

# AER Draft Decision on TasNetworks' Tariff Structure Statement

Bess Clark, General Manager – Strategy and Stakeholder Relations

Regulatory Control Period  
1 July 2017 – 30 June 2019

AER's Public Forum

18 October 2016

# Our network tariff strategy

Move towards **more cost reflective network tariff** structures that enable customers to:

- make more **informed investment and electricity use decisions**
- **recognise and pay for the value the network** provides to them by gradually:
  - making network tariffs fairer for all of our customers
  - increasing the service charges of our network tariffs to better reflect the underlying characteristics of our efficient network costs

**Strategy broadly grouped in two areas:**

- **Transitioning existing network tariffs to be more cost reflective**
- **Offering demand based network tariffs as a choice for customers**

# Strategic context – network services

## The value of the grid

### BACK UP SERVICES...

To provide reliable power at night or when it's cloudy.



### AND MARKET ACCESS...

Enabling consumers to sell their power into the grid.



### PLUS...

**Startup power services** supporting appliances like heat pumps which increase energy load by up to 4 or 5 times when they start.

**Balancing services** that instantaneously adapt to the customers' changing demand throughout the day - which can be difficult for a rooftop solar system that isn't connected to the grid.

**Power quality services** that protect the safe and reliable operation of home and business appliances.

# The AER's Draft TSS Decision

We approve TasNetworks' proposal to rebalance its tariff, such that there is more emphasis on the fixed service charge

We approve TasNetworks' proposal to introduce ToU network tariffs as an opt-in network tariff for customers

# Transitioning existing network tariffs

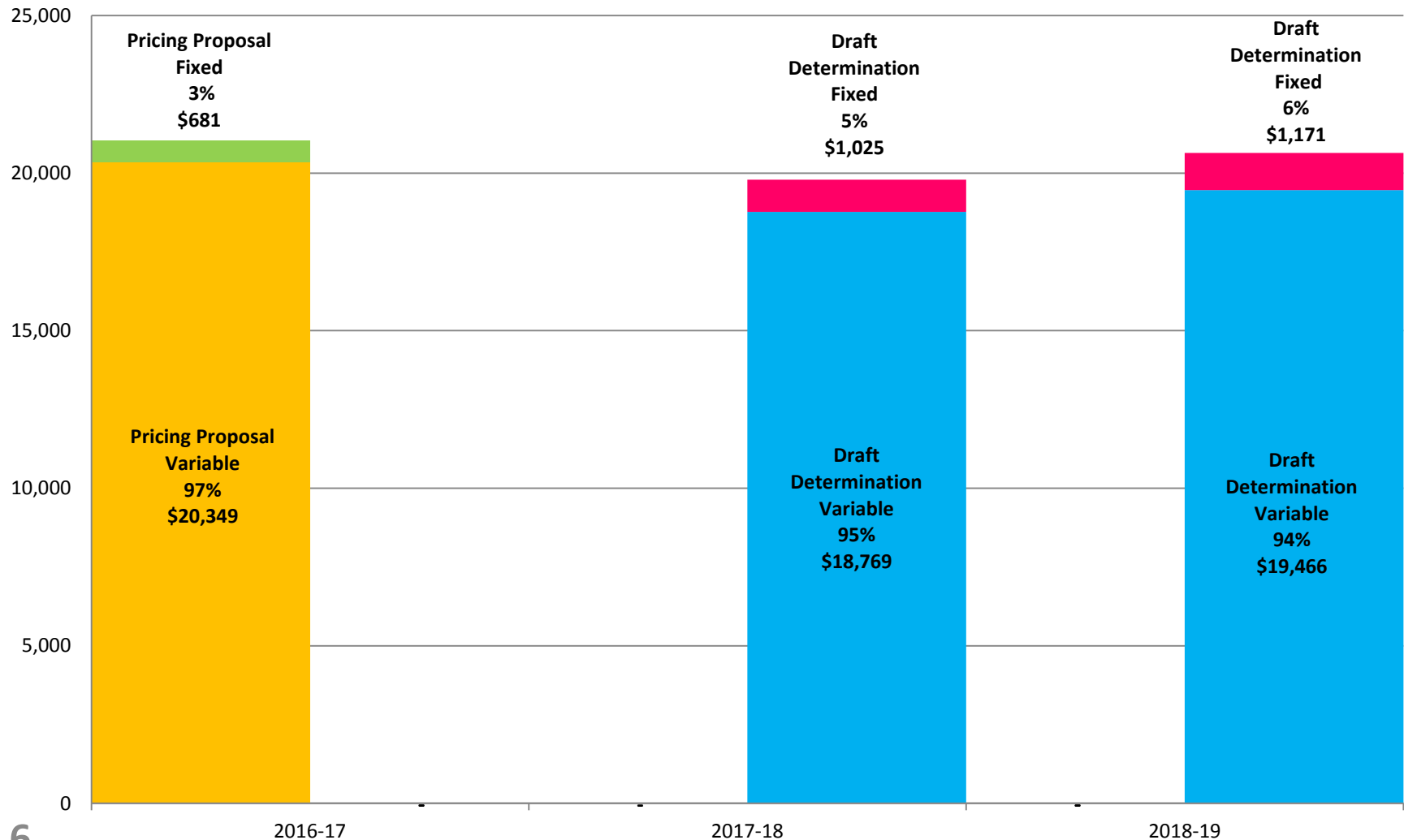
## Key AER feedback:

- Need to demonstrate that we have considered bill impact on high voltage (HV) customers arising from increases to the (fixed) service charge

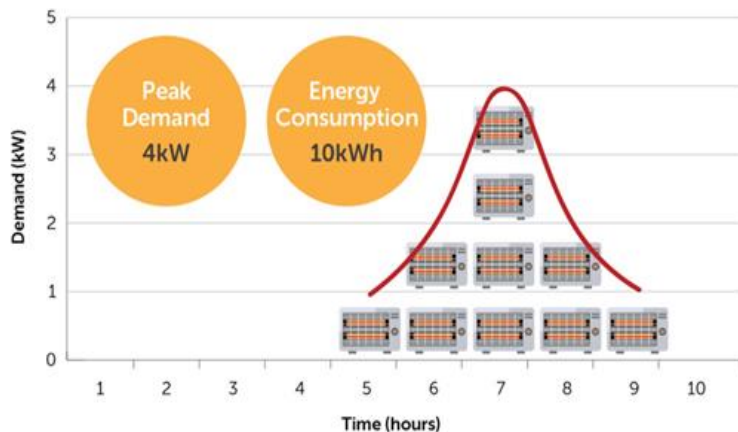
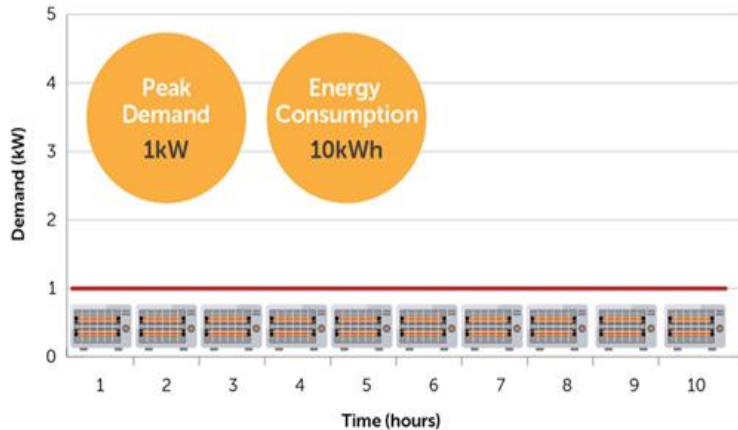
## Our response:

- Engagement with these customers is underway
- Total charges fall on average, as fixed charges a small portion of bill for these customers

# Impact on Average Annual Customer Bills – High Voltage Network Tariff (<2MVA)



# New time of use demand tariffs



## Key AER feedback:

- Accepted tariffs
- Suggested a range of future improvement opportunities

## Our response:

- Will move to monthly billing cycle and facilitate meter access and information for customers

# Engagement activities



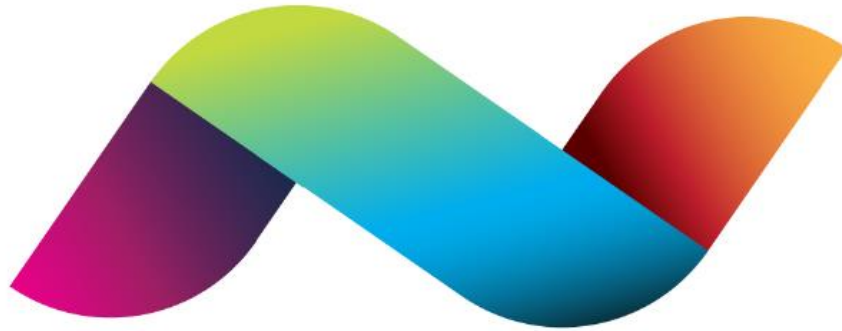


# We want to hear from you

- We submit our revised TSS – early December 2016
- We have started engagement on transmission and distribution pricing as part of preparations for our combined 2019-2024 reset
- We encourage you to send your views to [revenue.reset@tasnetworks.com.au](mailto:revenue.reset@tasnetworks.com.au)
- You can find out more information or contact us directly:

[www.tasnetworks.com.au](http://www.tasnetworks.com.au)

Leader Regulation, Kirstan Wilding on 03 62716696



**TasNetworks**  
Delivering your power