

## Annual pricing process timeline – updated 29 May 2020

### April 30

- We provided indicative information to Energex, Ergon Energy and SA Power Networks to use in preparing their pricing proposals (as immediately below):
  - indicative year 1 standard control service (SCS) revenue
  - indicative SCS control mechanism formula (and related material)
  - indicative year 1 nominal vanilla weighted average cost of capital (WACC).
- Energex, Ergon Energy and SA Power Networks have been provided with a detailed brief on the indicative tariff structure statement (TSS) outcomes to enable preparation of their annual pricing proposals.

### 5 May

- We published the following indicative information provided to Energex, Ergon Energy and SA Power Networks for use in preparing pricing proposals:
  - indicative year 1 SCS revenue
  - indicative SCS control mechanism formula (and related material)
  - indicative year 1 nominal vanilla WACC.

### May 8

- We provided Energex, Ergon Energy and SA Power Networks with their indicative year 1 real vanilla WACC and Service Target Performance Incentive Scheme (STPIS) figures using headline (CPI) inflation forecasts from the Reserve Bank of Australia's May *Statement on Monetary Policy*.

### May 12

- We published SA Power Networks' indicative TSS.

### May 22

- We published Ergon Energy's indicative TSS.
- We published our decision to use trimmed mean inflation forecasts from the Reserve Bank of Australia's May *Statement on Monetary Policy*.

### May 22-26

- Energex, Ergon Energy and SA Power Networks provided their indicative pricing proposals, prepared on the basis of the information provided to them by the AER. These will generally contain the same information and content as their formal pricing proposals but without SCS prices for years 2 to 5 and without alternative control service (ACS) prices for years 1 to 5.<sup>1</sup>

### May 26-28

- We published the public elements of the indicative pricing proposals from Energex, Ergon Energy and SA Power Networks.
- We published Energex's indicative TSS.

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<sup>1</sup> Minor updates are expected to occur for changes flowing from the change to using trimmed mean inflation forecasts. As is usual practice, the networks' pricing proposals may also be revised if our assessment of the proposals identifies issues to be addressed.

### May 29

- We provided SA Power Networks, Energex and Ergon Energy with indicative SCS revenues for years 2 to 5, indicative year 1 ACS prices and other indicative ACS information required by these businesses to prepare their formal pricing proposals. This included providing these businesses with our calculation of inputs affected by our change in approach to inflation (e.g. real WACC and STPIS figures).
- We published indicative year 1 tariffs for Jemena Gas Networks.

### June 5

- We will publish final network determinations for SA Power Networks, Energex, Ergon Energy, Jemena Gas Networks and Directlink.

### June 10

- Energex, Ergon Energy and SA Power Networks will submit their formal pricing proposals. These will generally be the same as their indicative proposals (adjusted for any agreed changes) but with a full set of prices (SCS years 2-5 and ACS years 1-5).
- Following completion of confidentiality checks, we will publish the public elements of these proposals (as per normal practice).

### June 24 (or earlier if possible)

- We will publish approved 2020-21 prices for SA Power Networks, Energex and Ergon Energy.