.4%		0.5%	1.5%	2.6%				7.2%
	EA380	HV Connection (substation)	Proposal	5244.0192		2.5931	1.6398	1.1004				18.6953
			Indicative	5173.5029		2.7148	1.6791	1.1181				17.9408
			% difference	1.4%		-4.5%	-2.3%	-1.6%				4.2%
Sub-transmission	EA390	ST Connection (system)	Proposal	6759.4373		2.3394	1.7910	1.1636				7.2757
			Indicative	6480.4931		2.3359	1.7997	1.2143				6.6693
			% difference	4.3%		0.1%	-0.5%	-4.2%				9.1%
	EA391	ST Connection (substation)	Proposal	6759.4373		2.1898	1.5676	1.0598				6.3939
			Indicative	6480.4931		2.0398	1.5623	1.1132				5.8793
			% difference	4.3%		7.4%	0.3%	-4.8%				8.8%
Unmetered	EA401	Public lighting	Proposal		7.5700							
			Indicative		7.3676							
			% difference		2.7%							
	EA402	Constant unmetered	Proposal		9.0693							
			Indicative		8.4484							
			% difference		7.3%							
	EA403	EnergyLight	Proposal		6.9586							
			Indicative		6.8010							
			% difference		2.3%							
Transmission	EA501	Transmission-connected	Proposal	28623.1365								0.9193
			Indicative	43945.3125								1.4114
			% difference	-34.9%								-34.9%

13 COMPLIANCE WITH NATIONAL ELECTRICITY RULES

Clause 6.18.2(b)(7) of the NER requires that a pricing proposal must demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's TSS for the relevant regulatory control period.

Our approved TSS has demonstrated compliance with the pricing principles (NER clause 6.18.5).

This Pricing Proposal is based on our TSS for 2019-24, with tariff transition and revenue rebalancing across classes prudently deferred by one year in 2020-21 due to uncertainties associated with the COVID-19 pandemic. We carefully manage the speed of the transition and rebalancing taken into account customer impacts, delivering efficient pricing signals and within the constraints of our control mechanism. This approach is consistent with clause 6.18.5(h) of the NER, which provides for giving effect to the pricing principles over a reasonable period of transition.

We have updated the volume and revenue forecasts for the remainder of the regulatory period and provided an indicative price schedule for the remaining years of the 2019-24 regulatory period.

Table 13.1 provides a compliance checklist.

Table 13.1. Compliance checklist of pricing proposal against key rule provisions

Rule provision	Requirement	Sections in Pricing Proposal	Other documents
6.18.2(b)(2)	A pricing proposal must 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.	Chapter 3	
6.18.2(b)(3)	A pricing proposal must set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates.	Chapter 4	Explanatory Notes
6.18.2(b)(4)	A pricing proposal must 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.	Chapter 5	Explanatory Notes
6.18.2(b)(5)	A pricing proposal must 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.	Chapter 6	
6.18.2(b)(6)	A pricing proposal must 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.	Chapter 7	
6.18.2(b)(6A)	A pricing proposal must 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.	Chapter 8	
6.18.2(b)(6B)	A pricing proposal must describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria.	n/a	
6.18.2(b)(7)	A pricing proposal must 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.	Chapter 12 Chapter 13	Compliance spreadsheets
6.18.2(b)(7A)	A pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them.	Chapter 12 Chapter 13	Compliance spreadsheets
6.18.2(b)(8)	A pricing proposal must 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.	Chapter 10	Explanatory Notes

Rule provision	Requirement	Sections in Pricing Proposal	Other documents
6.18.2(d)	At the same as a Distribution Network Service Provider submits a pricing proposal under paragraph (a), the Distribution Network Service Provider must submit to the AER a revised indicative pricing schedule which sets out, for each tariff and for each of the remaining regulatory years of the regulatory control period, the indicative price levels determined in accordance with the Distribution Network Service Provider's tariff structure statement for that regulatory control period and updated so as to take into account that pricing proposal.	Appendix A.1	Explanatory Notes

14 ANNUAL SYSTEM OF ASSESSMENT AND REVIEW OF TARIFFS

Consistent with the methodology for annual tariff assessment and review set out in our approved TSS[20] and with the AER's final decision,[21] this chapter discusses the outcomes of our annual reviews of network tariffs for existing retail customers. Our annual review is to ensure that the current tariff class and the tariff within the class remain appropriate for the customer. We reassign existing customers as part of the annual review if a different tariff is supported by 24 months of data.

Table 14.1: Proposed tariff reassignments for 2021-22

Current Network Tariff	Proposed Network Tariff	No. of Customers
Small business TOU (EA225)	LV 40-160 MWh (EA302)	397
	LV 160-750 MWh (EA305)	11
	LV >750 MWh (EA310)	1
LV 40-160 MWh (EA302)	Small business TOU (EA225)	1,399
	LV 160-750 MWh (EA305)	2
	LV >750 MWh (EA310)	7
LV 160-750 MWh (EA305)	Small business TOU (EA225)	26
	LV 40-160 MWh pa (EA302)	290
	LV >750 MWh pa (EA310)	59
LV >750 MWh (EA310)	Small business TOU (EA225)	5
	LV 40-160 MWh pa (EA302)	8
	LV 160-750 MWh (EA305)	175
Transitional 40-160 MWh *closed* (EA316)	Small business TOU (EA225)	247
	LV 40-160 MWh pa (EA302)	666
	LV 160-750 MWh (EA305)	1
Transitional 160-750 MWh *closed* (EA317)	LV 40-160 MWh pa (EA302)	1
	LV 160-750 MWh (EA305)	4
Total number of customers		3,299

Note: *Closed* means only available for customers already assigned to the tariff. Transitional tariffs EA316 and EA317 were closed during 2019-20 after the reassignments of existing customers reviewed for consumption thresholds was completed, to mitigate customer impacts. A new level of metering service charge might apply depending on the meter type and the connection history (see Chapter 17).

[20] Ausgrid's TSS, p 14.

[21] AER, *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, pp 18-20 – 18-23.

Based on customers' energy consumption history as at 31 December 2020, we propose to reassign 3,299 customers during 2021-22 (see Table 14.1). We will notify customers' retailers before implementing tariff changes. We have considered customer impacts on customers subject to the reassignment and utilised transitional tariffs where the impact of moving the customer to their new NUOS tariff was unacceptable.

15 PUBLIC LIGHTING SERVICES

Public lighting services are classified as alternative control services. These services are subject to a different control mechanism to our general network services, which the AER has given a standard control services classification.

Public lighting encompasses the provision, construction and maintenance of public lighting and emerging public lighting technology. Ausgrid provides public lighting services to over 100 customers including councils, community groups and government associations. There are over 240,000 public lights in Ausgrid's network area, which are typically installed on major and minor roadways. A conventional public light comprises of five (5) main components: a lamp, a luminaire, a bracket, a support structure, and a connection to the low voltage electricity network.

Public Lighting Prices for 2021-22

Our proposed public lighting prices for 2021-22 are shown in Appendix B.

16 ANCILLARY NETWORK SERVICES

Background

Ancillary network services (ANS) are non-routine services that are provided by a DNSP to individual customers on an “as needs” basis. These services are classified by the AER as alternative control services and do not form part of Ausgrid’s distribution use of system revenue requirement determined by the AER. Rather, the DNSP recovers the costs of providing alternative control services through a range of fees.

Ancillary network services charges for 2021-22

Our proposed ANS charges for 2021-22 are shown in Appendix B.

17 METERING SERVICES

Background

The AER classified our type 5 and 6 metering services as an alternative control service.[22] Ausgrid recovers the costs of these services through a range of metering charges approved in the AER's Final Decision, and which are escalated each year by an approved price control mechanism. The cost recovery of our type 5 and 6 metering services is separate from our distribution use of system revenue requirement.

Metering services charges for 2021-22

Our proposed metering services charges for 2021-22 are shown in Appendix B.

[22] AER, *Final Decision: Ausgrid 2019-24 distribution determination*, April 2019, p. 12-13.

Pricing Proposal
For the financial year ending June 2022

Appendix A: Explanatory Notes Standard Control Services
March 2021

Content

A.1 Indicative pricing schedule for the remaining years in the 2019-24 control period

Table A.1.1. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Proposed 2021-22

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	38.9236	8.6540							
	EA011	Residential transitional TOU *closed*	38.9236		8.6540	8.6540	8.6540				
	EA025	Residential TOU	48.7242		25.3719	5.6227	3.6163				
	EA111	Residential demand (introductory)	39.2285		8.2877	8.2877	8.2877	1.0659	1.0659		
	EA115	Residential TOU demand	49.6768		24.5044	3.9269	2.8618	4.3294	4.3294		
	EA116	Residential demand	39.2285		2.8855	2.8855	2.8855	21.3184	10.6592		
	EA030	Controlled load 1	0.1588	1.8073							
	EA040	Controlled load 2	11.6309	4.7632							
	EA050	Small business non-TOU *closed*	129.4497	7.9316							
	EA051	Small business transitional TOU *closed*	129.4497		7.9316	7.9316	7.9316				
	EA225	Small business TOU	127.6294		21.6817	7.4489	2.9666				
	EA251	Small business demand (introductory)	128.8282		7.6126	7.6126	7.6126	1.0659	1.0659		
	EA255	Small business TOU demand	128.8282		18.7598	6.8678	2.2887	4.2637	4.2637		
	EA256	Small business demand	128.8282		2.8877	2.8877	2.8877	21.3184	15.9888		
	EA302	LV 40-160 MWh	535.6080		5.1718	1.9569	0.8826			36.9001	
	EA305	LV 160-750 MWh	1730.4159		5.0788	1.9401	0.9438				36.9001
	EA310	LV >750 MWh	2806.1386		4.7584	1.8400	0.8875				36.9038
	EA316	Transitional 40-160 MWh *closed*	194.7000		21.8645	7.9919	1.8639			6.0000	
	EA317	Transitional 160-750 MWh *closed*	474.0000		17.9123	5.3266	1.5099				6.1000
	EA325	LV Connection (standby) *closed*	2679.2144		9.8110	8.0488	2.3191				0.4105
High Voltage	EA360	HV Connection (standby) *closed*	2206.2880		8.0666	3.7360	2.2122				0.7719
	EA370	HV Connection (system)	5244.0192		2.8492	1.8119	1.1879				22.4069
	EA380	HV Connection (substation)	5244.0192		2.5931	1.6398	1.1004				18.6953
Sub-transmission	EA390	ST Connection (system)	6759.4373		2.3394	1.7910	1.1636				7.2757
	EA391	ST Connection (substation)	6759.4373		2.1898	1.5676	1.0598				6.3939
Unmetered	EA401	Public lighting		7.5700							
	EA402	Constant unmetered		9.0693							
	EA403	EnergyLight		6.9586							
Transmission	EA501	Transmission-connected	28623.1365								0.9193

Table A.1.2. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2022-23

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.2390	8.4437							
	EA011	Residential transitional TOU *closed*	37.2390		8.4437	8.4437	8.4437				
	EA025	Residential TOU	46.4216		24.7337	5.4407	3.5582				
	EA111	Residential demand (introductory)	38.0654		8.0126	8.0126	8.0126	1.0251	1.0251		
	EA115	Residential TOU demand	47.5887		23.8163	3.8091	2.8085	4.1123	4.1123		
	EA116	Residential demand	37.7006		2.9171	2.9171	2.9171	20.2722	10.1361		
	EA030	Controlled load 1	0.1588	1.7659							
	EA040	Controlled load 2	11.6309	4.6091							
	EA050	Small business non-TOU *closed*	121.3947	7.7556							
	EA051	Small business transitional TOU *closed*	121.3947		7.7556	7.7556	7.7556				
	EA225	Small business TOU	119.1831		20.3612	7.1472	2.9458				
	EA251	Small business demand (introductory)	121.6644		7.2904	7.2904	7.2904	0.9934	0.9934		
	EA255	Small business TOU demand	122.2885		17.7314	6.3591	2.1461	3.9029	3.9029		
	EA256	Small business demand	120.5234		2.9944	2.9944	2.9944	19.6490	14.7367		
	EA302	LV 40-160 MWh	480.6177		5.4643	2.0898	1.0387			33.1116	
	EA305	LV 160-750 MWh	1561.5649		5.0523	2.0107	1.0676				33.2994
	EA310	LV >750 MWh	2874.0471		3.8351	1.5983	0.8144				37.7968
	EA316	Transitional 40-160 MWh *closed*	247.5390		20.7974	7.0063	1.7050			5.1585	
	EA317	Transitional 160-750 MWh *closed*	848.1128		16.4062	4.1373	1.3209				4.1240
	EA325	LV Connection (standby) *closed*	2497.9143		9.5350	7.8342	2.4553				0.3848
High Voltage	EA360	HV Connection (standby) *closed*	2259.6801		8.1272	3.6924	2.1949				0.8076
	EA370	HV Connection (system)	5370.9244		2.9695	1.6402	1.1579				23.0146
	EA380	HV Connection (substation)	5370.9244		2.5844	1.5976	1.0581				19.1944
Sub-transmission	EA390	ST Connection (system)	7232.5979		2.5805	1.7500	1.0860				7.9957
	EA391	ST Connection (substation)	7232.5979		2.4950	1.5842	1.0204				7.0342
Unmetered	EA401	Public lighting		7.6224							
	EA402	Constant unmetered		9.0749							
	EA403	EnergyLight		7.0672							
Transmission	EA501	Transmission-connected	38590.7997								1.1491

Table A.1.3. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2023-24

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	35.2134	8.2189							
	EA011	Residential transitional TOU *closed*	35.2134		8.2189	8.2189	8.2189				
	EA025	Residential TOU	43.7002		23.9805	5.2576	3.5094				
	EA111	Residential demand (introductory)	36.5812		7.7185	7.7185	7.7185	0.9741	0.9741		
	EA115	Residential TOU demand	45.1403		23.0199	3.6899	2.7596	3.8597	3.8597		
	EA116	Residential demand	35.9047		2.9672	2.9672	2.9672	19.0550	9.5275		
	EA030	Controlled load 1	0.1588	1.7165							
	EA040	Controlled load 2	11.6309	4.4238							
	EA050	Small business non-TOU *closed*	112.4257	7.5760							
	EA051	Small business transitional TOU *closed*	112.4257		7.5760	7.5760	7.5760				
	EA225	Small business TOU	107.6944		18.7989	7.0534	3.1208				
	EA251	Small business demand (introductory)	113.7475		6.8885	6.8885	6.8885	0.9135	0.9135		
	EA255	Small business TOU demand	112.0881		16.3997	6.0642	2.2286	3.4229	3.4229		
	EA256	Small business demand	111.6641		2.9880	2.9880	2.9880	17.8716	13.4037		
	EA302	LV 40-160 MWh	424.6553		5.8332	2.2711	1.2370			29.2561	
	EA305	LV 160-750 MWh	1386.6363		5.2231	2.1661	1.2537				29.5692
	EA310	LV >750 MWh	2943.5990		3.2703	1.1420	0.7059				38.7115
	EA316	Transitional 40-160 MWh *closed*	268.8021		19.9854	6.2373	1.6007			4.4732	
	EA317	Transitional 160-750 MWh *closed*	1074.4520		15.2453	3.2849	1.2260				2.6321
	EA325	LV Connection (standby) *closed*	2558.3639		8.0197	6.6270	2.4559				0.2959
High Voltage	EA360	HV Connection (standby) *closed*	2314.3644		8.1929	3.6514	2.1789				0.8450
	EA370	HV Connection (system)	5500.9008		2.9959	1.5626	1.0901				23.6404
	EA380	HV Connection (substation)	5500.9008		2.6693	1.5438	1.0038				19.7079
Sub-transmission	EA390	ST Connection (system)	7738.8798		2.5139	1.6823	1.0279				8.6492
	EA391	ST Connection (substation)	7738.8798		2.4382	1.5289	0.9727				7.6098
Unmetered	EA401	Public lighting		7.6384							
	EA402	Constant unmetered		9.0924							
	EA403	EnergyLight		7.0707							
Transmission	EA501	Transmission-connected	52029.5818								1.4364

A.2 Customer impact analysis

Customer impacts under our Pricing Proposal follow directions of the impacts discussed in detail in our approved TSS (April 2019). The Pricing Proposal appropriately balances the need to improve the efficiency of our network tariffs against the important requirement to consider the impact of these tariff reforms on our customers. Impact on individual customers depends on the retail product offered by their retailer, and on customer's behavioural response.

This Pricing Proposal is based on our TSS for 2019-24, with tariff transition and revenue rebalancing across classes delayed by one year in 2020-21 due to uncertainties associated with the COVID-19 pandemic. Consideration of customer impacts influence the speed of proposed transition and rebalancing, both aiming to deliver more efficient pricing. The transition may be further be slowed due to the revised forecasts and revenues, including under-recovery for 2020-21, and consideration of customer impacts.

Our proposed prices result in the average network charges remaining relatively stable, with an $3 (0.3%) increase in average network charges (NUOS) from 2020-21 to 2021-22. Average network charges are defined as total NUOS revenue divided by the total number of customers.

Our 'typical' residential customer bills are proposed to increase by less than 3% from 2020-21 to 2021-22 (see Table A2.1).

Our small business customers progress towards closing the gap between residential and small business gross energy charges, as envisaged in the TSS, with a 'typical' small business customer receiving a marginal reduction in network bill (-0.4%) from 2020-21 to 2021-22 (see Table A2.2).

Our 'typical' medium customer network bill remains unchanged, a move in line with the TSS transition and rebalancing path. For the same reason, large customers face a moderate increase (between 5.5% and 7.0%) in their network charges from 2020-21 to 2021-22 (see Table A2.3).

The final prices for each tariff will continue to be determined on an annual basis.

Table A2.1. Impacts on typical residential customer bills in 2021-22

Tariff	Usage MWh pa	Network component of bill in 2021-22	Percentage and $ change from 2020-21	Bill with 10% reduction in demand
Existing: EA010 Non-Time of Use	5	$575	3% ($17)	
Existing: EA025 Time of Use	5	$570	3% ($16)	
New: EA116 Demand	5	$507	3% ($14)	$485
New: EA115 Time of Use demand	5	$559	3% ($18)	$553

Note: Excludes GST.

Table A2.2. Impacts on typical small business customer bills in 2021-22

Tariff	Usage MWh pa	Network component of bill in 2021-22	Percentage and $ change from 2020-21	Bill with 10% reduction in demand
Existing: EA050 Non-Time of Use	10	$1,266	-0.4% (-$4)	
Existing: EA225 Time of Use	10	$1,262	1% ($8)	
New: EA256 Demand	10	$1,209	1% ($7)	$1,164
New: EA255 Time of Use demand	10	$1,246	1% ($15)	$1,236

Note: Excludes GST.

Table A2.3. Impacts on typical medium and large business customer bills in 2021-22

Tariff	Usage MWh pa	Network component of bill in 2021-22	Percentage and $ change from 2020-21
Existing: EA302 40-160 MWh pa	70	$6,714	0% ($0)
Existing: EA305 160-750 MWh pa	300	$24,877	0.03% ($7)
Existing: EA310 >750 MWh pa	1000	$61,778	7% ($4,087)

Note: Excludes GST. Usage is for a 'typical' customer on each tariff.

For the customer impact analysis, we follow the methodology described in detail in our TSS. Where an outcome with an opt-out is presented, additional improvement can be achieved for some customers with opting out into TOU tariffs (not modelled).

The following sections present impacts for:

- Residential customers
- Small business customers
- Medium and large business low voltage customers
- High voltage customers (on listed tariffs)
- Subtransmission customers (on listed tariffs).

The set of figures shows the impact for different groups of customers depending on their meter type and tariff, at the third year of the regulatory period in 2021-22 and at the end of the regulatory period in 2023-24. Each figure has a summary table of the impacts including average annual bill impact, energy consumption, demand and average load factor.

Average load factor is the average demand as a proportion of the maximum demand in a year and is important in determining the impact of a demand charge. The average load factor for a residential customer is approximately 10%. Customers with a very low load factor have very peaky demand (and drive higher network costs than other customers with the same overall consumption but higher load factor) and are more affected by demand charges. Customers with a higher load factor are less affected.

Residential customer impacts

Based on Figure 2.3 in Section 2 of the TSS showing the assignment of residential customers from 1 July 2019, the following figures show the impact on residential customers moving from their current tariff to a new tariff from 1 July 2021 and impacts at the end of the regulatory period in 2023-24.

Box A2.1 is a key to the set of residential customer impact figures including:

- Figures A2.1 to A2.5: the impact on customers on each of the tariffs in 2020-21 from 1 July 2021
- Figures A2.6 and A2.7: the impact on customers on flat tariff being assigned to a new demand (introductory) tariff due to meter failure after 1 July 2021, and the impact of being reassigned to the default demand tariff after 12 months
- Figure A2.8: the impact on customers being assigned to a demand tariff due to change from a flat tariff to a smart meter by customer initiated action after 1 July 2021
- Figure A2.9: the impact on TOU customers opting-in to a demand tariff due to change for any reason from an interval meter to a smart meter after 1 July 2021
- Figures A2.10 and A2.11: the impact on customers on the continuing non-demand tariffs (flat and TOU) of tariff price progression from 2021-22 to the end of the regulatory period in 2023-24
- Figures A2.12 and A2.13: the impact on customers on the two new demand tariffs of tariff price progression from 2021-22 to the end of the regulatory period in 2023-24.

Box A2.1. Key to residential customer impact figures

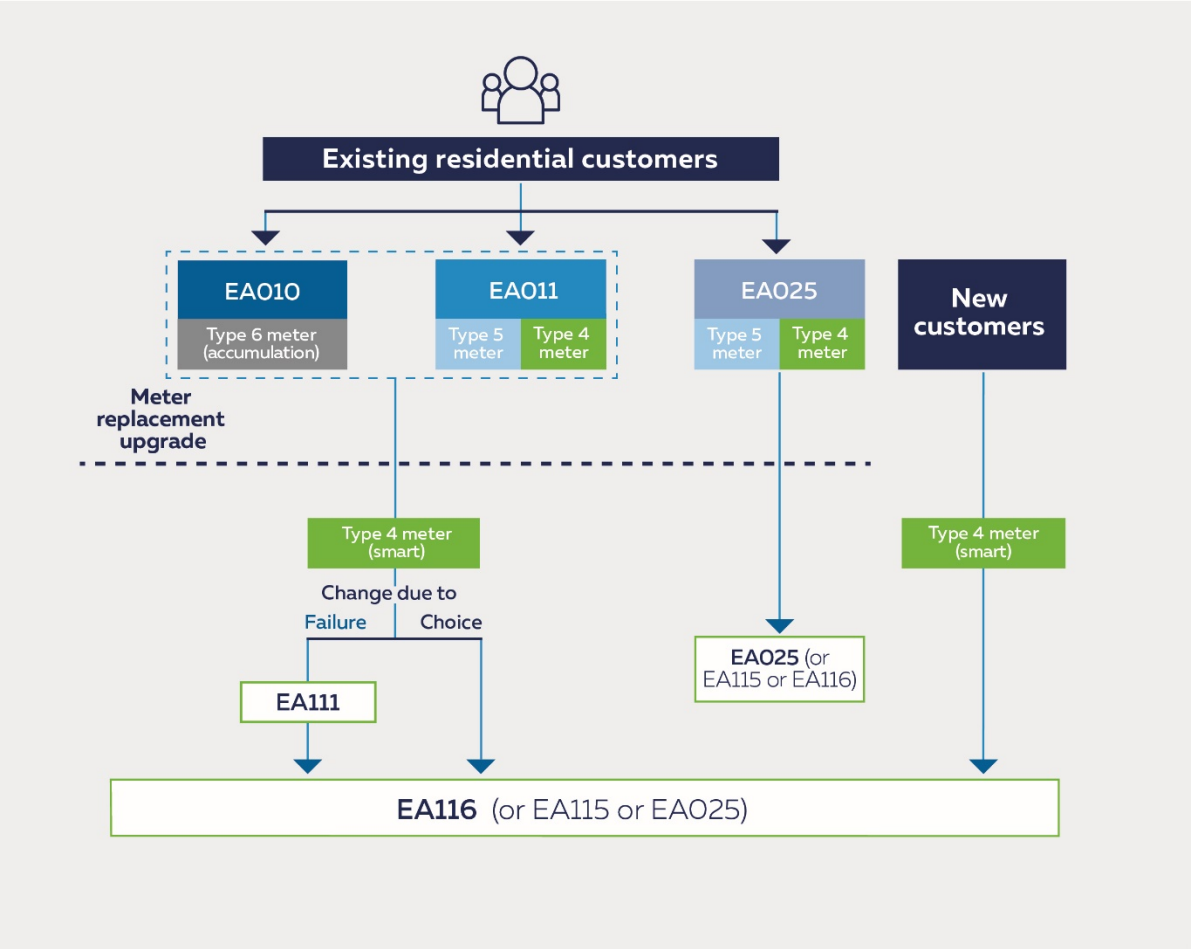
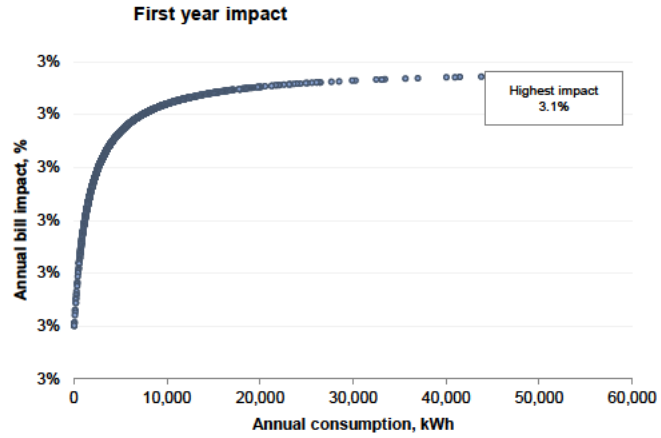
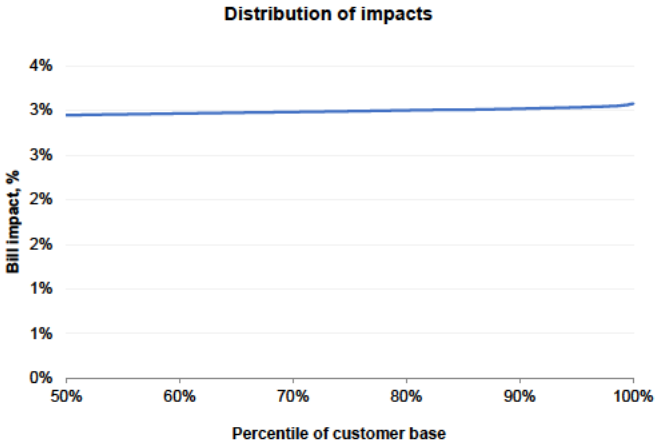
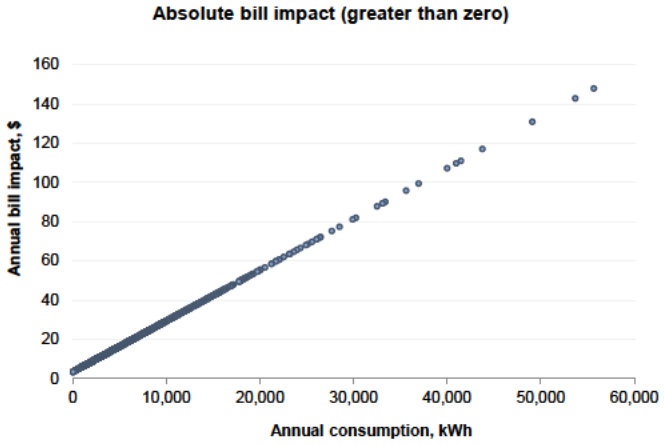


Figure A2.1. Price change impact: EA010/EA011 Flat tariff from 2020-21 to 2021-22

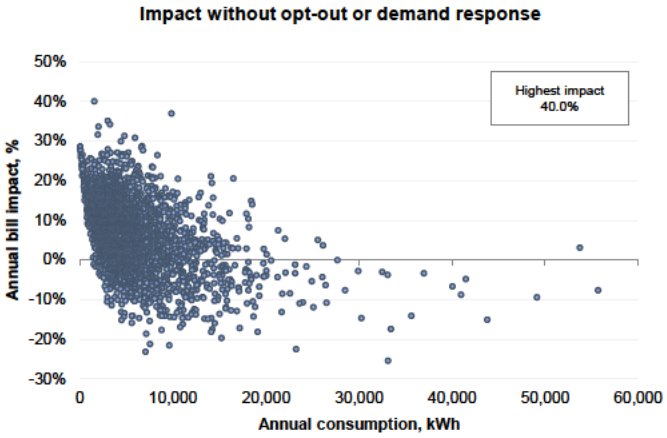


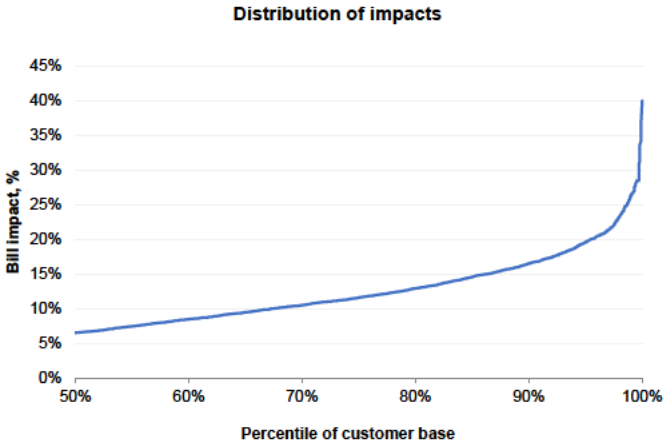


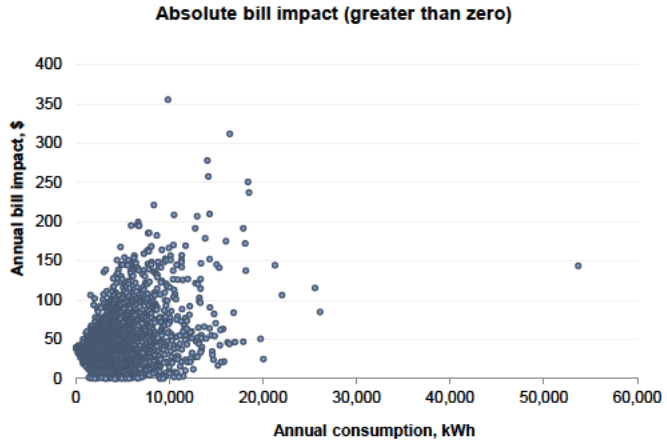


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.9%	2.9%	-	-
Average cumulative bill impact, $	$17	$17	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.2. Opt-out of customers with interval meters from EA011 Flat to EA025 TOU on 1 July 2021

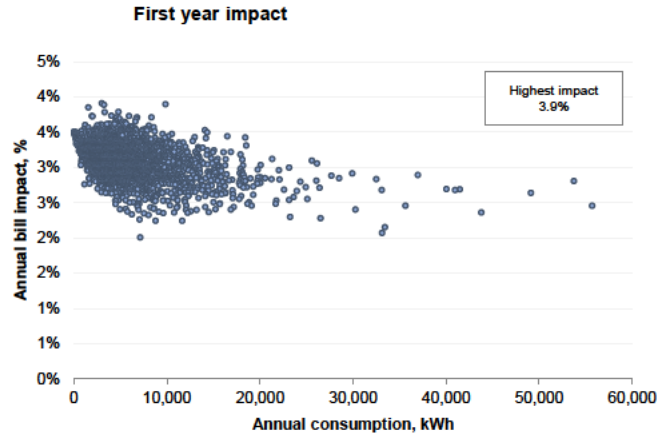


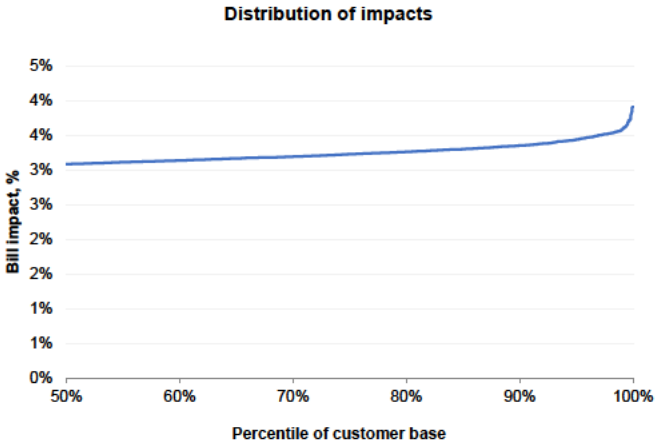


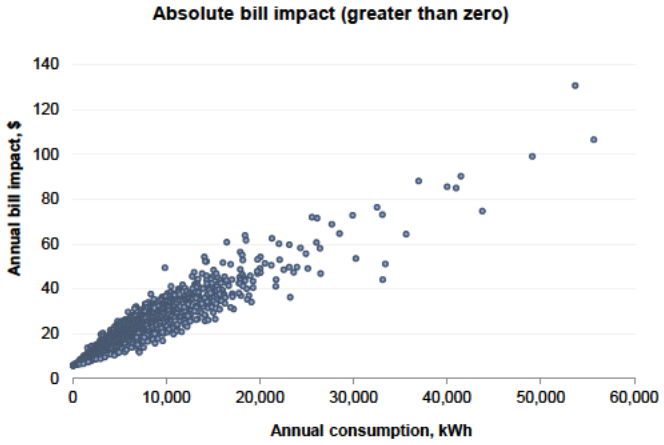


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	78.0%	32.7%	4.5%
Average cumulative bill impact, %	6.3%	9.4%	15.1%	23.7%
Average cumulative bill impact, $	$23	$43	$66	$100
Average annual consumption, kWh	5,189	4,272	3,613	3,437
Average maximum demand, kW	5.6	5.3	5.2	5.6
Average load factor, %	10.2%	9.0%	7.6%	6.1%

Figure A2.3. Price change impact: EA025 TOU tariff from 2020-21 to 2021-22

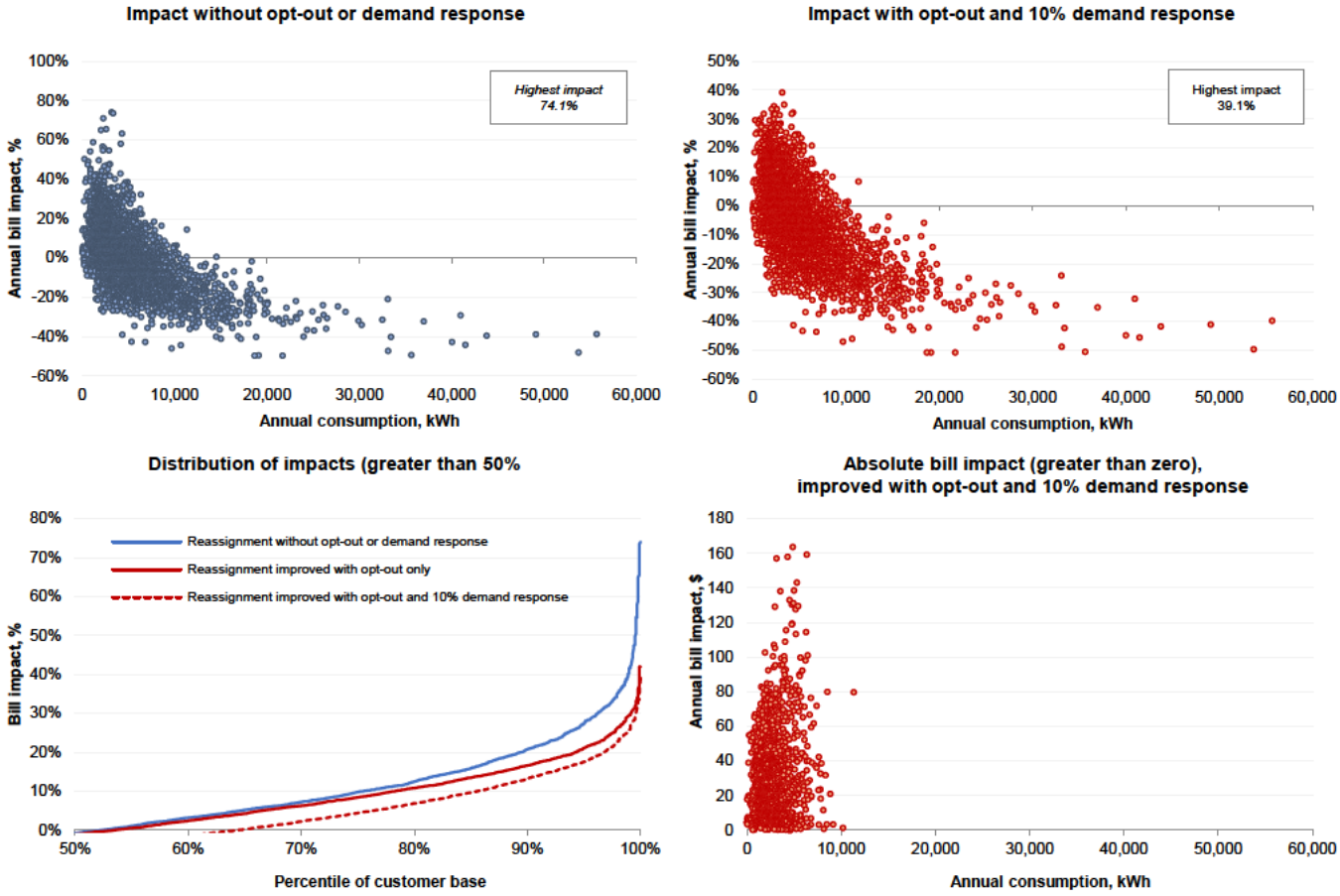






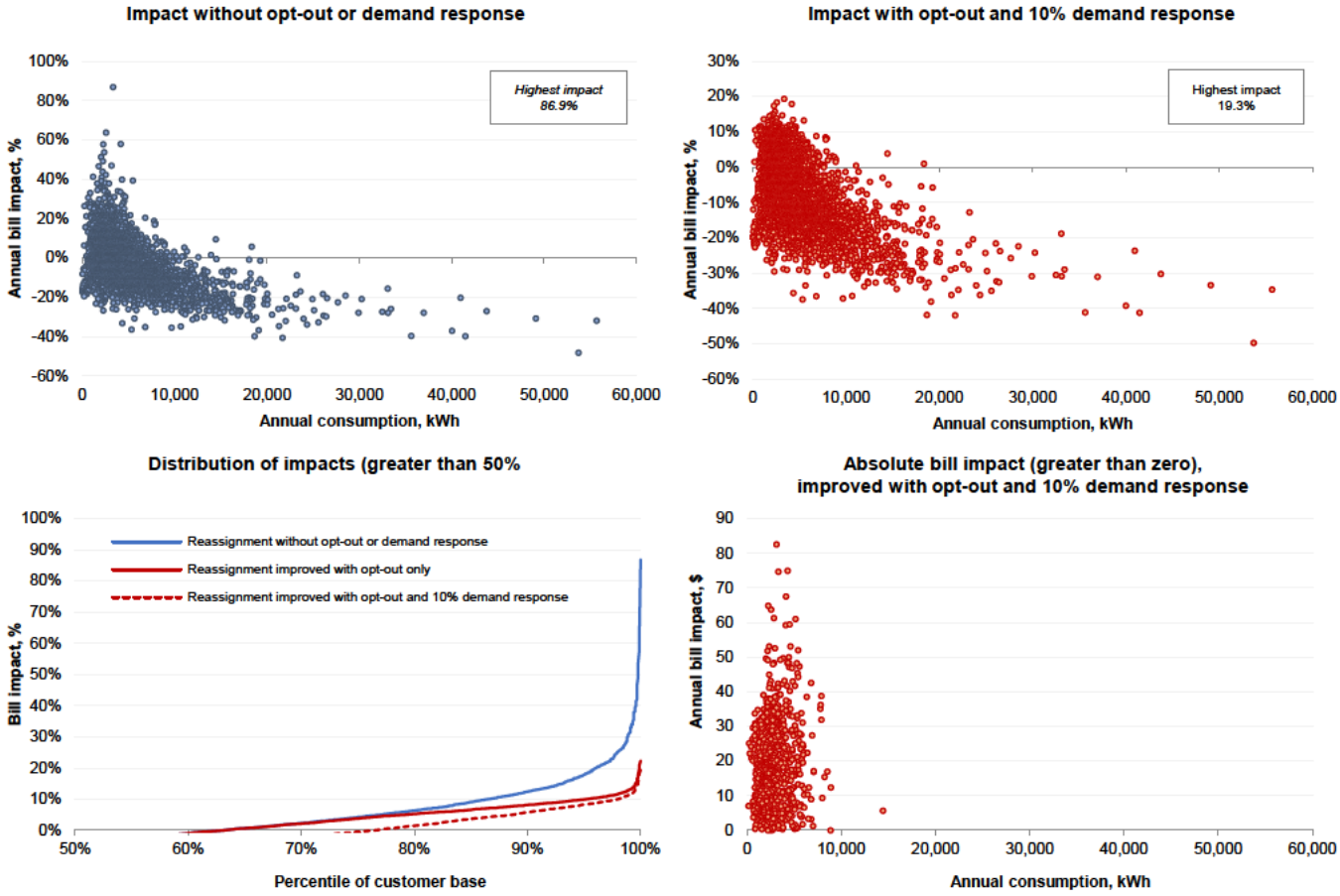
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	3.1%	3.1%	-	-
Average cumulative bill impact, $	$18	$18	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.4. Opt-out of customers with smart meters from EA011 Flat to EA116 Demand on 1 July 2021



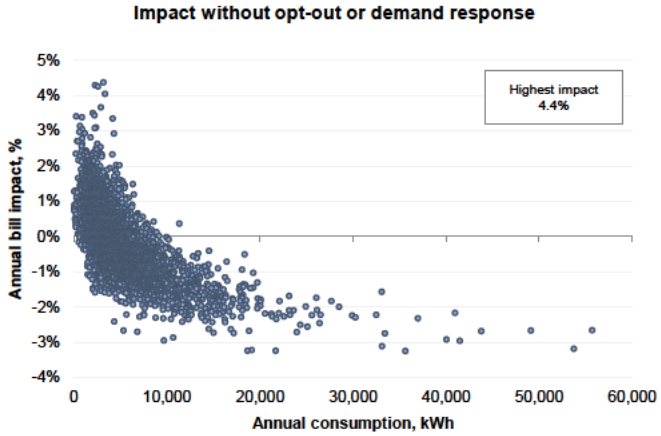
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	35.6%	14.5%	3.2%
Average cumulative bill impact, %	-5.2%	9.5%	16.6%	24.6%
Average cumulative bill impact, $	($63)	$33	$56	$79
Average annual consumption, kWh	5,189	2,814	2,393	2,193
Average maximum demand, kW	5.6	5.0	5.2	5.5
Average load factor, %	10.2%	6.3%	5.2%	4.4%

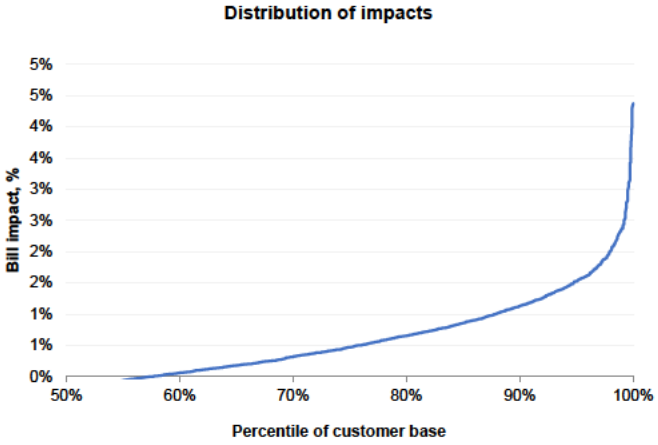
Figure A2.5. Opt-out of customers with smart meters from EA025 TOU to EA116 Demand on 1 July 2021

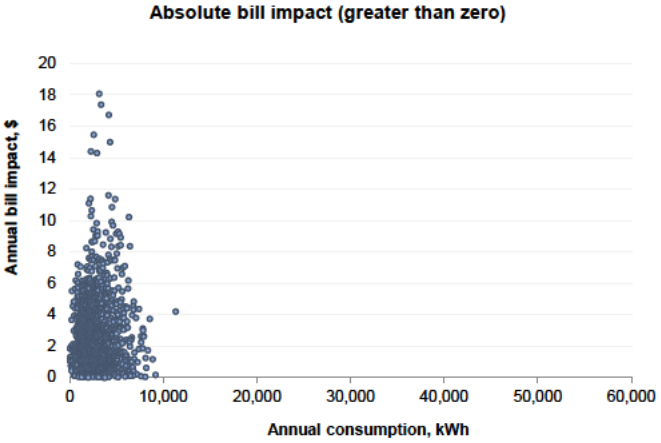


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	23.5%	2.0%	0.0%
Average cumulative bill impact, %	-8.2%	5.3%	12.0%	-
Average cumulative bill impact, $	($69)	$20	$39	-
Average annual consumption, kWh	5,189	2,890	1,902	-
Average maximum demand, kW	5.6	5.4	6.0	-
Average load factor, %	10.2%	6.1%	3.7%	-

Figure A2.6. Reassignment of customers from EA010/EA011 Flat to EA111 Demand (introductory) on meter replacement due to failure in 2021-22

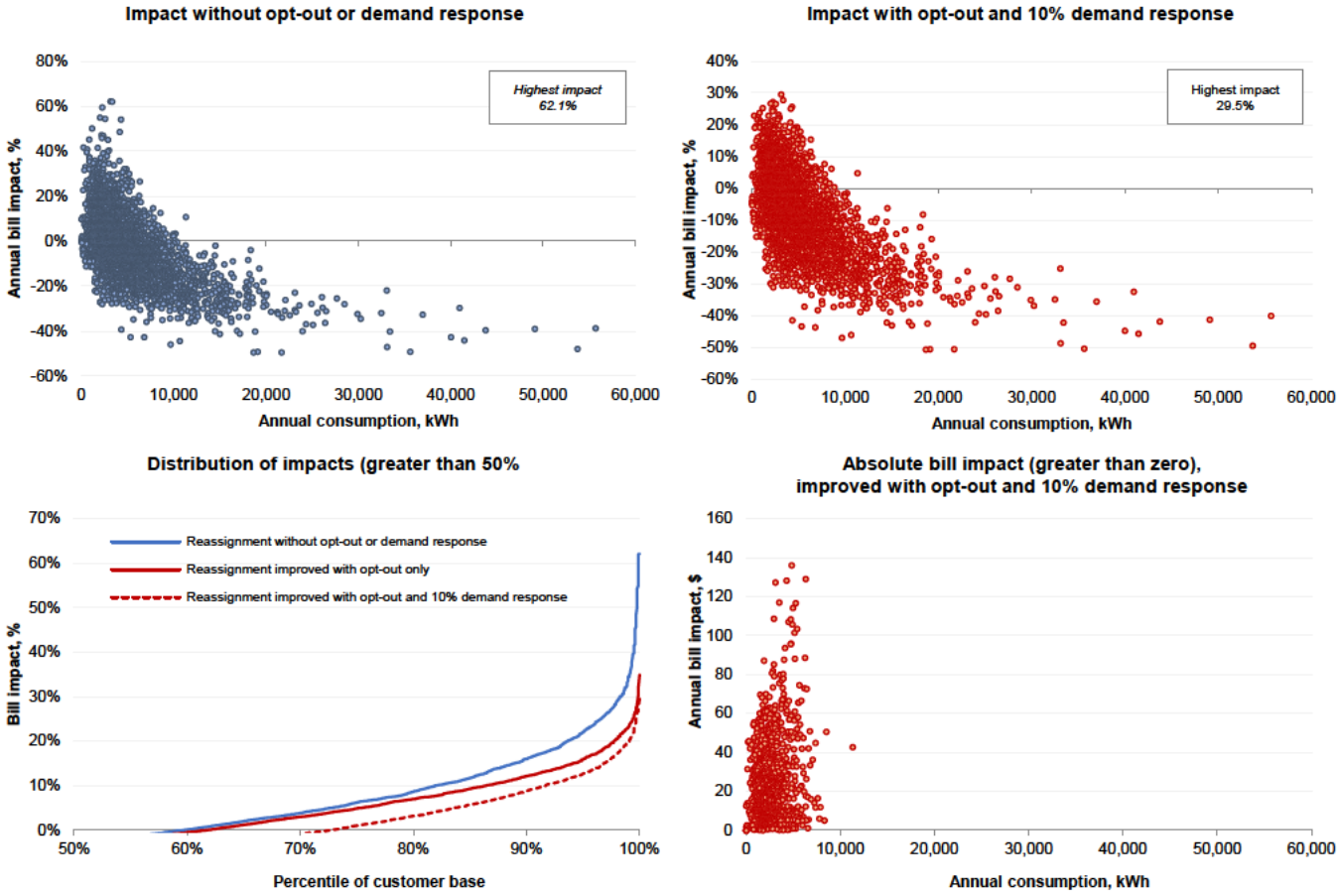






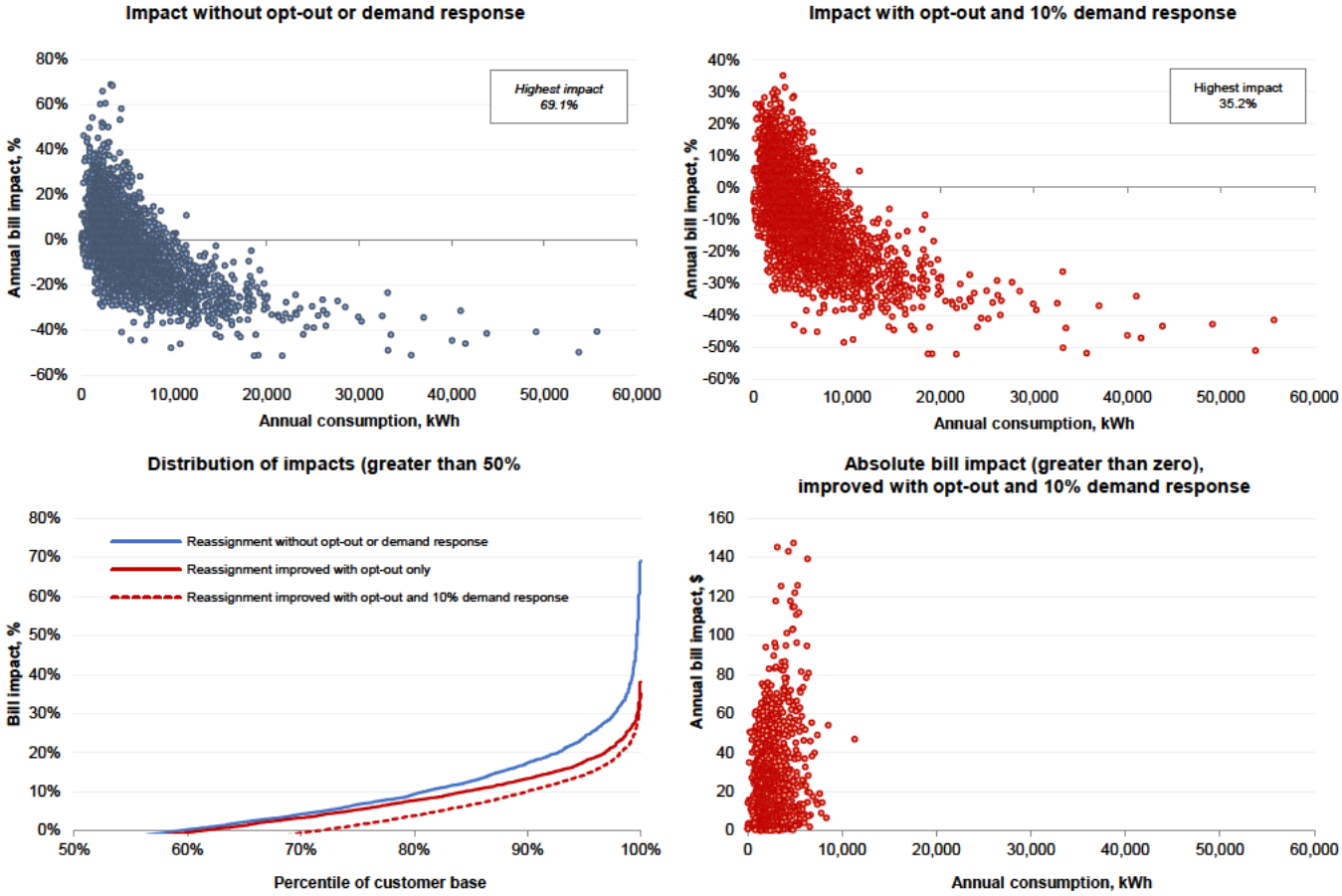
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	42.5%	0.0%	0.0%
Average cumulative bill impact, %	-0.2%	0.8%	-	-
Average cumulative bill impact, $	($4)	$3	-	-
Average annual consumption, kWh	5,189	2,814	-	-
Average maximum demand, kW	5.6	4.8	-	-
Average load factor, %	10.2%	6.6%	-	-

Figure A2.7. Opt-out of customers from EA111 Demand (introductory) to EA116 Demand in 2021-22



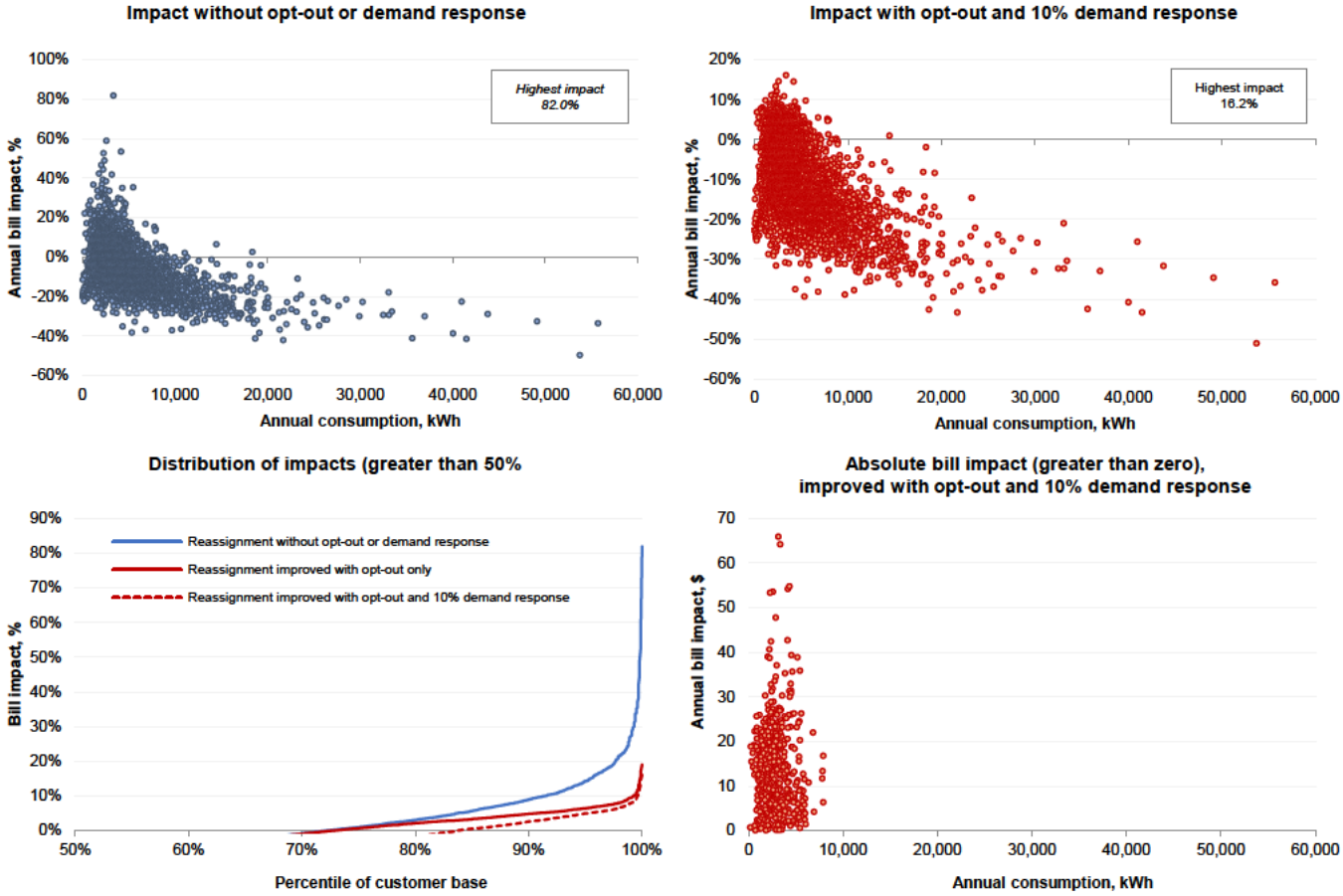
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	27.4%	8.3%	0.9%
Average cumulative bill impact, %	-7.9%	7.6%	14.7%	23.2%
Average cumulative bill impact, $	($77)	$27	$51	$69
Average annual consumption, kWh	5,189	2,658	2,314	1,721
Average maximum demand, kW	5.6	5.0	5.3	5.7
Average load factor, %	10.2%	6.0%	4.8%	3.3%

Figure A2.8. Reassignment of customers from EA010/EA011 Flat to EA116 Demand on meter upgrade by customer choice in 2021-22



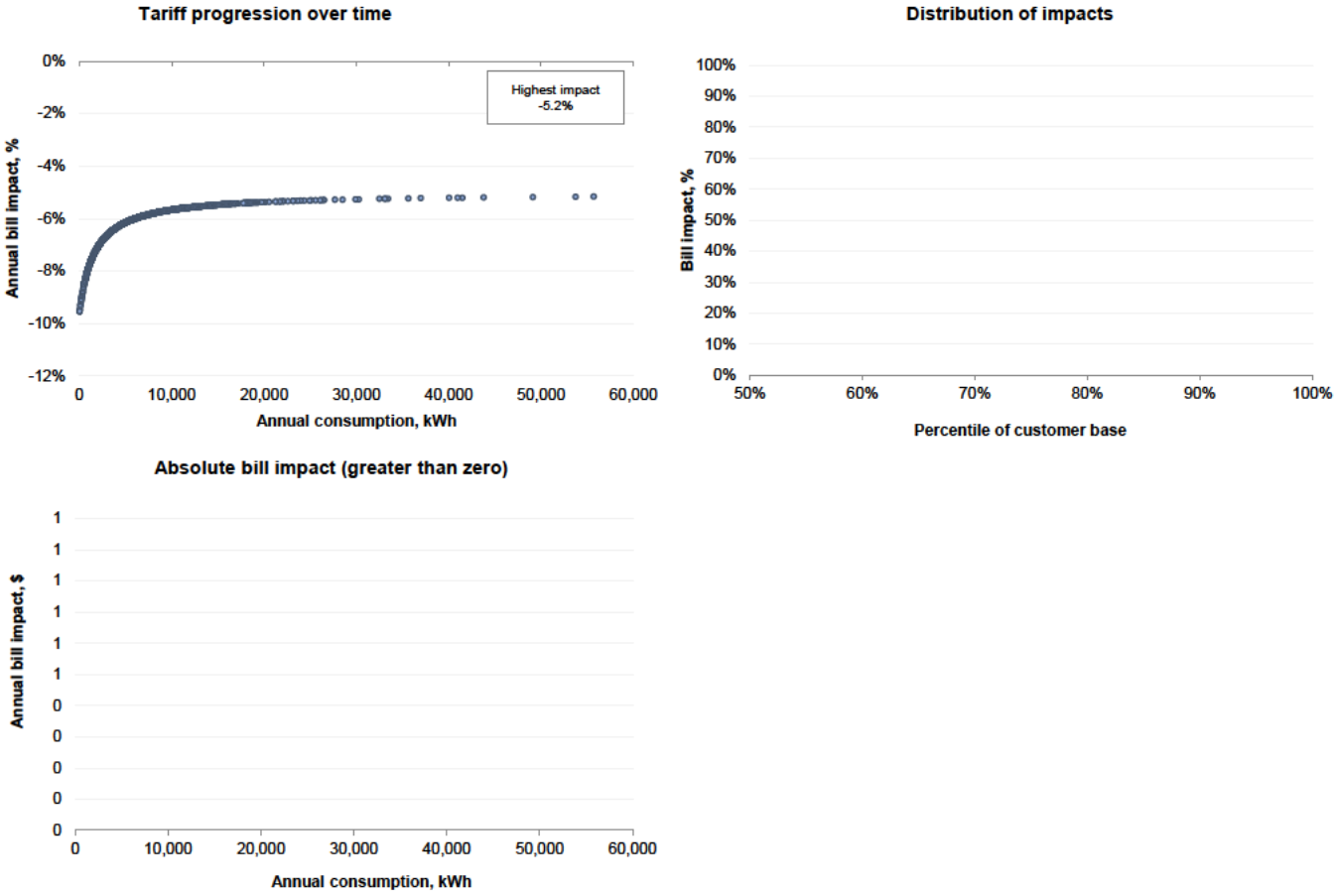
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	28.3%	10.0%	1.8%
Average cumulative bill impact, %	-7.9%	8.4%	15.6%	23.7%
Average cumulative bill impact, $	($80)	$30	$53	$75
Average annual consumption, kWh	5,189	2,643	2,314	2,053
Average maximum demand, kW	5.6	5.0	5.3	5.8
Average load factor, %	10.2%	6.0%	4.9%	3.8%

Figure A2.9. Reassignment of customers from EA025 TOU to EA116 Demand on meter replacement in 2021-22



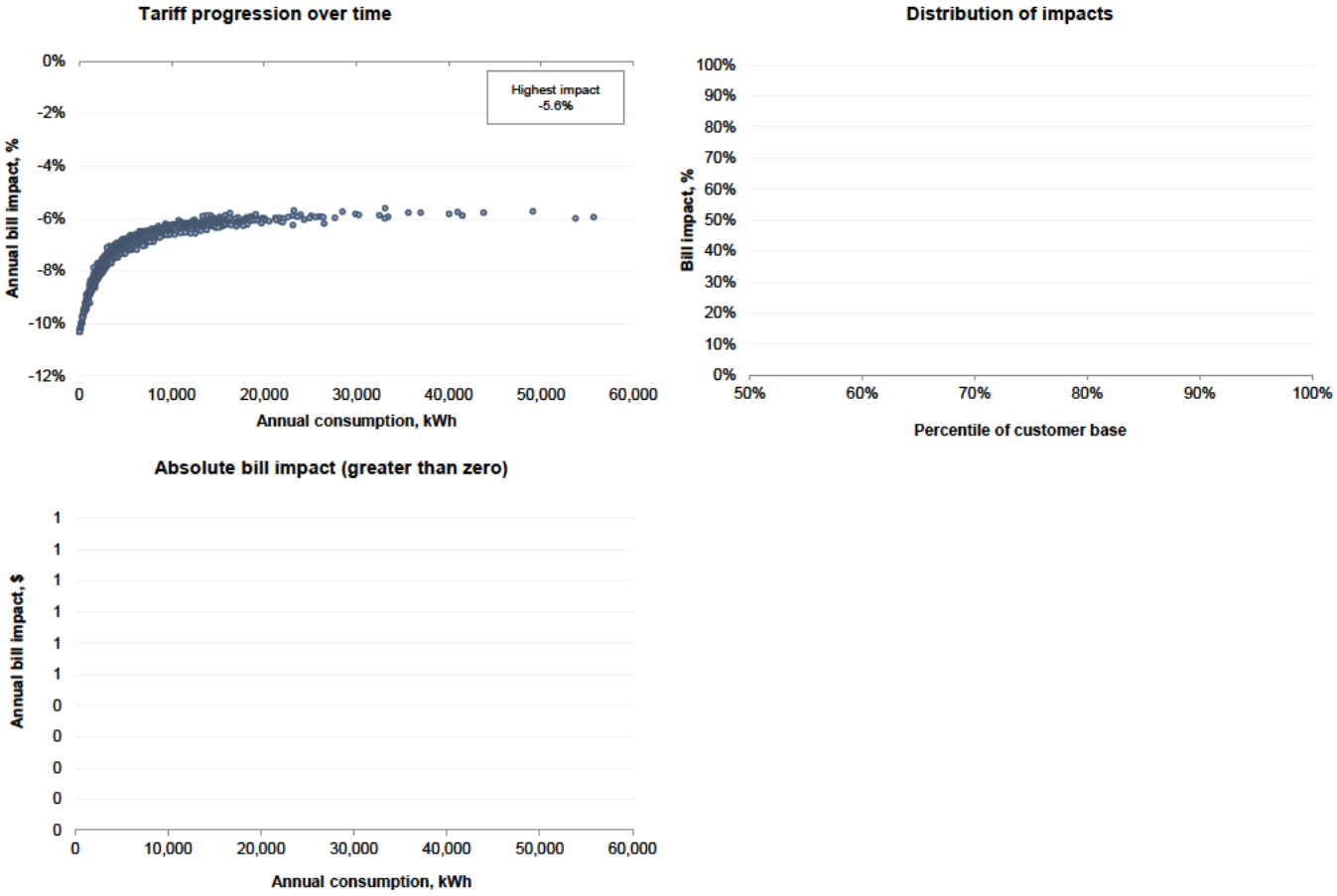
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	16.3%	0.3%	0.0%
Average cumulative bill impact, %	-11.0%	3.7%	12.3%	-
Average cumulative bill impact, $	($86)	$14	$46	-
Average annual consumption, kWh	5,189	2,713	2,459	-
Average maximum demand, kW	5.6	5.4	10.2	-
Average load factor, %	10.2%	5.7%	2.9%	-

Figure A2.10. Tariff progression over time: EA010/EA011 Flat tariff from 2021-22 to 2023-24



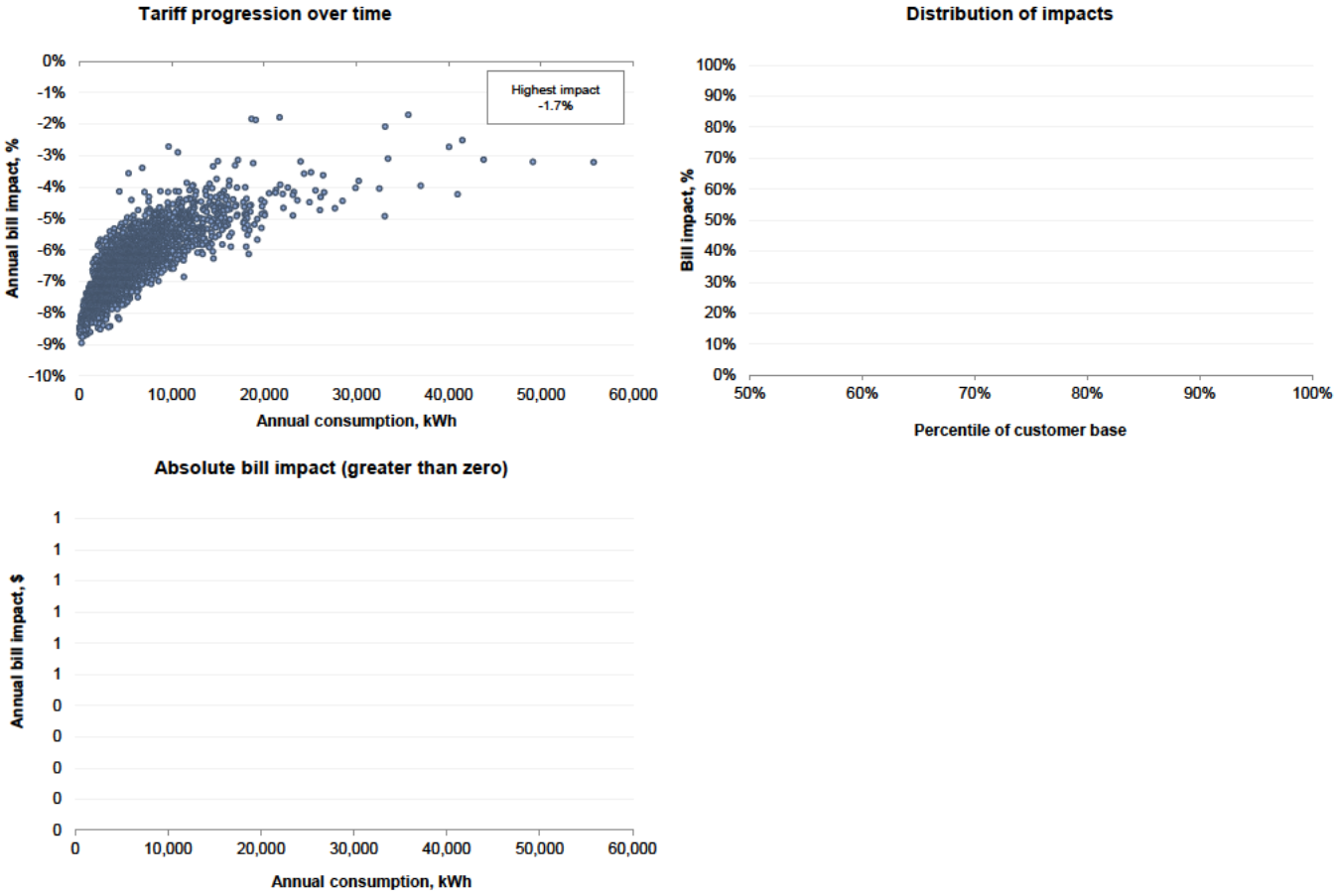
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-6.4%	-	-	-
Average cumulative bill impact, $	($36)	-	-	-
Average annual consumption, kWh	5,189	-	-	-
Average maximum demand, kW	5.6	-	-	-
Average load factor, %	10.2%	-	-	-

Figure A2.11. Tariff progression over time: EA025 TOU tariff from 2021-22 to 2023-24



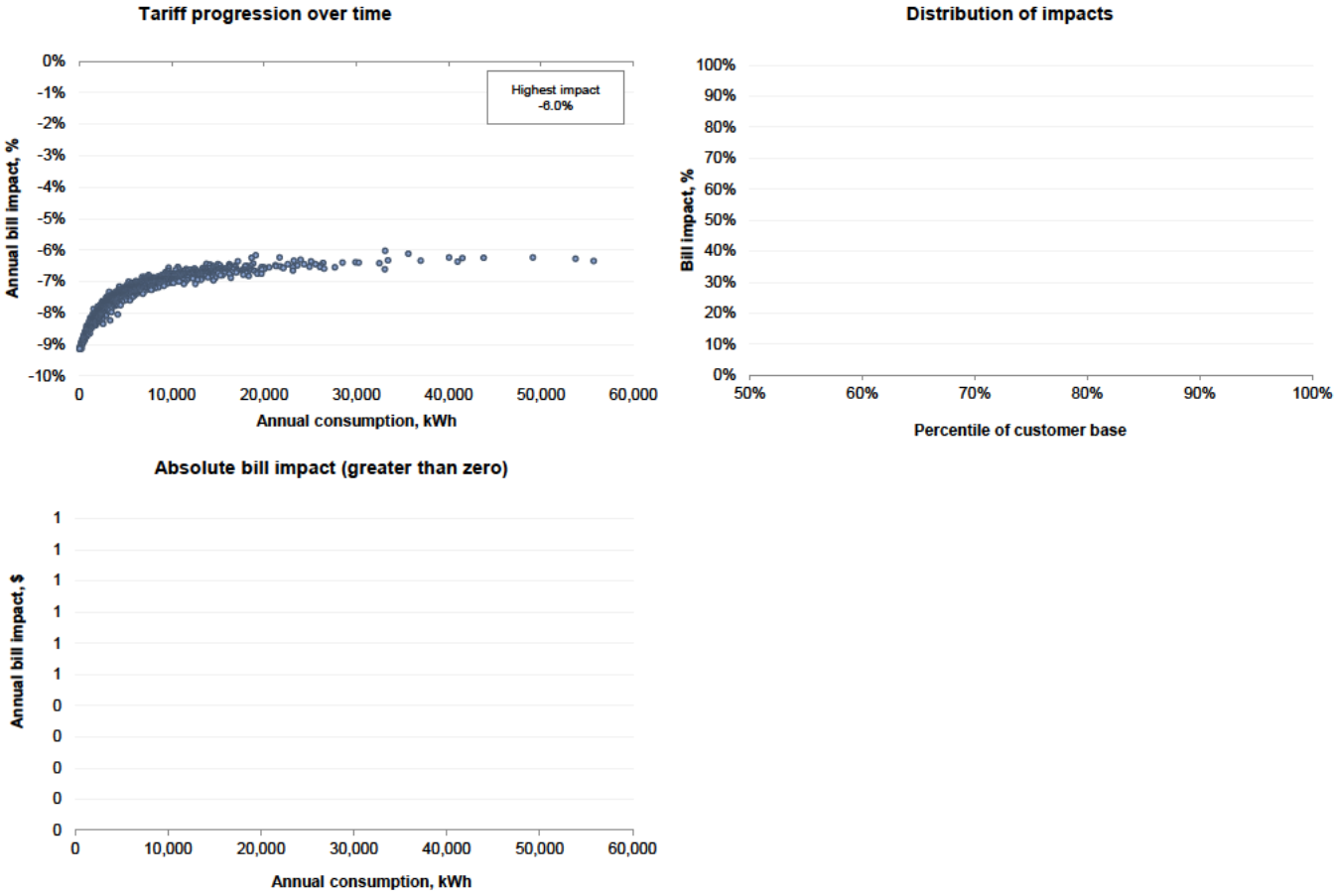
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-7.3%	-	-	-
Average cumulative bill impact, $	($42)	-	-	-
Average annual consumption, kWh	5,189	-	-	-
Average maximum demand, kW	5.6	-	-	-
Average load factor, %	10.2%	-	-	-

Figure A2.12. Tariff progression over time: EA116 Demand tariff from 2021-22 to 2023-24



Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-6.6%	-	-	-
Average cumulative bill impact, $	($34)	-	-	-
Average annual consumption, kWh	5,189	-	-	-
Average maximum demand, kW	5.6	-	-	-
Average load factor, %	10.2%	-	-	-

Figure A2.13. Tariff progression over time: EA115 TOU Demand tariff from 2021-22 to 2023-24



Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-7.5%	-	-	-
Average cumulative bill impact, $	($43)	-	-	-
Average annual consumption, kWh	5,189	-	-	-
Average maximum demand, kW	5.6	-	-	-
Average load factor, %	10.2%	-	-	-

Small business customer impacts

Based on Figure 2.4 in Section 2 of the TSS showing the assignment of small business customers from 1 July 2019, the following figures show the impact on small business customers moving from their current tariff to a new tariff from 1 July 2021 and impacts at the end of the regulatory period in 2023-24.

Box A2.2 is a key to the set of small business customer impact figures including:

- Figures A2.14 to A2.18: the impact on customers on each of the tariffs in 2020-21 from 1 July 2021
- Figures A2.19 and A2.20: the impact on customers on flat tariffs being assigned to a new demand (introductory) tariff due to meter failure after 1 July 2021, and the impact of being reassigned to the default demand tariff after 12 months
- Figure A2.21: the impact on customers being assigned to a new demand tariff due to change from a flat tariff to a smart meter by customer initiated action after 1 July 2021
- Figure A2.22: the impact on TOU customers opting-in to a demand tariff due to change for any reason from an interval meter to a smart meter after 1 July 2021
- Figures A2.23 and A2.24: the impact on customers on the continuing non-demand tariffs of tariff price progression from 2021-22 to the end of the regulatory period in 2023-24
- Figures A2.25 and A2.26: the impact on customers on the two new demand tariffs of tariff price progression from 2021-22 to the end of the regulatory period in 2023-24.

Box A2.2. Key to small business customer impact figures

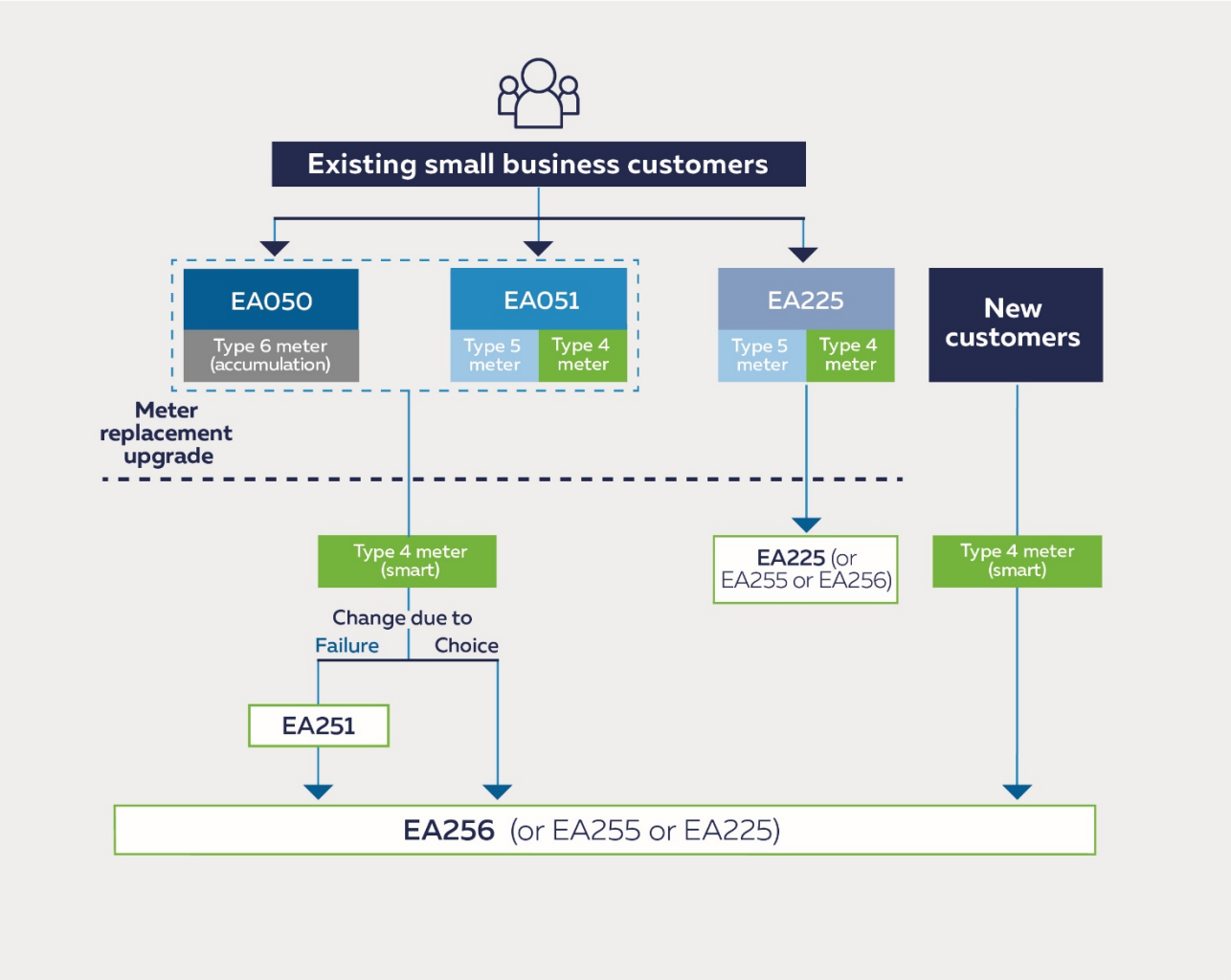
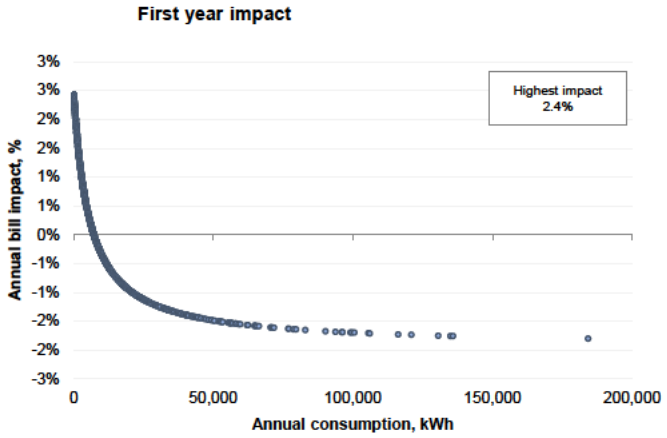
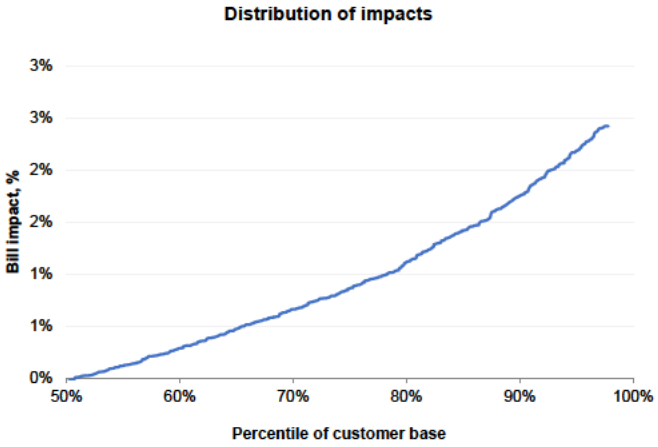
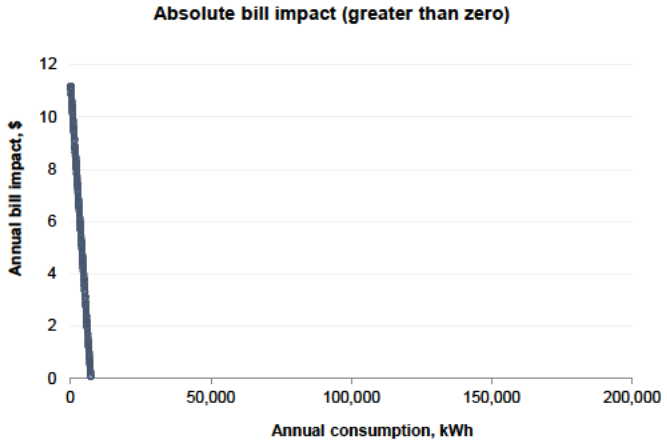


Figure A2.14. Price change impact: EA050/EA051 Flat tariff from 2020-21 to 2021-22

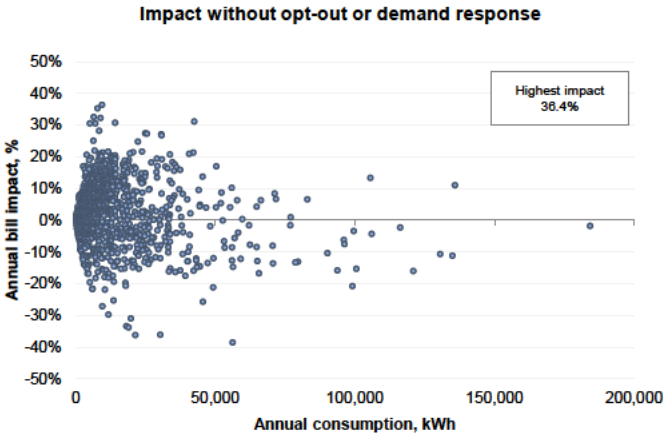


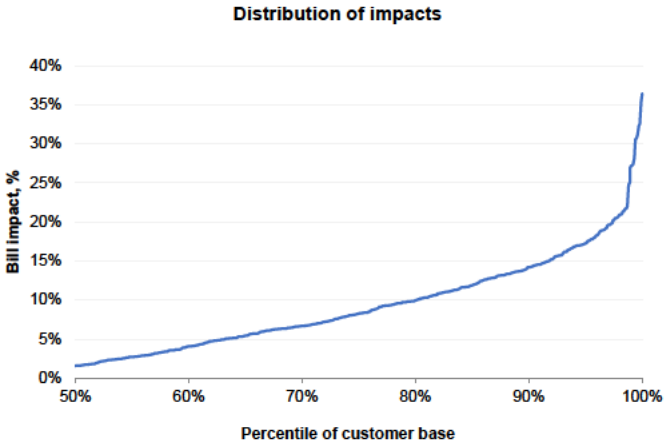


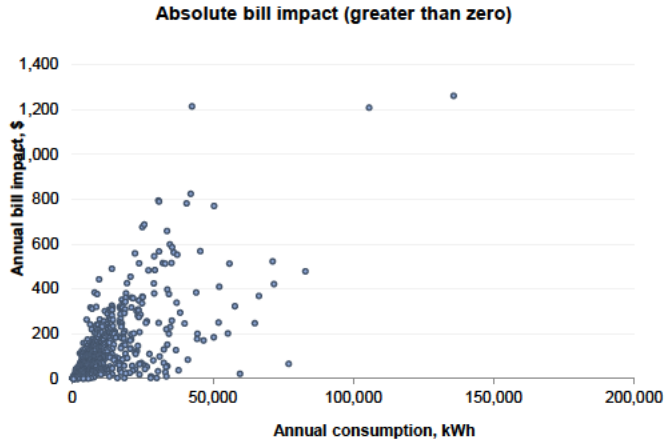


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	49.2%	0.0%	0.0%
Average cumulative bill impact, %	0.1%	1.0%	-	-
Average cumulative bill impact, $	($9)	$6	-	-
Average annual consumption, kWh	13,105	3,207	-	-
Average maximum demand, kW	8.0	3.8	-	-
Average load factor, %	19.7%	15.0%	-	-

Figure A2.15. Opt-out of customers with interval meters from EA051 Flat to EA225 TOU on 1 July 2021

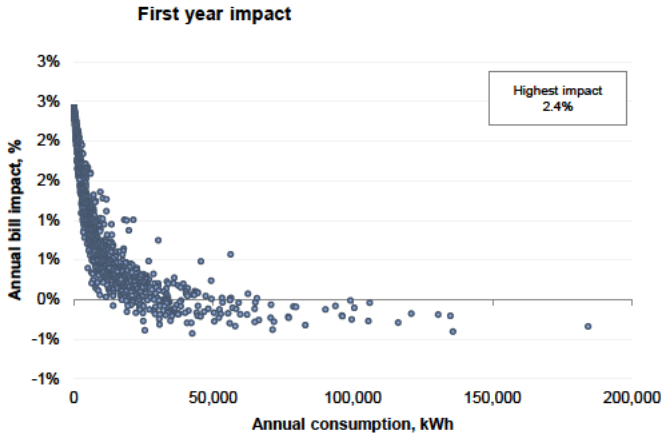


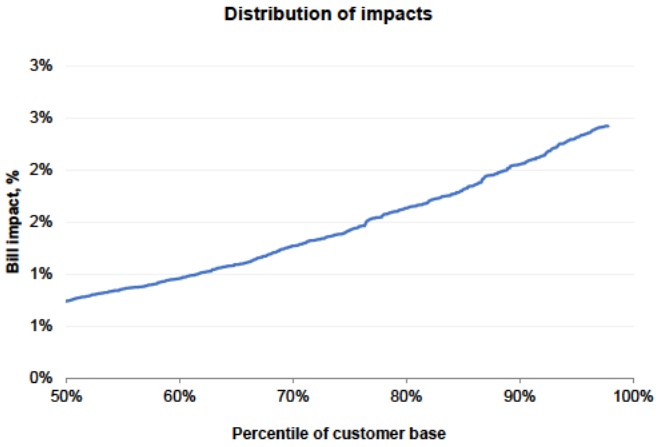


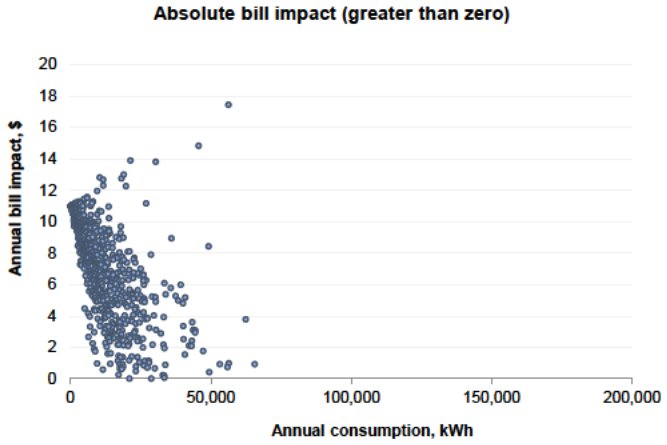


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	60.6%	19.8%	2.6%
Average cumulative bill impact, %	2.1%	7.9%	15.5%	25.2%
Average cumulative bill impact, $	$14	$122	$253	$454
Average annual consumption, kWh	13,105	11,115	14,156	16,840
Average maximum demand, kW	8.0	8.4	12.1	18.8
Average load factor, %	19.7%	14.8%	14.7%	11.6%

Figure A2.16. Price change impact: EA225 TOU tariff from 2020-21 to 2021-22

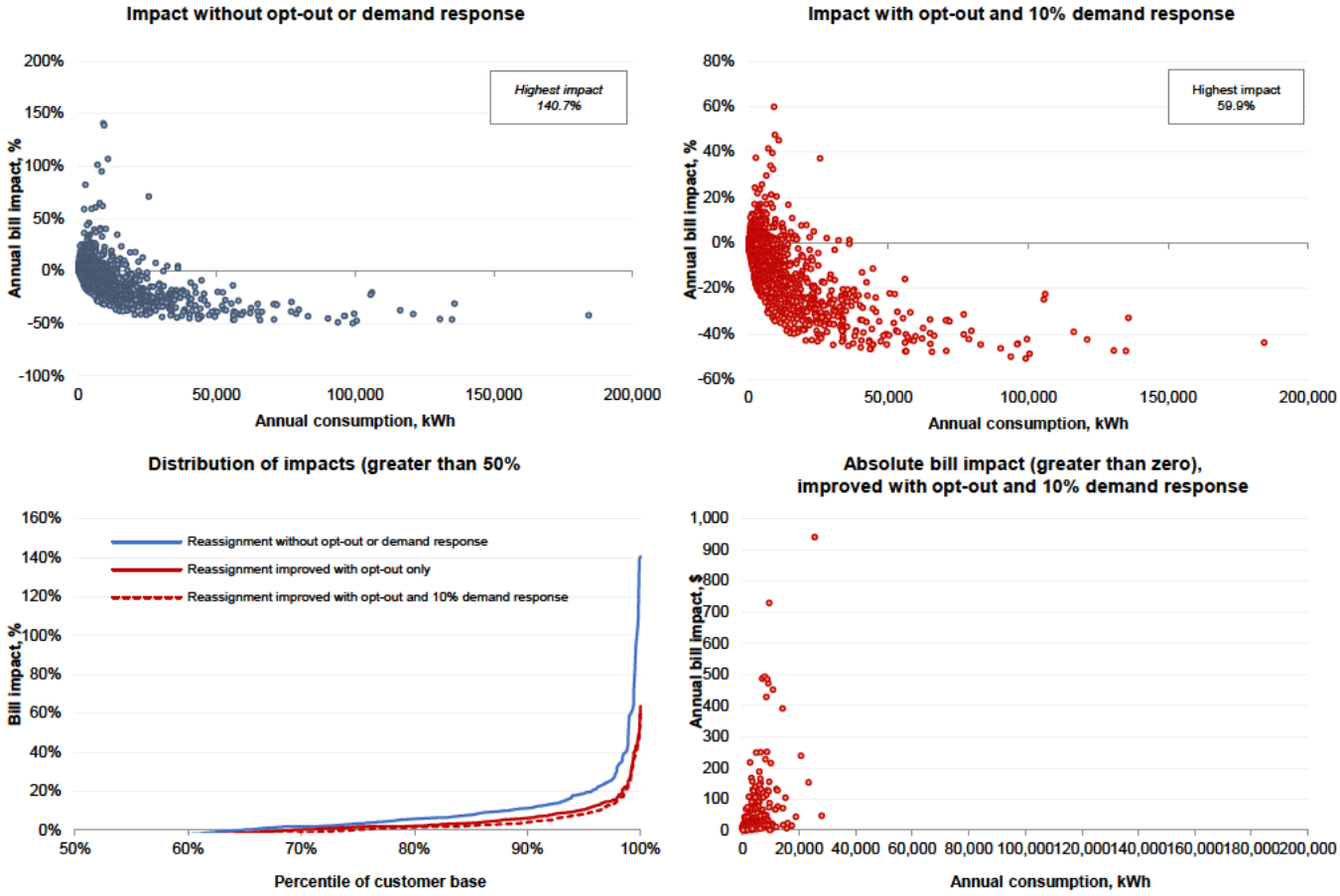






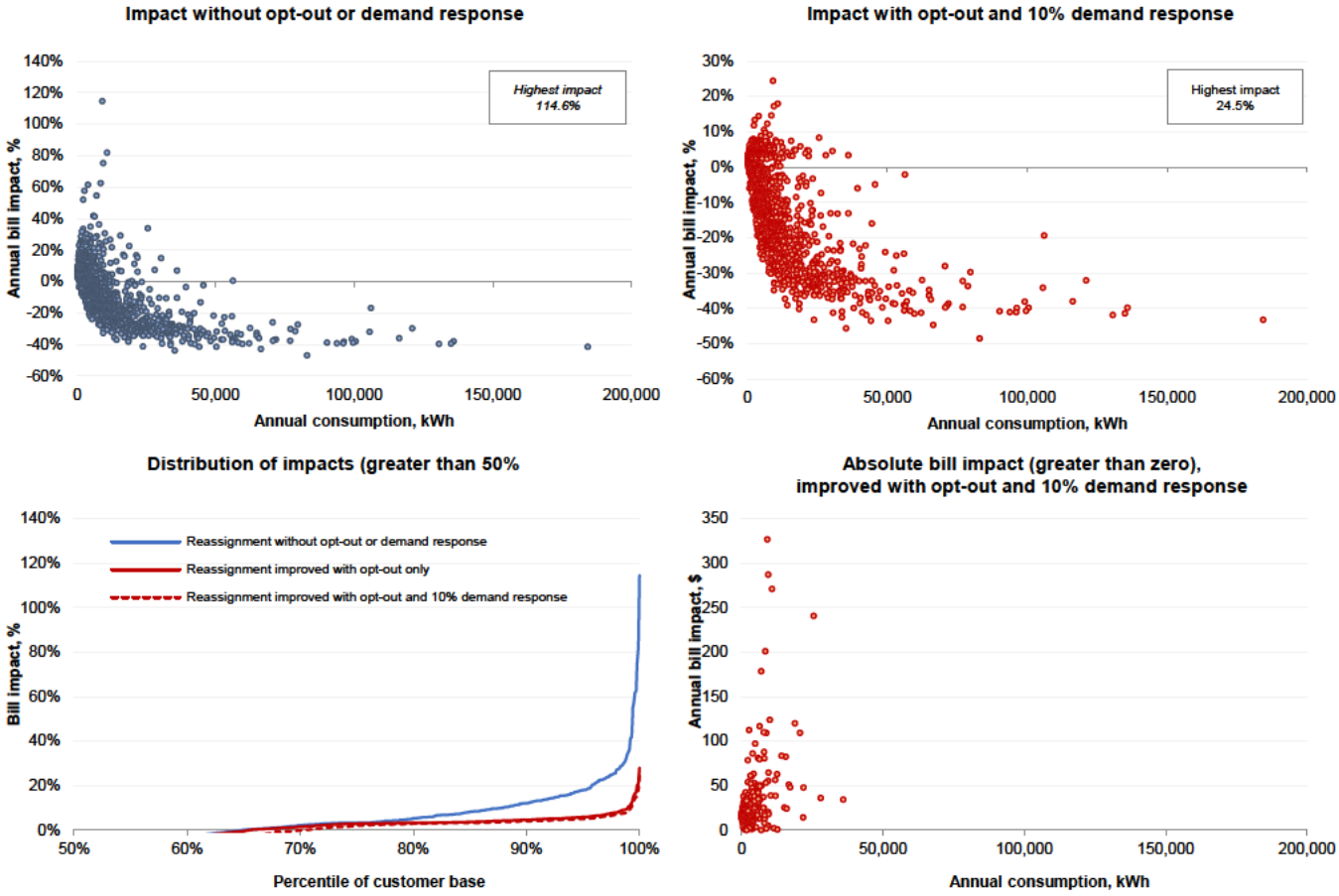
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	90.3%	0.0%	0.0%
Average cumulative bill impact, %	0.9%	1.0%	-	-
Average cumulative bill impact, $	$6	$8	-	-
Average annual consumption, kWh	13,105	9,166	-	-
Average maximum demand, kW	8.0	6.5	-	-
Average load factor, %	19.7%	18.8%	-	-

Figure A2.17. Opt-out of customers with smart meters from EA051 Flat to EA256 Demand on 1 July 2021



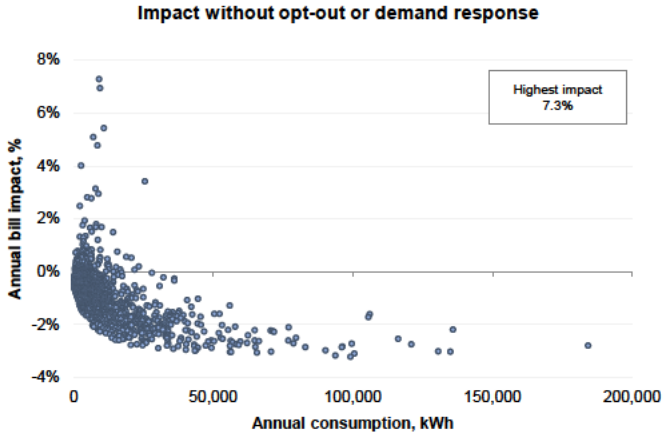
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	25.7%	4.0%	1.4%
Average cumulative bill impact, %	-11.6%	5.9%	20.2%	33.1%
Average cumulative bill impact, $	($319)	$54	$216	$388
Average annual consumption, kWh	13,105	3,913	6,763	8,414
Average maximum demand, kW	8.0	6.8	16.2	27.4
Average load factor, %	19.7%	6.8%	5.6%	3.9%

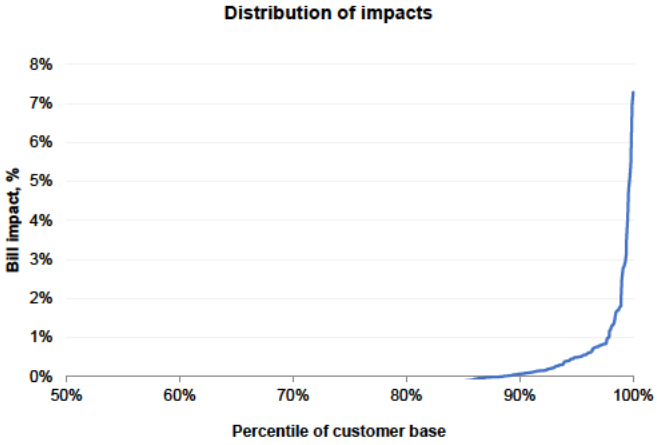
Figure A2.18. Opt-out of customers with smart meters from EA225 TOU to EA256 Demand on 1 July 2021

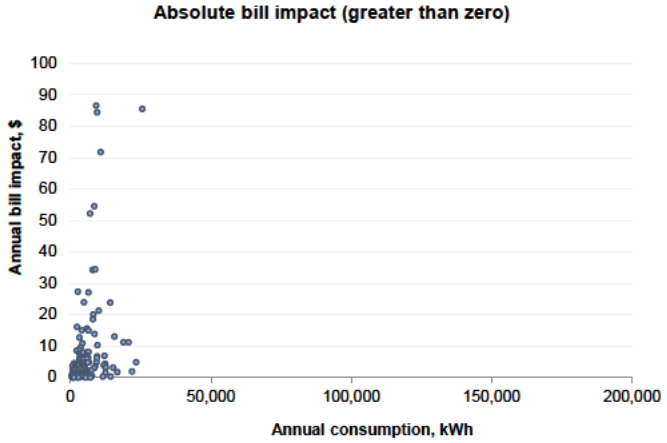


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	30.1%	0.8%	0.1%
Average cumulative bill impact, %	-12.5%	3.8%	15.2%	24.5%
Average cumulative bill impact, $	($326)	$29	$184	$327
Average annual consumption, kWh	13,105	3,415	6,594	9,016
Average maximum demand, kW	8.0	6.1	29.6	40.0
Average load factor, %	19.7%	9.2%	2.9%	2.6%

Figure A2.19. Reassignment of customers from EA050/EA051 Flat to EA251 Demand (introductory) on meter replacement due to failure in 2021-22

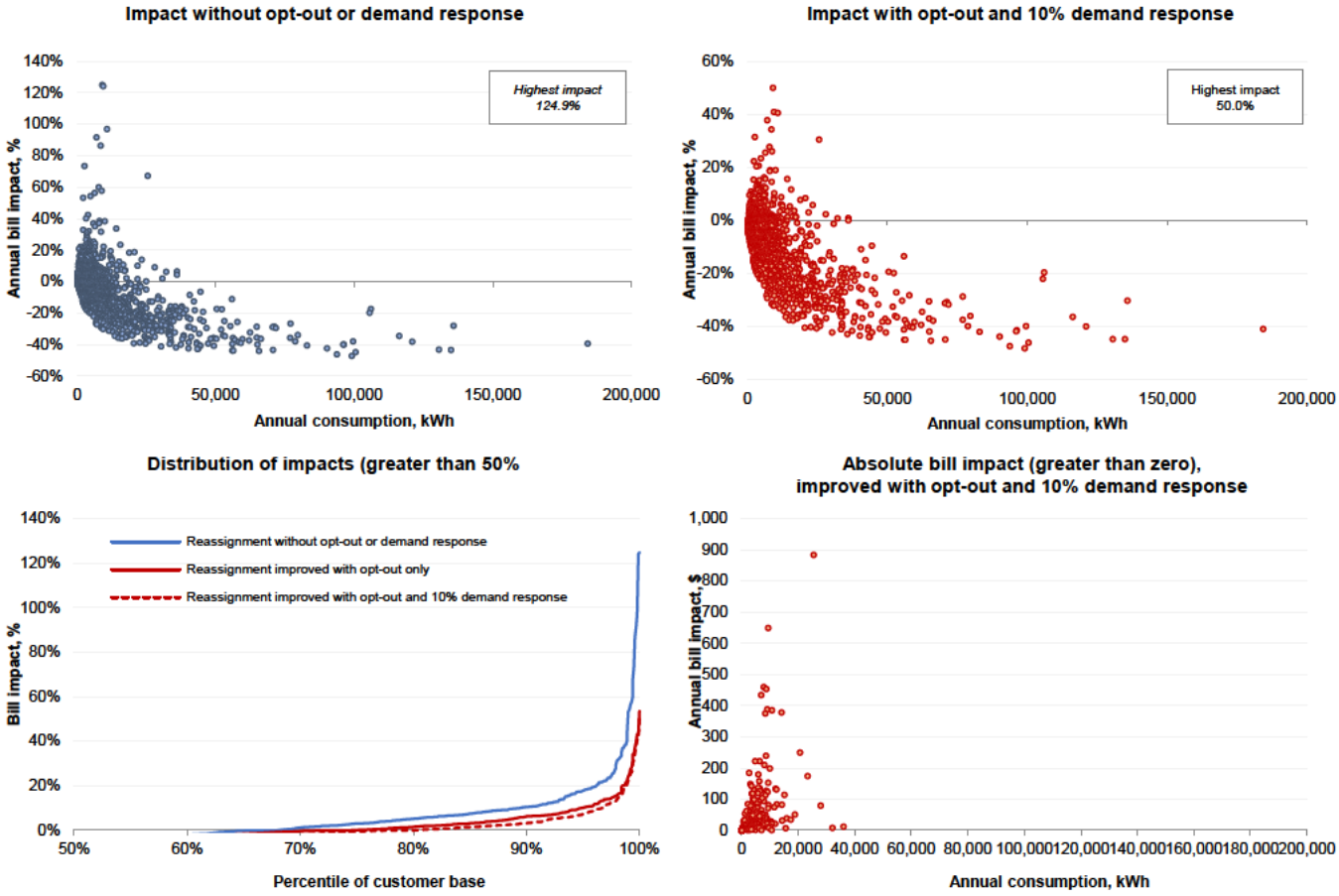






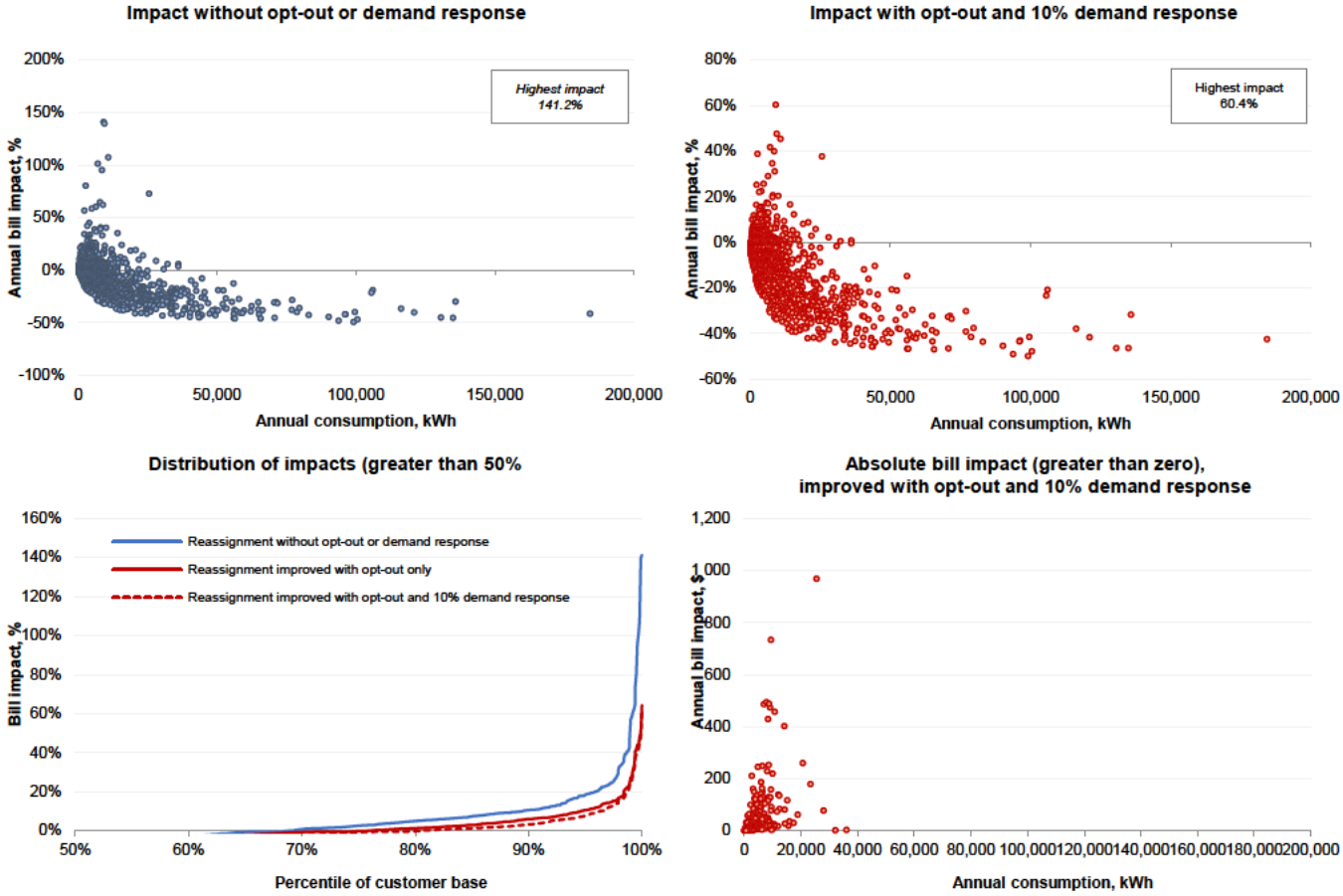
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	12.1%	0.0%	0.0%
Average cumulative bill impact, %	-0.9%	0.8%	-	-
Average cumulative bill impact, $	($22)	$8	-	-
Average annual consumption, kWh	13,105	5,428	-	-
Average maximum demand, kW	8.0	10.7	-	-
Average load factor, %	19.7%	5.8%	-	-

Figure A2.20. Opt-out of customers from EA251 Demand (introductory) to EA256 Demand in 2021-22



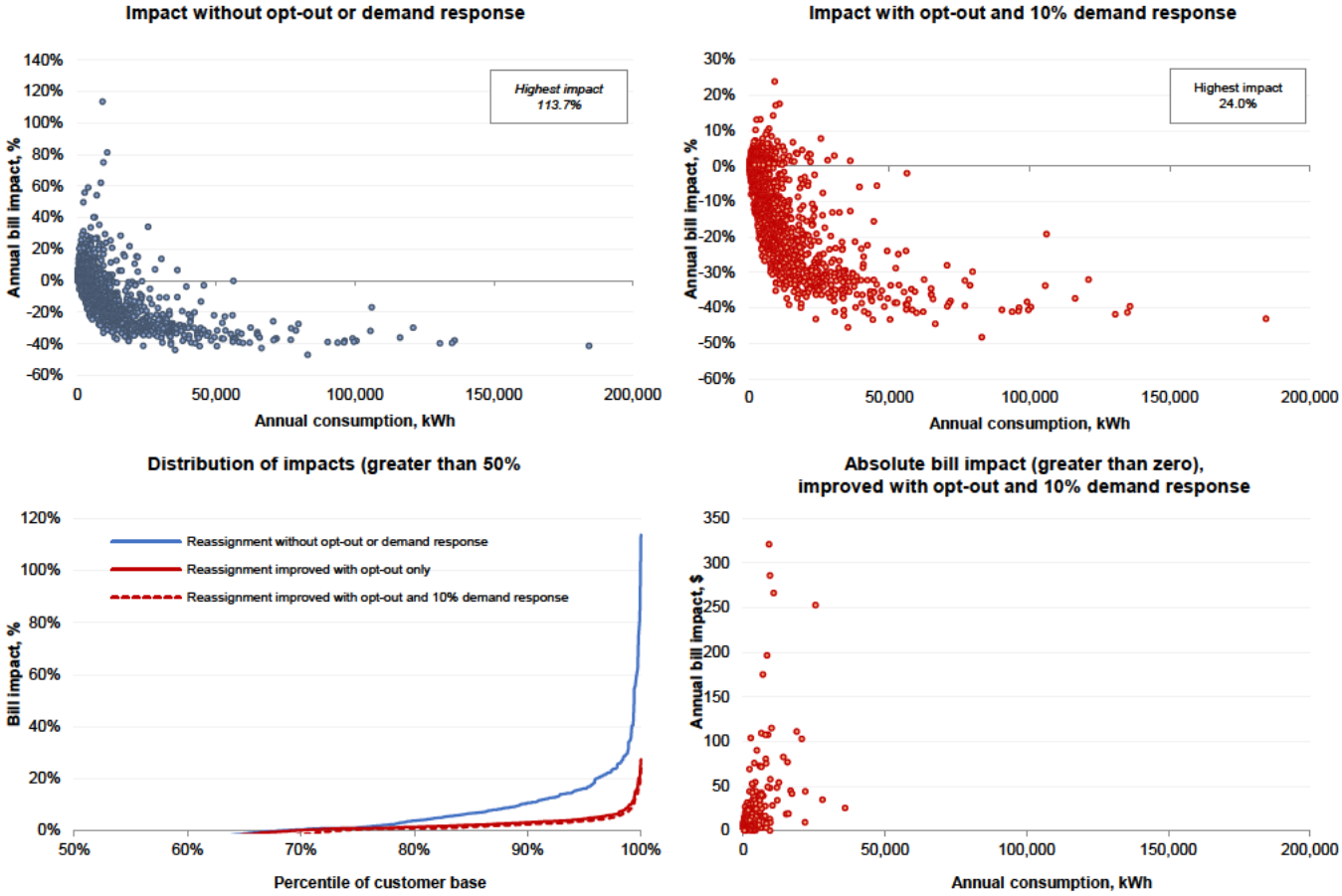
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	20.2%	3.3%	1.2%
Average cumulative bill impact, %	-11.1%	5.9%	19.8%	30.8%
Average cumulative bill impact, $	($287)	$60	$223	$387
Average annual consumption, kWh	13,105	5,166	7,106	8,980
Average maximum demand, kW	8.0	8.7	17.6	30.6
Average load factor, %	19.7%	6.7%	5.5%	3.6%

Figure A2.21. Reassignment of customers from EA050/EA051 Flat to EA256 Demand on meter upgrade by customer choice in 2021-22



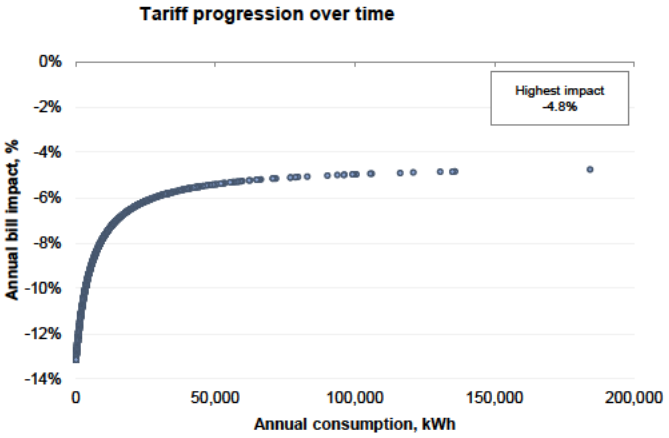
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	19.5%	3.8%	1.3%
Average cumulative bill impact, %	-11.8%	6.6%	20.6%	33.9%
Average cumulative bill impact, $	($309)	$66	$224	$402
Average annual consumption, kWh	13,105	5,271	6,925	8,573
Average maximum demand, kW	8.0	8.9	16.8	28.5
Average load factor, %	19.7%	6.7%	5.5%	3.8%

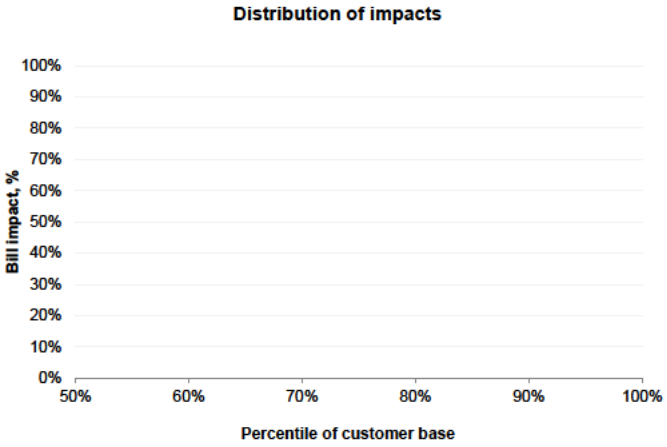
Figure A2.22. Reassignment of customers from EA225 TOU to EA256 Demand on meter replacement in 2021-22

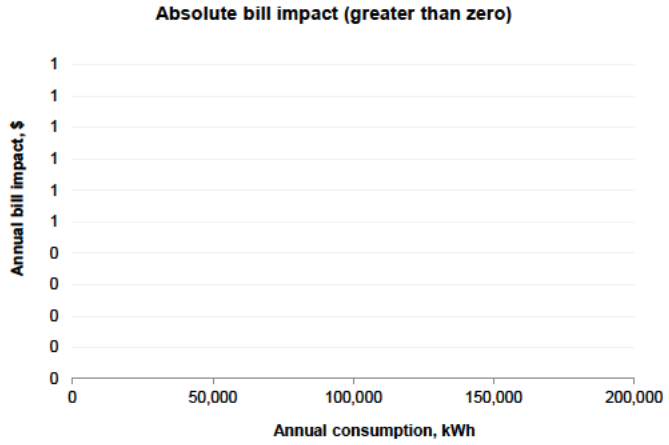


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	26.8%	0.7%	0.1%
Average cumulative bill impact, %	-13.3%	2.5%	15.1%	24.0%
Average cumulative bill impact, $	($333)	$23	$187	$321
Average annual consumption, kWh	13,105	3,467	6,633	9,016
Average maximum demand, kW	8.0	6.5	31.4	40.0
Average load factor, %	19.7%	7.5%	2.6%	2.6%

Figure A2.23. Tariff progression over time: EA050/EA051 Flat tariff from 2021-22 to 2023-24

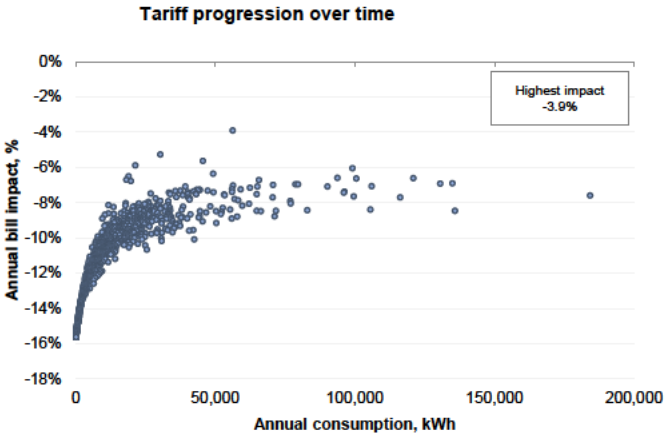


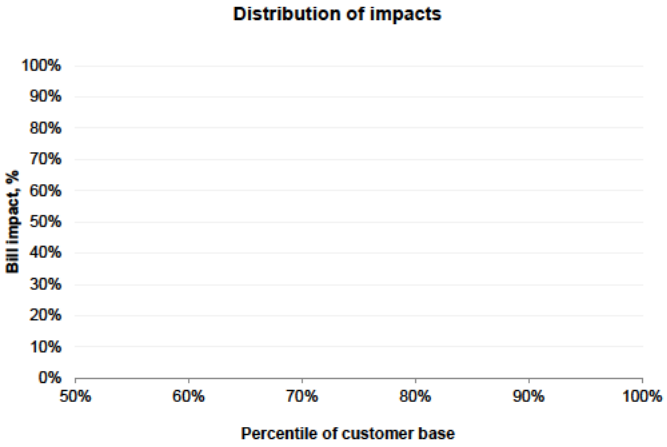


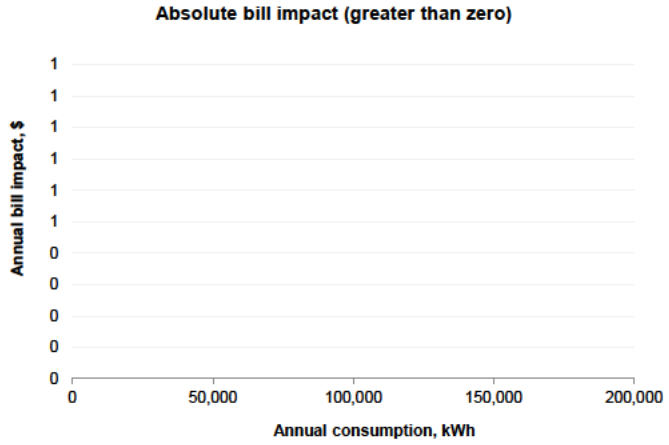


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-8.6%	-	-	-
Average cumulative bill impact, $	($109)	-	-	-
Average annual consumption, kWh	13,105	-	-	-
Average maximum demand, kW	8.0	-	-	-
Average load factor, %	19.7%	-	-	-

Figure A2.24. Tariff progression over time: EA225 TOU tariff from 2021-22 to 2023-24

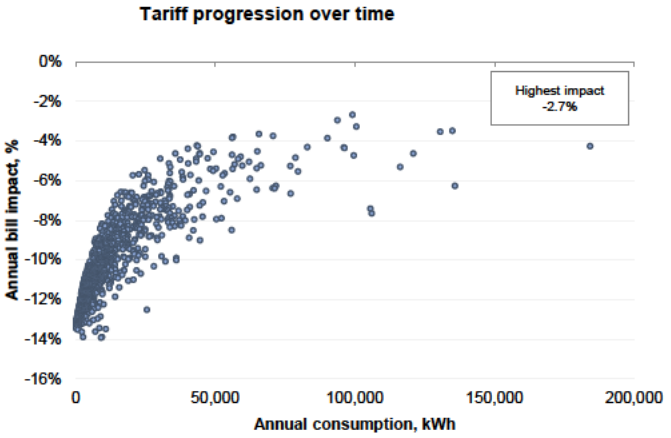


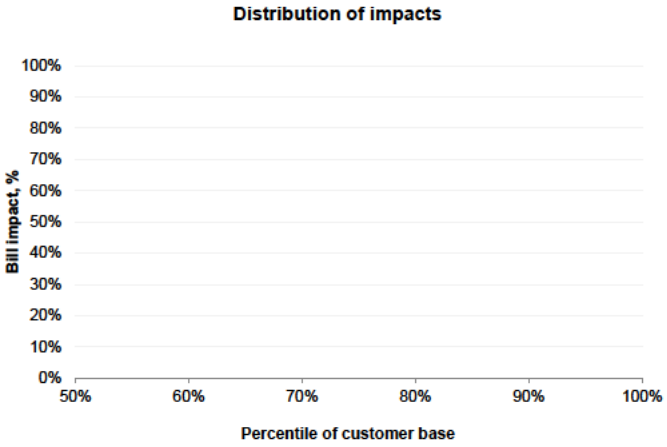


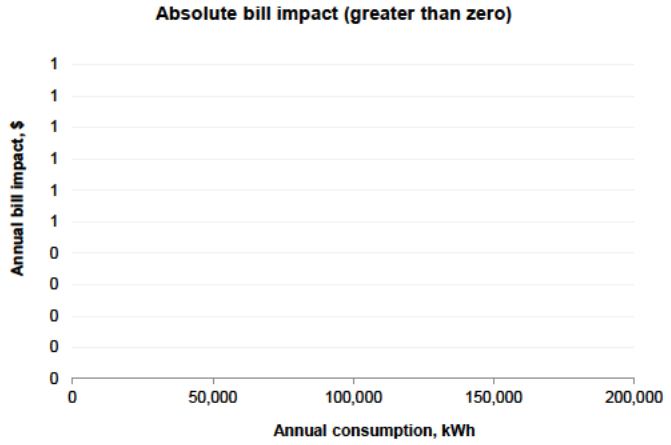


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-11.3%	-	-	-
Average cumulative bill impact, $	($153)	-	-	-
Average annual consumption, kWh	13,105	-	-	-
Average maximum demand, kW	8.0	-	-	-
Average load factor, %	19.7%	-	-	-

Figure A2.25. Tariff progression over time: EA256 Demand tariff from 2021-22 to 2023-24

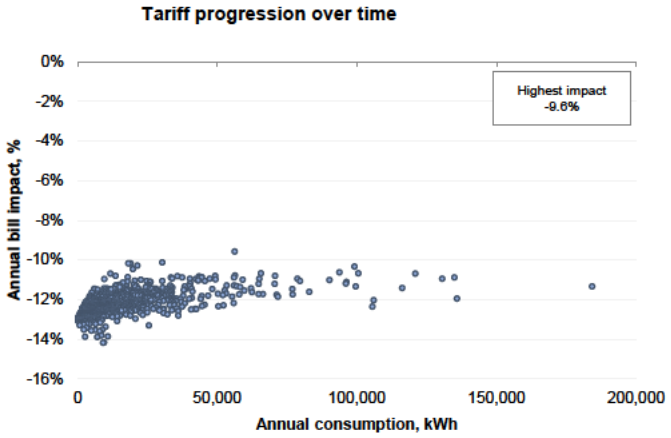


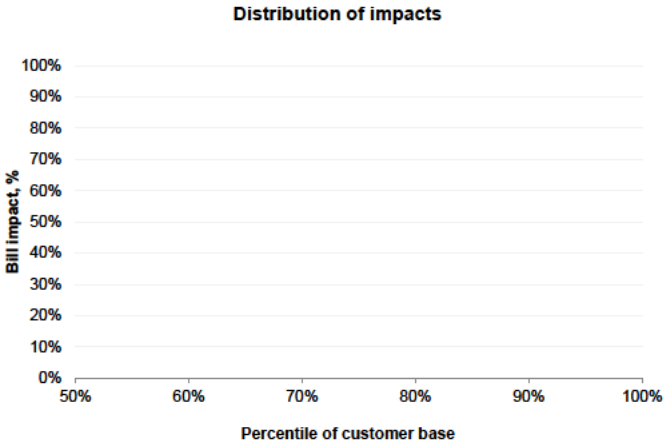


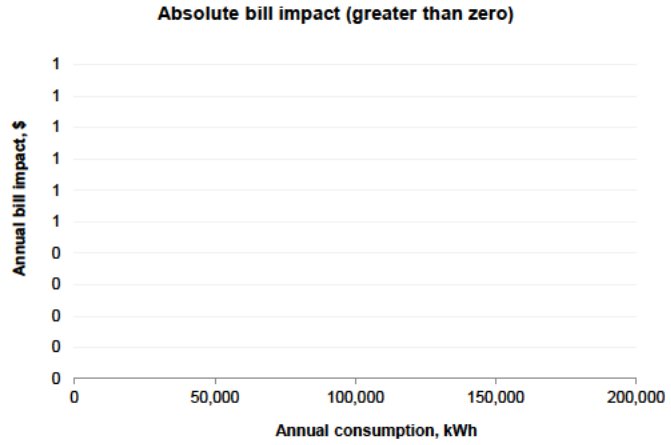


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-10.3%	-	-	-
Average cumulative bill impact, $	($116)	-	-	-
Average annual consumption, kWh	13,105	-	-	-
Average maximum demand, kW	8.0	-	-	-
Average load factor, %	19.7%	-	-	-

Figure A2.26. Tariff progression over time: EA255 TOU Demand tariff from 2021-22 to 2023-24







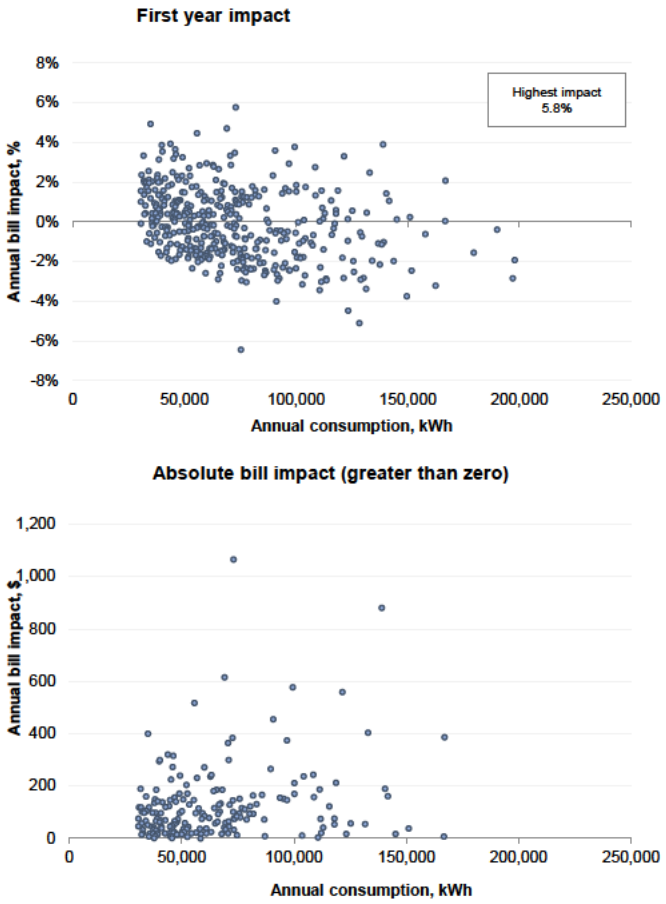
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-12.4%	-	-	-
Average cumulative bill impact, $	($181)	-	-	-
Average annual consumption, kWh	13,105	-	-	-
Average maximum demand, kW	8.0	-	-	-
Average load factor, %	19.7%	-	-	-

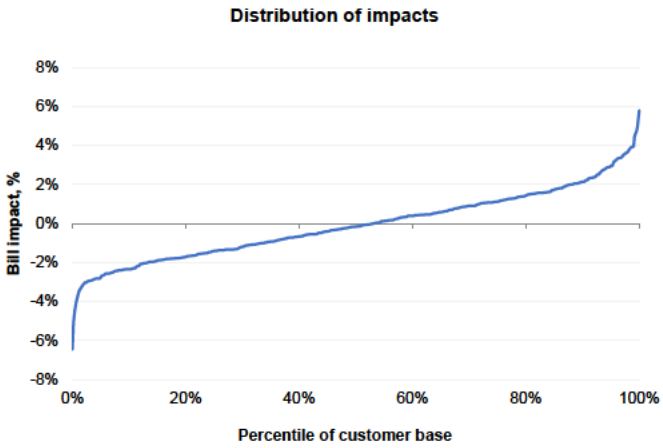
Medium and large business low voltage customer impacts

The following six figures show the impact on customers on three tariffs moving from prices in 2020-21 to new prices in 2021-22 and at the end of the regulatory period in 2023-24.

- Figures A2.27 and A2.28: the impact on customers on EA302 40-160 MWh a year of new prices in 2021-22 and at the end of the regulatory period
- Figures A2.29 and A2.30: the impact on customers on EA305 160-750 MWh a year of new prices in 2021-22 and at the end of the regulatory period
- Figures A2.31 and A2.32: the impact on customers on EA310 > 750 MWh a year of new prices in 2021-22 and at the end of the regulatory period.

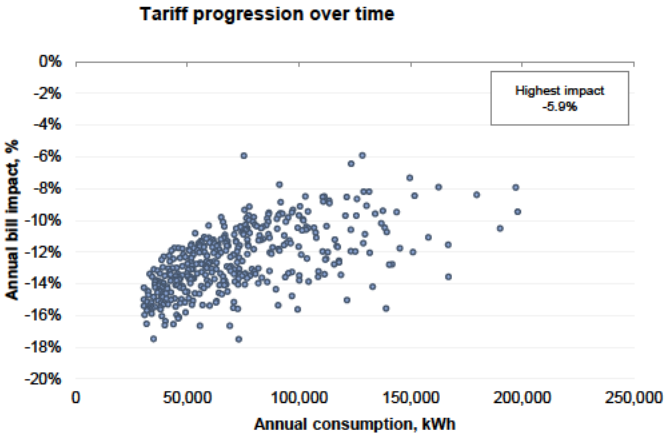
Figure A2.27. Price change impact: EA302 (40-160 MWh pa) from 2020-21 to 2021-22

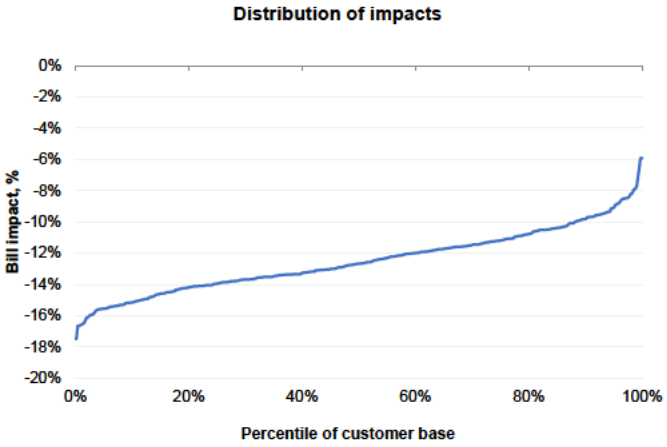


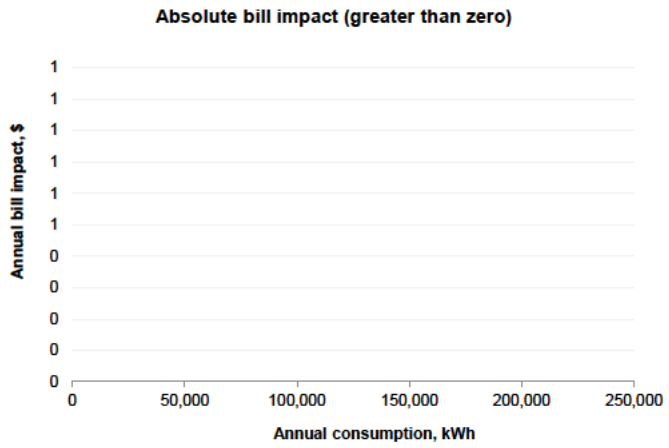


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	46.8%	0.0%	0.0%
Average cumulative bill impact, %	-0.1%	1.5%	-	-
Average cumulative bill impact, $	$9	$126	-	-
Average annual consumption, kWh	72,391	64,403	-	-
Average maximum demand, kW	27.4	34.1	-	-
Average load factor, %	35.7%	24.4%	-	-

Figure A2.28. Tariff progression over time: EA302 (40-160 MWh pa) from 2021-22 to 2023-24

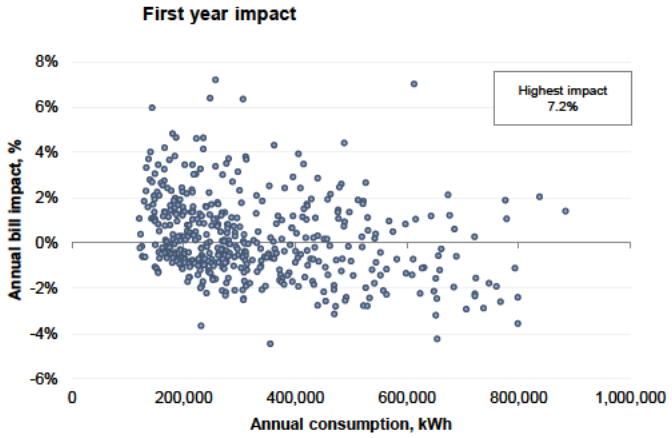


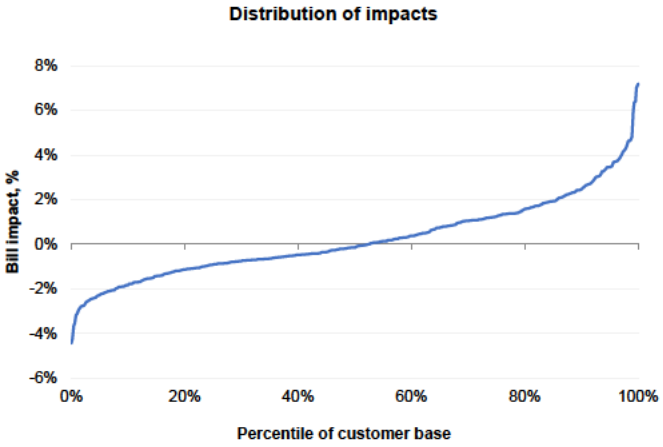


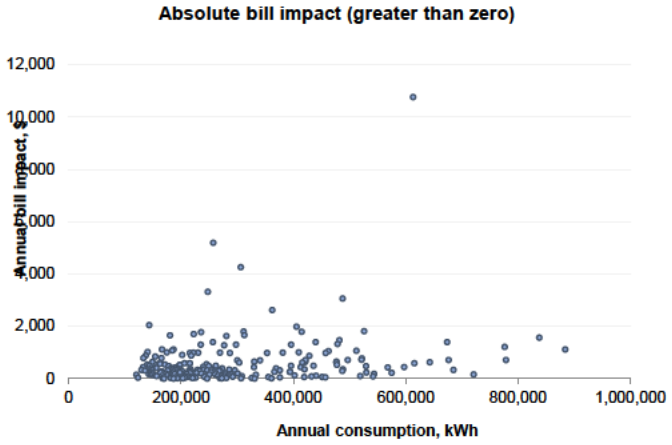


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-12.5%	-	-	-
Average cumulative bill impact, $	($895)	-	-	-
Average annual consumption, kWh	72,391	-	-	-
Average maximum demand, kW	27.4	-	-	-
Average load factor, %	35.7%	-	-	-

Figure A2.29. Price change impact: EA305 (160-750 MWh pa) from 2020-21 to 2021-22

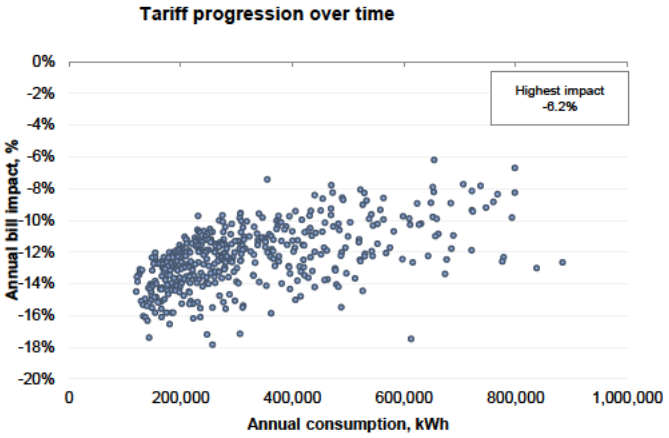


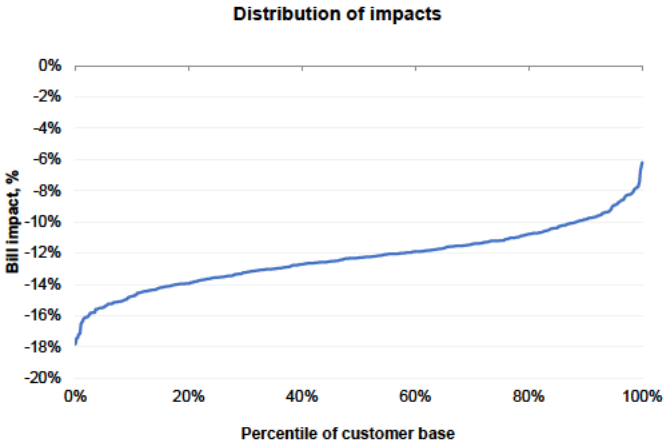


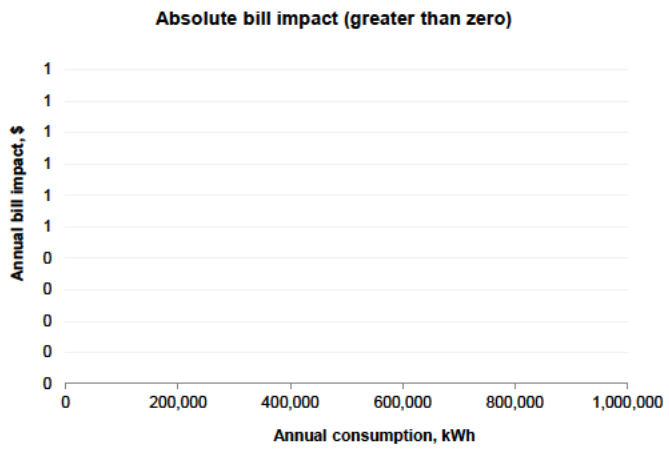


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	47.5%	0.0%	0.0%
Average cumulative bill impact, %	0.2%	1.7%	-	-
Average cumulative bill impact, $	$145	$618	-	-
Average annual consumption, kWh	322,616	297,914	-	-
Average maximum demand, kW	102.8	132.1	-	-
Average load factor, %	42.7%	28.8%	-	-

Figure A2.30. Tariff progression over time: EA305 (160-750 MWh pa) from 2021-22 to 2023-24

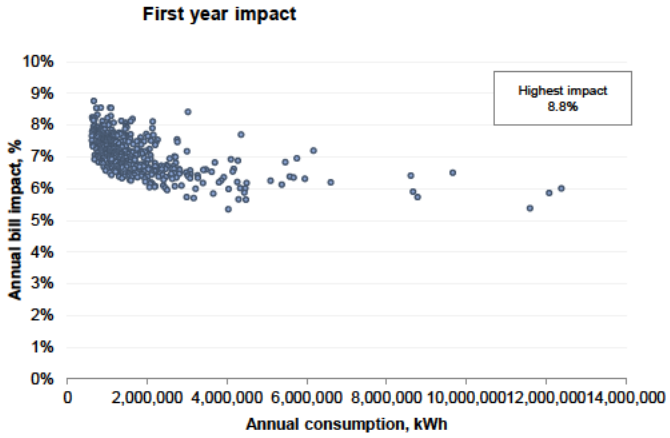


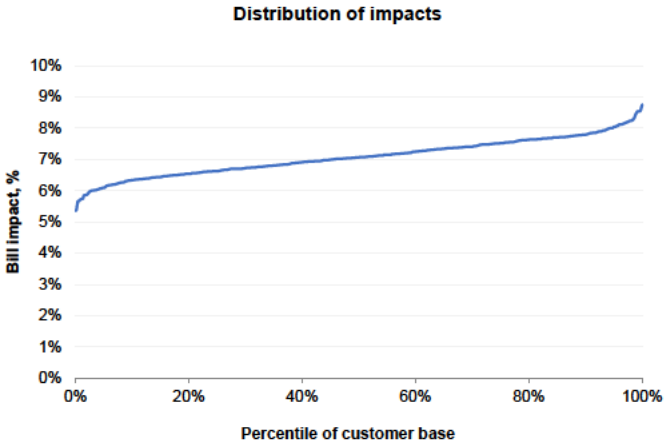


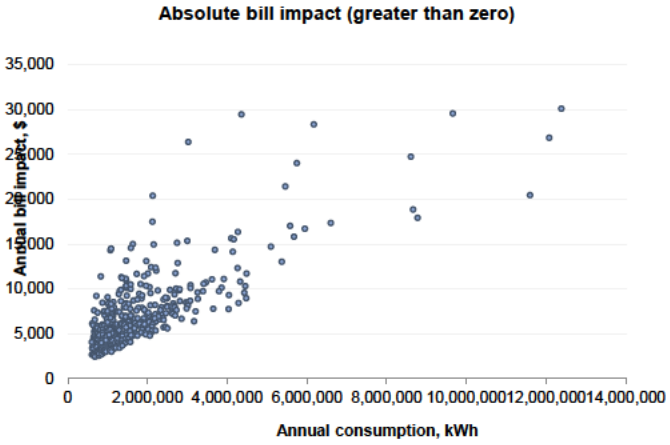


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-12.3%	-	-	-
Average cumulative bill impact, $	($3,471)	-	-	-
Average annual consumption, kWh	322,616	-	-	-
Average maximum demand, kW	102.8	-	-	-
Average load factor, %	42.7%	-	-	-

Figure A2.31. Price change impact: EA310 (>750 MWh pa) from 2020-21 to 2021-22

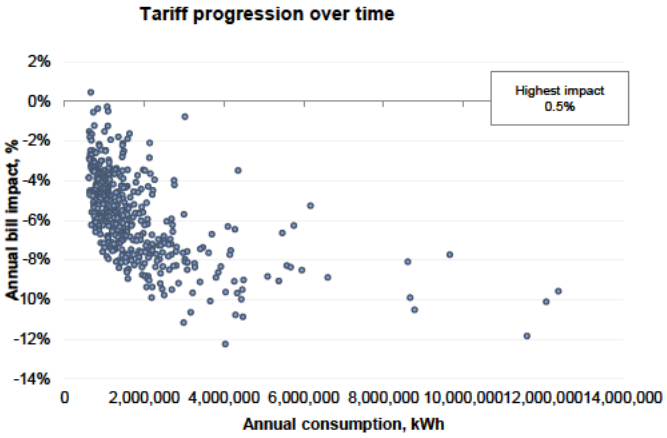


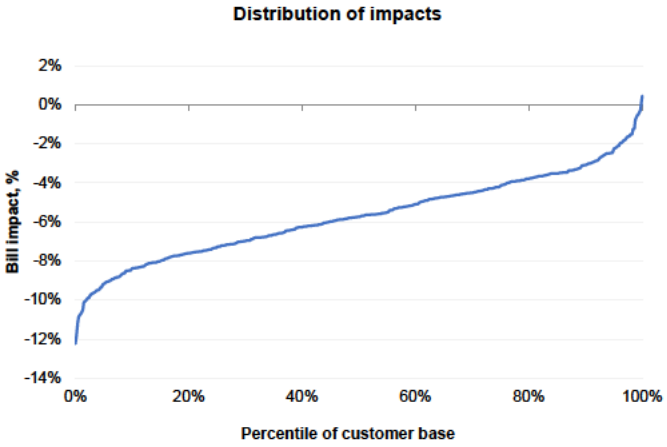


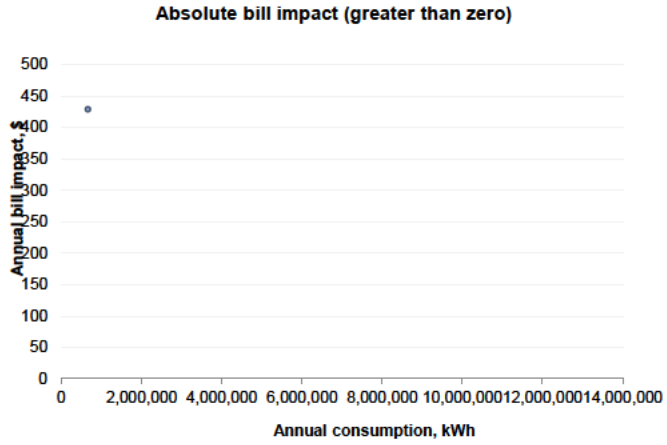


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	7.1%	7.1%	-	-
Average cumulative bill impact, $	$7,037	$7,037	-	-
Average annual consumption, kWh	1,760,094	1,760,094	-	-
Average maximum demand, kW	466.6	466.6	-	-
Average load factor, %	46.0%	46.0%	-	-

Figure A2.32. Tariff progression over time: EA310 (>750 MWh pa) from 2021-22 to 2023-24





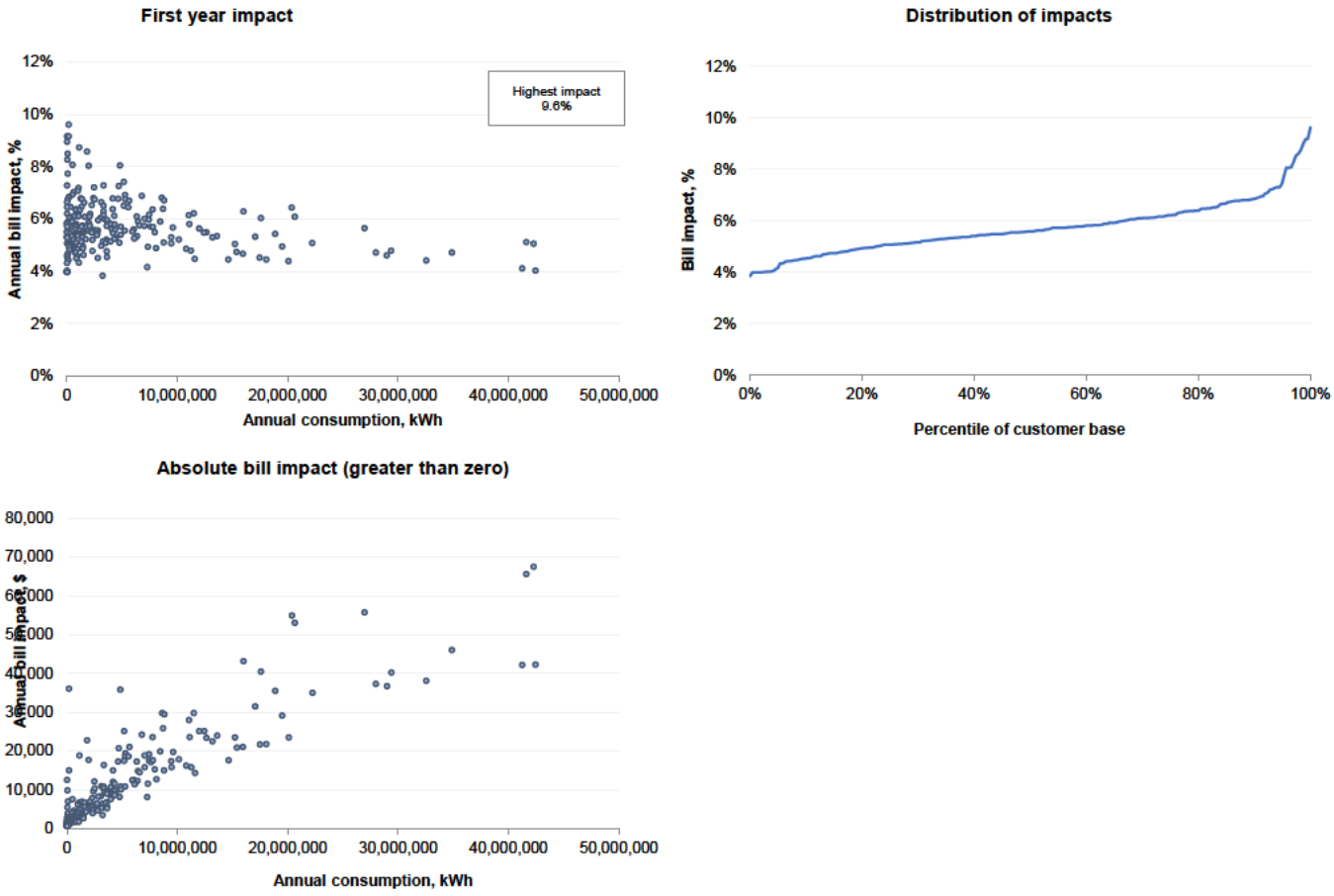


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.2%	0.0%	0.0%
Average cumulative bill impact, %	-5.7%	0.5%	-	-
Average cumulative bill impact, $	($6,478)	$429	-	-
Average annual consumption, kWh	1,760,094	653,388	-	-
Average maximum demand, kW	466.6	392.2	-	-
Average load factor, %	46.0%	19.0%	-	-

High Voltage customer impacts

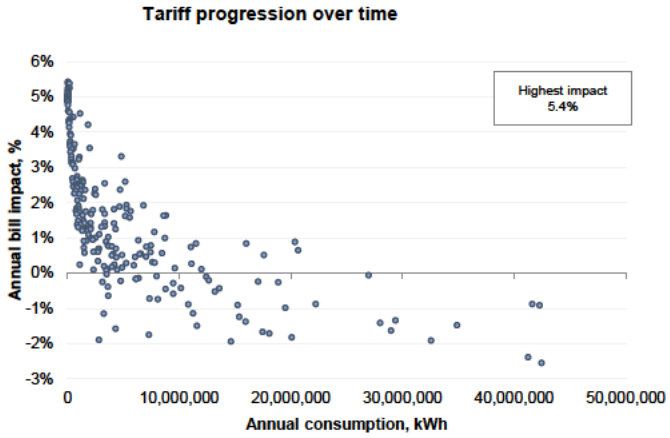
Figures A2.33 and A2.34 show the impact on customers on EA370 High Voltage Connection (system) of new prices in 2021-22 and at the end of the regulatory period in 2023-24. Impacts are based on all customers, not a sample.

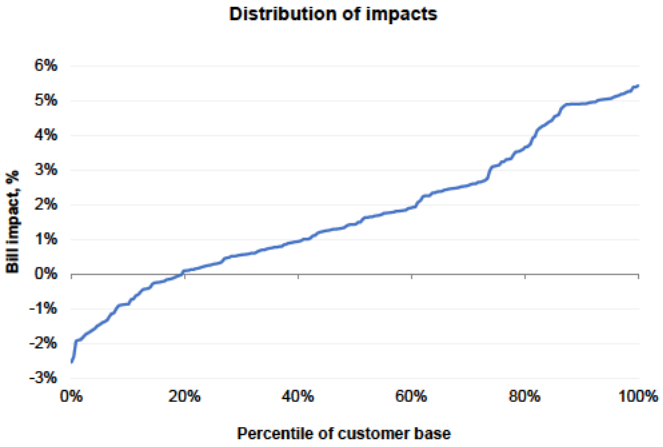
Figure A2.33. Price change impact: EA370 (HV Connection System) from 2020-21 to 2021-22

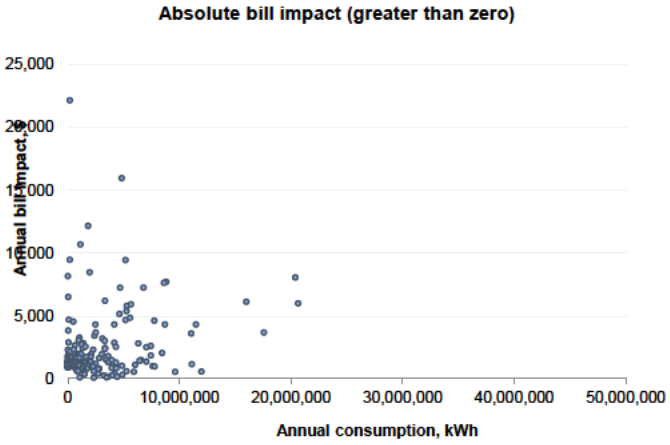


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	5.7%	5.7%	-	-
Average cumulative bill impact, $	$11,659	$11,659	-	-
Average annual consumption, kWh	5,289,204	5,289,204	-	-
Average maximum demand, kW	1,336.8	1,336.8	-	-
Average load factor, %	38.2%	38.2%	-	-

Figure A2.34. Tariff progression over time: EA370 (HV Connection System) from 2021-22 to 2023-24





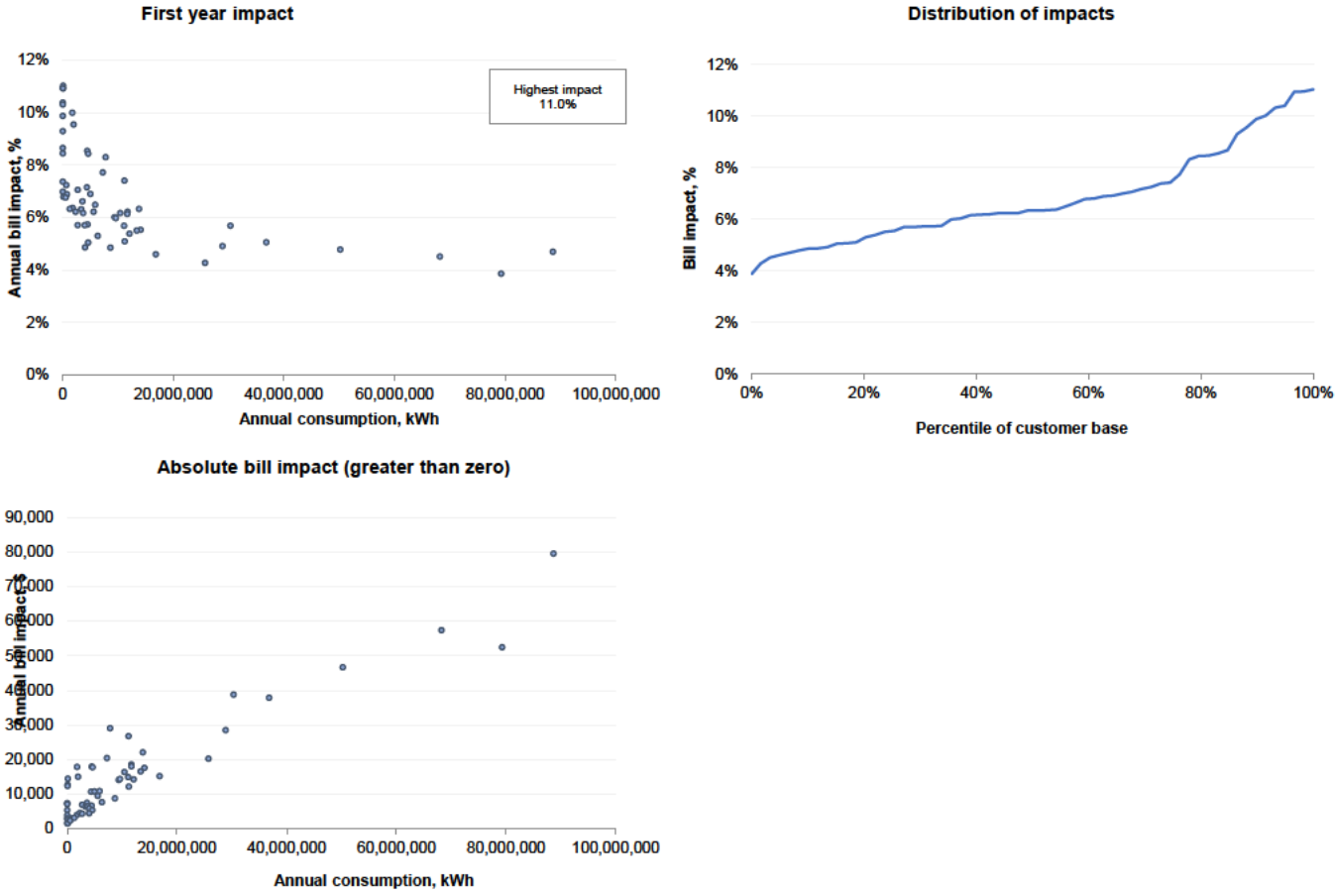


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	80.3%	0.0%	0.0%
Average cumulative bill impact, %	1.7%	2.4%	-	-
Average cumulative bill impact, $	$828	$2,367	-	-
Average annual consumption, kWh	5,289,204	2,697,981	-	-
Average maximum demand, kW	1,336.8	969.2	-	-
Average load factor, %	38.2%	31.6%	-	-

Subtransmission customer impacts

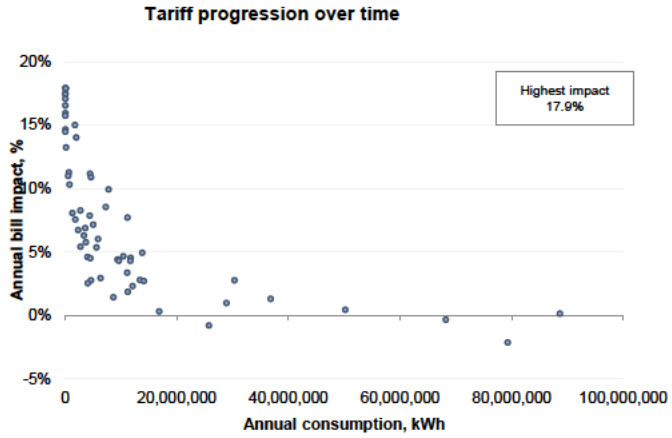
Figures A2.35 and A2.36 show the impact on customers on EA390 ST Connection (system) of new prices in 2021-22 and at the end of the regulatory period in 2023-24. Impacts are based on all customers, not a sample.

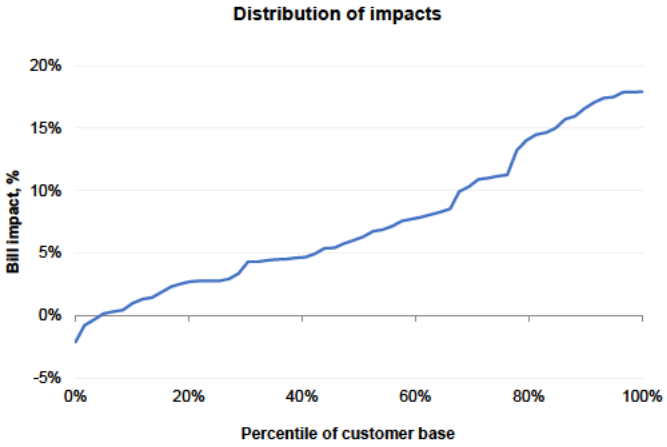
Figure A2.35. Price change impact: EA390 (ST Connection) from 2020-21 to 2021-22

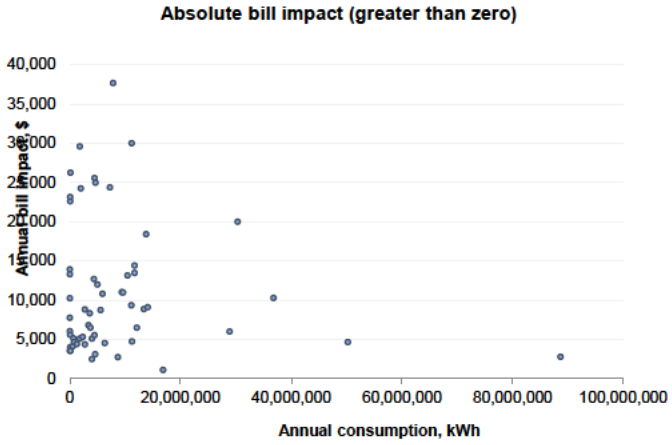


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	10.0%	0.0%
Average cumulative bill impact, %	6.8%	6.8%	10.6%	-
Average cumulative bill impact, $	$15,191	$15,191	$12,069	-
Average annual consumption, kWh	11,133,069	11,133,069	322,366	-
Average maximum demand, kW	2,889.0	2,889.0	1,351.4	-
Average load factor, %	37.6%	37.6%	3.7%	-

Figure A2.36. Tariff progression over time: EA390 (ST Connection) from 2021-22 to 2023-24







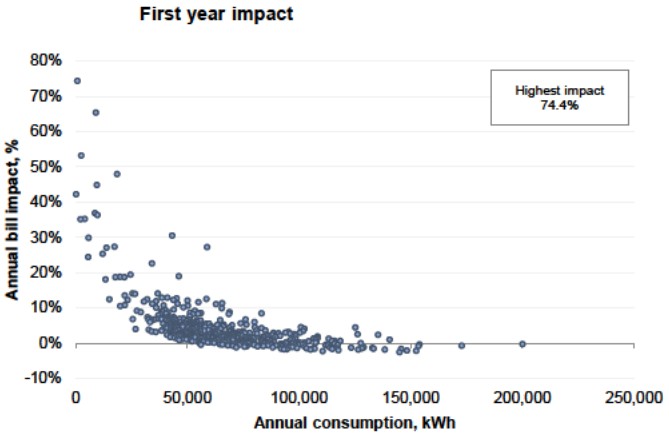
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	95.0%	31.7%	0.0%
Average cumulative bill impact, %	7.5%	7.9%	14.7%	-
Average cumulative bill impact, $	$9,924	$11,117	$13,614	-
Average annual consumption, kWh	11,133,069	8,681,420	788,292	-
Average maximum demand, kW	2,889.0	2,544.2	1,033.0	-
Average load factor, %	37.6%	35.5%	13.6%	-

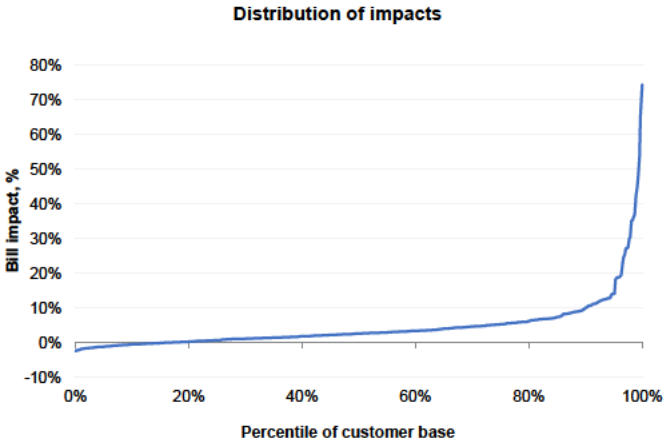
Transitional customer impacts

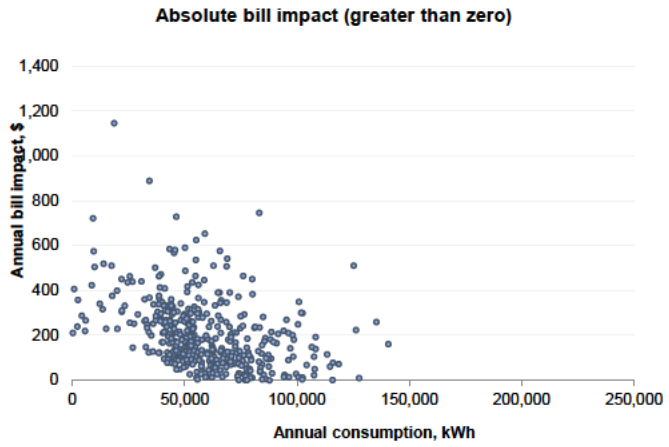
The following four figures show the impact on customers on two transitional tariffs moving from prices in 2020-21 to new prices in 2021-22 and at the end of the regulatory period in 2023-24.

- Figures A2.37 and A2.38: the impact on customers on EA316 Transitional 40-160 MWh a year of new prices in 2021-22 and at the end of the regulatory period
- Figures A2.39 and A2.40: the impact on customers on EA317 Transitional 160-750 MWh a year of new prices in 2021-22 and at the end of the regulatory period

Figure A2.37. Price change impact: EA316 (Transitional 40-160 MWh pa) from 2020-21 to 2021-22

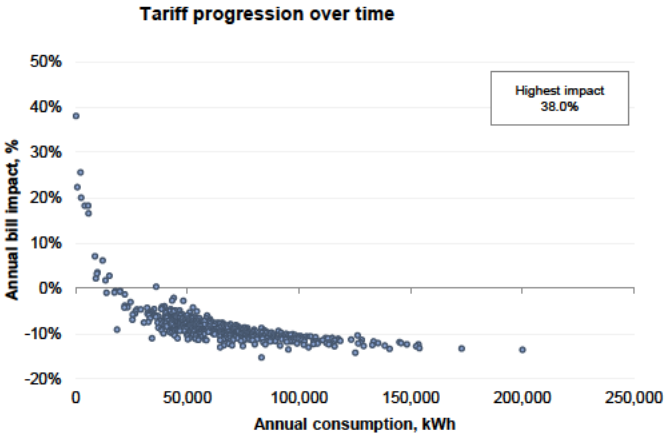


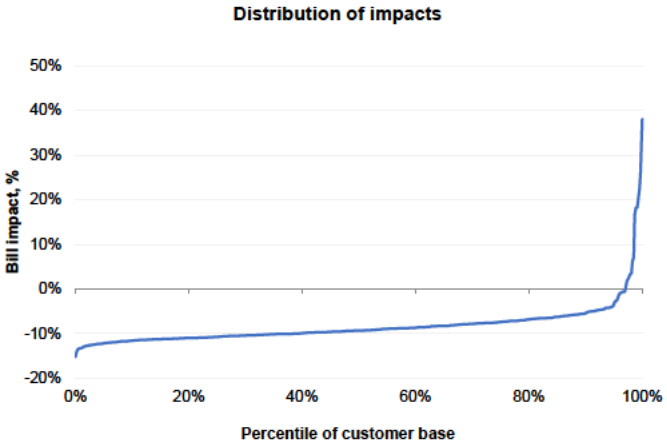


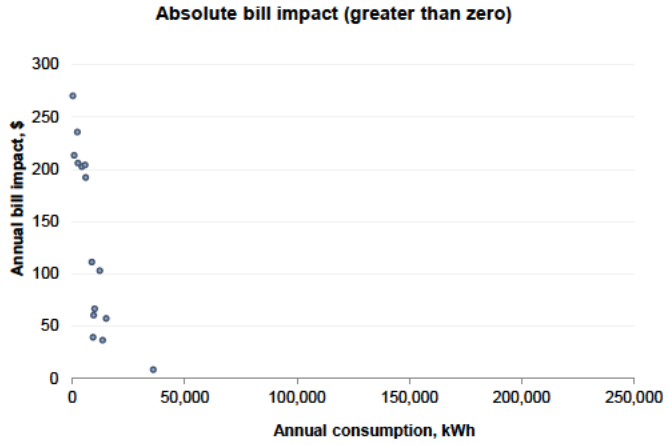


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	84.8%	10.0%	3.6%
Average cumulative bill impact, %	4.6%	5.6%	22.3%	38.2%
Average cumulative bill impact, $	$161	$204	$448	$493
Average annual consumption, kWh	65,204	58,753	27,985	14,130
Average maximum demand, kW	22.4	22.5	22.4	18.2
Average load factor, %	37.3%	34.1%	15.7%	9.8%

Figure A2.38. Tariff progression over time: EA316 (Transitional 40-160 MWh pa) from 2021-22 to 2023-24







Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	3.0%	1.4%	0.8%
Average cumulative bill impact, %	-8.4%	12.4%	22.7%	26.5%
Average cumulative bill impact, $	($584)	$134	$218	$231
Average annual consumption, kWh	65,204	8,872	2,893	1,251
Average maximum demand, kW	22.4	10.1	4.7	4.7
Average load factor, %	37.3%	13.1%	10.5%	8.5%

Figure A2.39. Price change impact: EA317 (Transitional 160-750 MWh pa) from 2020-21 to 2021-22

[supressed due to the small sample size]

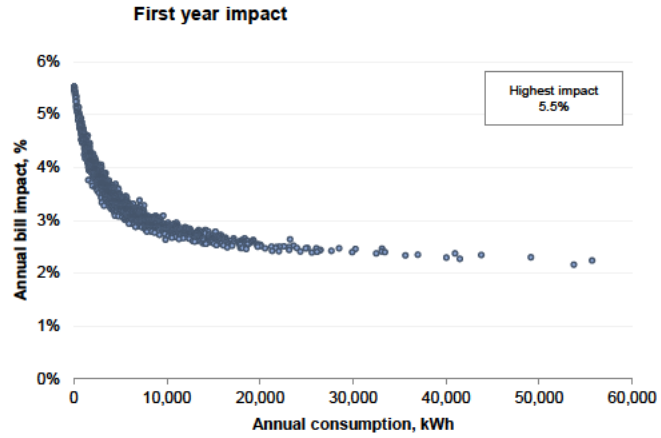
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample		100.0%	14.3%	14.3%
Average cumulative bill impact, %	5.6%	151.4%	151.4%	151.4%
Average cumulative bill impact, $	($2,903)	$1,241	$1,241	$1,241
Average annual consumption, kWh	200,749	3,777	3,777	3,777
Average maximum demand, kW	37.8	5.6	5.6	5.6
Average load factor, %	54.2%	7.7%	7.7%	7.7%

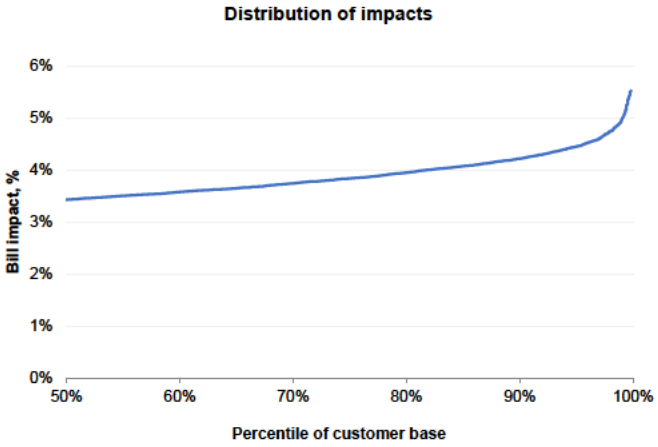
Figure A2.40. Tariff progression over time: EA317 (Transitional 160-750 MWh pa) from 2021-22 to 2023-24

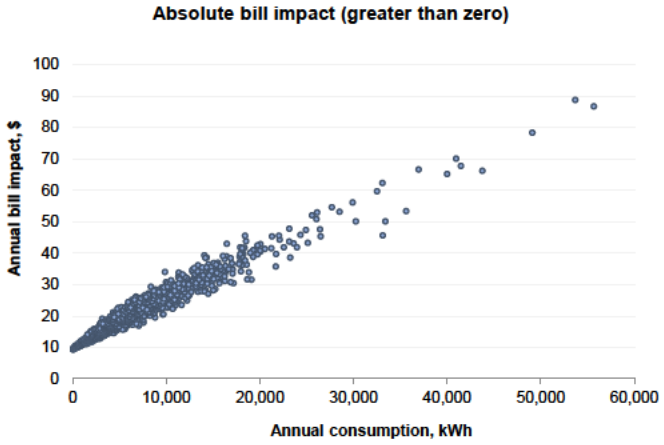
[supressed due to the small sample size]

Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample		100.0%	14.3%	14.3%
Average cumulative bill impact, %	7.3%	100.4%	100.4%	100.4%
Average cumulative bill impact, $	($875)	$2,068	$2,068	$2,068
Average annual consumption, kWh	200,749	3,777	3,777	3,777
Average maximum demand, kW	37.8	5.6	5.6	5.6
Average load factor, %	54.2%	7.7%	7.7%	7.7%

Figure A2.41. First year impact: EA115 TOU Demand tariff from 2020-21 to 2021-22

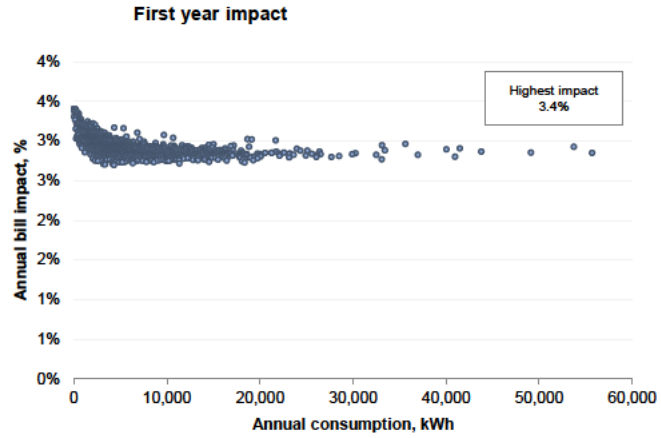


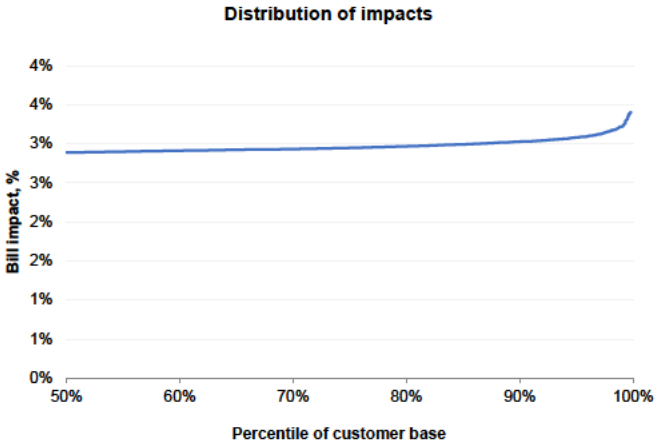


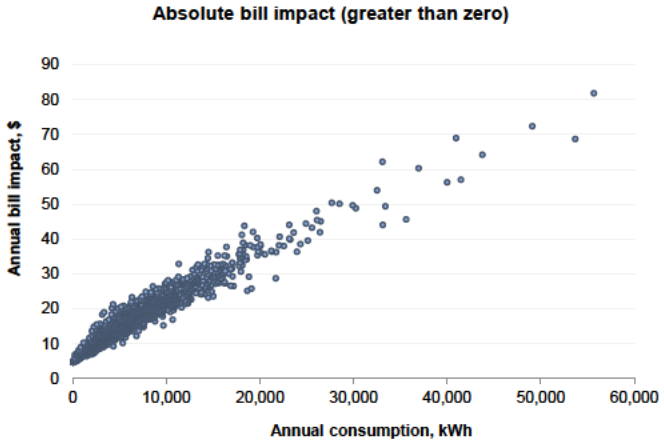


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	3.5%	3.5%	-	-
Average cumulative bill impact, $	$19	$19	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.42. First year impact: EA116 Demand tariff from 2020-21 to 2021-22

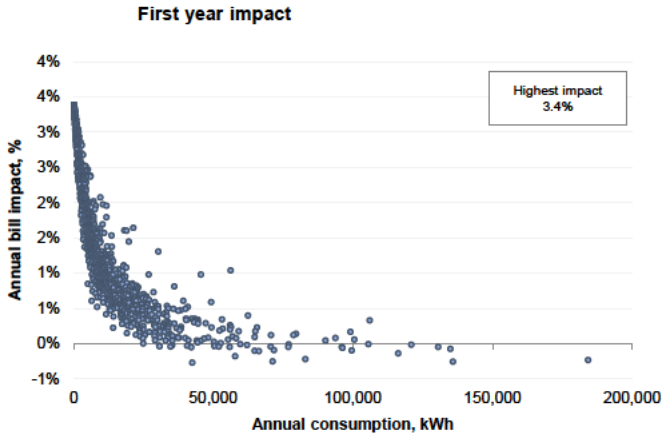


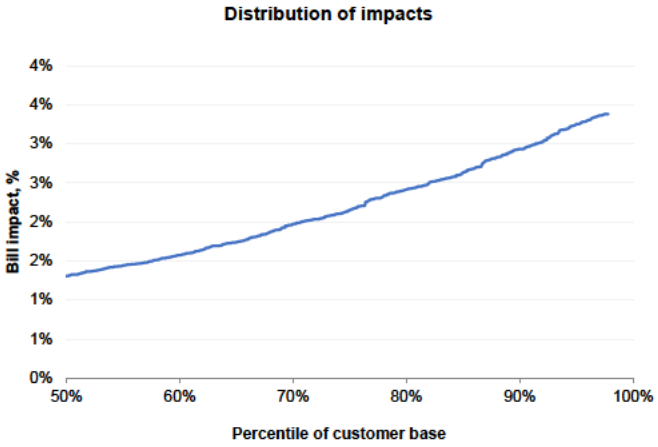


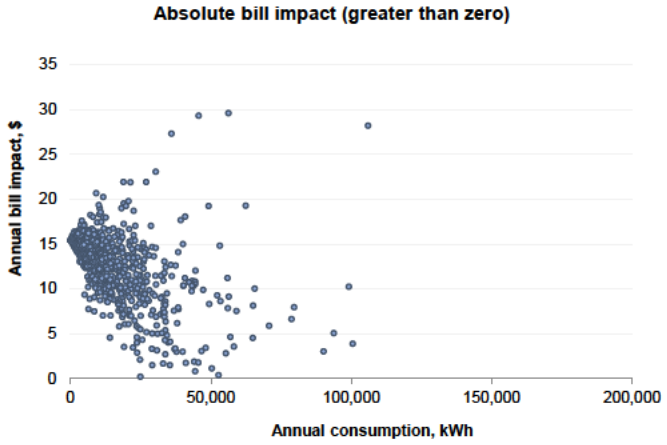


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.9%	2.9%	-	-
Average cumulative bill impact, $	$15	$15	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.43. First year impact: EA255 TOU Demand tariff from 2020-21 to 2021-22

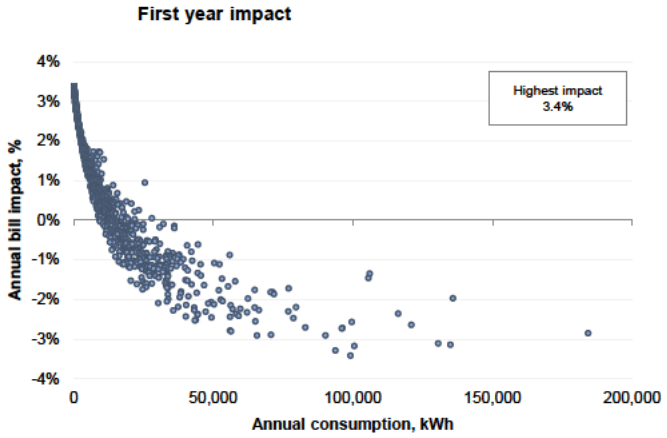


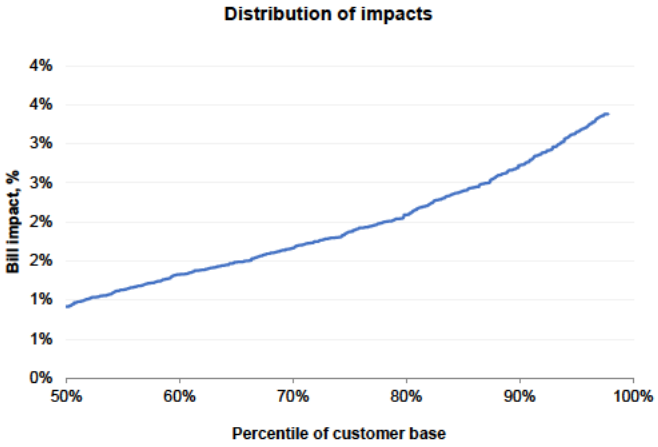


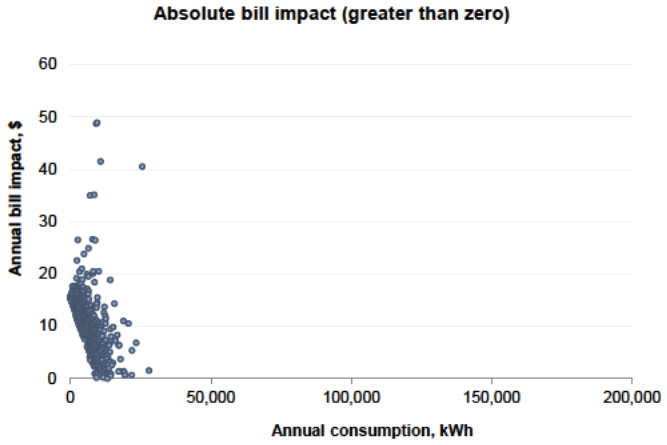


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	97.4%	0.0%	0.0%
Average cumulative bill impact, %	1.5%	1.5%	-	-
Average cumulative bill impact, $	$13	$13	-	-
Average annual consumption, kWh	13,105	11,405	-	-
Average maximum demand, kW	8.0	7.4	-	-
Average load factor, %	19.7%	19.4%	-	-

Figure A2.44. First year impact: EA256 Demand tariff from 2020-21 to 2021-22







Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	71.7%	0.0%	0.0%
Average cumulative bill impact, %	0.8%	1.5%	-	-
Average cumulative bill impact, $	$0	$11	-	-
Average annual consumption, kWh	13,105	5,528	-	-
Average maximum demand, kW	8.0	5.8	-	-
Average load factor, %	19.7%	15.4%	-	-

A.3 Completed compliance spreadsheet (CONFIDENTIAL)

A.4 Notification of Climate Change Fund contribution

From: Kathryn Manton [redacted]
Sent: Friday, 12 March 2021 2:32 PM
To: Garry Foo [redacted]
Cc: Pricing <pricing@ausgrid.com.au>; Luisa De Liseo [redacted]
Subject: 2021-22 CCF levy Contributions for Ausgrid.

Hi Garry,

Please see below Ausgrid's estimated contribution for 2021-22.

Climate Change Fund Contributions	Budget Year	Forward estimate
	2020-21	2021-22
Climate Change Fund	**$275,738,304**	**$278,236,522**
Ausgrid	$133,474,553	$134,553,239

Please note these figures are nominal estimates, and may be subject to slight amendment nearer to June.
We will be in touch later in the year regarding forward estimates of Ausgrid's CCF contributions for future years.
Please don't hesitate to contact me if you want to discuss Ausgrid's CCF contributions.

Kind regards
Kathryn Manton
Senior Policy Officer, Climate Change and Air Policy
Environment, Energy and Science Group | Department of Planning, Industry and Environment
T [redacted] E [redacted]
Level 6 4 Parramatta Square 12 Darcy Street Parramatta NSW 2150
www.dpie.nsw.gov.au

A.5 TransGrid's transmission charges for 2021-22

NSW Electricity Networks Operations Pty Limited
ACN 609 169 959
180 Thomas Street, Sydney
PO Box A1000 Sydney South
NSW 1235 Australia
T (02) 9284 3000
F (02) 9284 3456

15/03/2021

Alexandra Sidorenko
Network Pricing Manager
Ausgrid
24 Campbell Street
Sydney NSW 2000

Dear Alexandra

2021/22 Prescribed Transmission Service Prices

Please find attached a schedule of Ausgrid's 2021/22 prescribed Transmission Service Prices applicable from 1 July 2021. These prices have been set by TransGrid as the co-ordinating Transmission Network Service Provider (TNSP) for the NSW and ACT market region.

The 2021/22 transmission prices are published in accordance with the AER's Final Decision for TransGrid's 2018-2023 revenue determination, the National Electricity Rule requirements, and the approved Pricing Methodology.

The total forecast revenue to be collected through transmission charges for NSW and ACT in 2021/22 is $848 million, a 12% increase from 2020/21. This is due to the following effects:

- Ausgrid's maximum allowable transmission revenue increasing by 78% for 2021/22 compared to 2020/21.
- Introduction of a new charge by the Australian Energy Market Commission for the recovery of National Transmission Planner costs paid to the Australian Energy Market Operator. For 2021/22 the additional cost for NSW and the ACT is $13.2 million.
- Lower forecast market residue payments in 2021/22. These residue payments are used to offset transmission charges recovered from customers.
- Reductions in invoiced revenue in 2020/21, due in part to the COVID-19 economic slowdown. This under-collection of invoiced revenue will be recovered in 2021/22.

Ausgrid payment for transmission services provided by TransGrid

The following table summarises the forecast revenue by service category across Ausgrid's transmission connection points billable by TransGrid. It excludes the TNSP to TNSP net transfer payment amount.

Ausgrid's Connection Points Billable by TransGrid ($) - GST Excluded					
Forecast	Connection	Locational	Common Service	Non-locational	Total
2020/21	8,474,498	61,631,955	53,772,795	23,096,187	146,975,435
2021/22	8,567,611	67,213,471	55,342,167	32,342,437	163,465,687
$ change	93,113	5,581,516	1,569,373	9,246,250	16,490,251
% change	1%	9%	3%	40%	11%

TransGrid's forecast annual transmission charge to Ausgrid is $ 163,465,687 in 2021/22, which represents an 11% increase in transmission charges compared to the pricing advice provided for 2020/21.

Transfer payments

The transfer payments for Ausgrid are shown in the following table.

Ausgrid - 2021/22 Financial Transfer ($ GST excluded)	Credit	Debit
TransGrid to Ausgrid	$ 23,238,611.74	
Ausgrid to TransGrid		$130,189,132.64
Ausgrid to Directlink		$ 1,107,396.00
Ausgrid to Evoenergy		$ 78,918.78
Evoenergy to Ausgrid	$ 266,426.02	
Totals	**$ 23,505,037.76**	**$131,375,447.42**

Net financial transfer from Ausgrid	**$ 107,870,409.66**

Ausgrid Distribution forecast charges for transmission services provided by Ausgrid Transmission

The forecast revenue charges at the connection points between Ausgrid transmission and Ausgrid distribution using the forecast revenue at the time of transmission price publication are included in the following table. The table also includes a comparison in revenue from all transmission service categories between the 2020/21 and 2021/22 financial years.

Ausgrid's Transmission ($ GST excluded)						
	Connection	Locational	Non-locational	Common Service	Net Financial Transfer	AARR
2020/21	3,144,922	100,953,639	20,004,052	46,573,652	- 124,683,050	45,793,216
2021/22	16,305,682	103,359,263	25,665,187	43,916,513	- 107,870,410	81,376,235
$ change	13,160,760	2,405,624	5,661,134	- 2,657,139	17,012,640	35,583,020
% change	418.5%	2.4%	28.3%	-5.7%	-13.6%	77.7%

Should you wish to discuss any aspect of the 2021/22 transmission prices please contact David Conroy, Pricing Strategy Manager on [redacted] or via email [redacted]

Yours sincerely

[redacted]

Jason Conroy
Chief Financial Officer

TransGrid

NSW and ACT Transmission Prices

1 July 2021 to 30 June 2022

All prices quoted are inclusive of Australian Goods and Services Tax (GST)

Ausgrid

Customer Prices

Common service and non locational prices

These prices apply at all connection points

	($/kW/month)
Common Service Prices	1.4884
Non Locational Prices	0.8698

Locational and exit prices

TNSP	Customer	Connection Point	Exit ($/day)	Locational ($/kW/month)
Ausgrid	Ausgrid	Alexandria 33	2537.14	5.5737
Ausgrid	Ausgrid	Belmore Park 11	3887.37	5.3108
Ausgrid	Ausgrid	Belmore Park 132	683.03	4.8303
Ausgrid	Ausgrid	Brandy Hill 11	862.81	3.4754
Ausgrid	Ausgrid	Bunnerong 33	2681.43	5.4874
Ausgrid	Ausgrid	Campbell Street 11	1041.75	6.4746
Ausgrid	Ausgrid	Campbell Street 132	644.19	6.7737
Ausgrid	Ausgrid	Canterbury 33	3057.95	4.3192
Ausgrid	Ausgrid	Charm Haven 11	852.29	1.8852
Ausgrid	Ausgrid	Cronulla 132	0.00	4.3659
Ausgrid	Ausgrid	Gosford 33kV	660.57	2.9565
Ausgrid	Ausgrid	Gosford 66kV	1608.75	2.7661
Ausgrid	Ausgrid	Green Square 11kV	1398.08	4.5954
Ausgrid	Ausgrid	Gwawley Bay 11	0.00	3.6990
Ausgrid	Ausgrid	Homebush Bay 11	988.00	3.3758
Ausgrid	Ausgrid	Hurstville North 11	1133.94	4.6637
Ausgrid	Ausgrid	Kingsford 11	920.53	6.1759
Ausgrid	Ausgrid	Kingsford 132	505.69	6.0202
Ausgrid	Ausgrid	Kogarah 11	1485.65	5.9809
Ausgrid	Ausgrid	Kurnell South 11	1107.31	6.6726
Ausgrid	Ausgrid	Kurnell South 132	275.59	3.7934
Ausgrid	Ausgrid	Lane Cove 132	824.72	4.4942
Ausgrid	Ausgrid	Macquarie Park 11	0.00	7.0782
Ausgrid	Ausgrid	Maroubra 11	1330.47	9.2077
Ausgrid	Ausgrid	Marrickville 11	1145.02	4.8136
Ausgrid	Ausgrid	Mason Park 132	909.78	3.5389
Ausgrid	Ausgrid	Meadowbank 11	1257.22	4.6469
Ausgrid	Ausgrid	Munmorah 33	808.00	1.6688
Ausgrid	Ausgrid	Ourimbah 132	682.67	2.9846
Ausgrid	Ausgrid	Ourimbah 33	899.15	2.6502
Ausgrid	Ausgrid	Ourimbah 66	1365.33	2.6903
Ausgrid	Ausgrid	Peakhurst 33	1676.23	3.1498
Ausgrid	Ausgrid	Potts Hill 11	1002.26	5.4028
Ausgrid	Ausgrid	Potts Hill 132	602.10	5.1857
Ausgrid	Ausgrid	Rockdale 11	1314.23	6.0441
Ausgrid	Ausgrid	Rose Bay 11	966.02	15.3041
Ausgrid	Ausgrid	Somersby 11	927.20	2.7119
Ausgrid	Ausgrid	St Peters 11	1948.97	4.9208
Ausgrid	Ausgrid	Strathfield South 11	1042.26	4.0158
Ausgrid	Ausgrid	Top Ryde 11	1165.02	5.2971
Ausgrid	Ausgrid	Waverley 11	1171.25	12.5793
Ausgrid	Ausgrid	West Gosford 11	818.58	2.4697
Ausgrid	Ausgrid	Wyong 11	951.85	2.1325

TNSP	Customer	Connection Point	Exit ($/day)	Locational ($/kW/month)
TransGrid	Ausgrid	Beaconsfield W 132	494.92	4.3164
TransGrid	Ausgrid	Haymarket 132	3653.70	4.7190
TransGrid	Ausgrid	Liddell 330	0.00	0.8579
TransGrid	Ausgrid	Muswellbrook 132	551.49	1.2629
TransGrid	Ausgrid	Newcastle 132	3583.36	1.5034
TransGrid	Ausgrid	Rookwood Rd 132	230.25	3.8971
TransGrid	Ausgrid	Sydney East 132	5896.96	2.2899
TransGrid	Ausgrid	Sydney North 132	1430.51	2.8792
TransGrid	Ausgrid	Sydney South 132	695.45	2.7259
TransGrid	Ausgrid	Tomago 132	443.99	1.9244
TransGrid	Ausgrid	Tuggerah 132	205.41	2.6329
TransGrid	Ausgrid	Vales Point 132	2731.45	1.6586
TransGrid	Ausgrid	Vales Point 132 - 957/3	0.00	1.1986
TransGrid	Ausgrid	Waratah West 132	5902.71	1.6377

Appendix B. Alternative Control Services Fee Schedule