

02.11.20

Kami Kaur
Acting General Manager Distribution
Australian Energy Regulator
Via email: Kami.Kaur@aer.gov.au

Dear Kami

RE: UNITED ENERGY HY 2021 PRICING PROPOSAL

Attached is our pricing proposal for direct control services in HY 2021 in line with the National Electricity Rules and the AER's final decision on United Energy's Distribution Determination for the six-month period of January – June 2021.

As summarised in this submission, our network tariffs are proposed to recover efficient distribution costs as determined by the AER, as well as transmission and jurisdictional scheme pass-through costs outside our control. Attachment to this letter outlines the list of changes between draft and final pricing submission.

We estimate that based on the most common residential tariff and assuming consumption of 4,000kWh per annum, distribution and metering charges will comprise 21% of a typical United Energy residential customer's annual electricity bill, or \$310 per annum. This is a decrease of \$70 relative to a total estimated default offer retail bill of \$1,508 per annum (GST exclusive). Whether any increase in distribution and metering charges is passed onto customers will depend upon the decisions of retailers.

United Energy has been one of the lowest cost and most reliable networks and one of the most efficient in the National Electricity Market.

We remain focused on supplying safe, reliable and affordable electricity to our customers.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark de Villiers".

Mark de Villiers
Head of Regulatory Strategy and Pricing

Tariff approval model:

- Tab 'ANS' - the label added 'Field worker - one person – BH' in line 78
- Tab '2021DistRevCapForm' - Total Annual Revenue for year t is updated to reflect updated revenue from amended PTRM for 6 month final decision

Pricing proposal document:

- All references from 'Draft pricing proposal' changed to 'Pricing proposal'
- All references from 'Draft Determination' changed to 'Final Determination'
- Table 3.1 – annual revenue updated
- Table A.5 and A.6 changed to clarify that RESKW1R, LVMkWTOU and LVMkW1R tariffs are charged on summer and non-summer peak basis, as opposed to all time basis
- Table B.1 changed 'BH' in multiple lines to 'unit rate'
- Table B.1 removed redundant quoted 'Fee based services' lines
- Under Table B.7 added section 'Meter data services for public lighting are charged on a daily basis in UE's billing engine. Therefore, the above annual charge will be converted to daily charge by dividing the annual amount by 365 and then charged daily.'
- Table B.8 – table title updated
- Compliance checklist 6.18.2(b)(7A) - relevant section updated as non applicable
- Attachments section – updated to reflect correct final name of the attachments