

## Standardised TSS compliance document – final structure

### Purpose

The purpose of this document is to provide a template for distributors to use in writing their tariff structure statement proposals. This would:

- Assist the AER's TSS compliance checks during the annual pricing process.
- Save time for both distributors and the AER during the determination process in writing up and examining the TSS.
- Allow stakeholders to easily compare TSS proposals from different distributors.
- Minimise errors in the TSS submission process.

### Additional requests

We request that DNSPs:

- Provide the AER both PDF and Word document versions of the TSS documents to enable the AER to publish TSS track changes for its decisions.
- Provide the AER indicative pricing schedules in an Excel format. It should set out, for each tariff, the indicative price for each year of the regulatory period. These should be appendices to the TSS compliance document.
  - For SCS tariffs, a copy of the 'Indicative prices' sheet in the ['Pricing model template'](#) should be used.
  - For ACS tariffs, the full ['Price capped ACS pricing model template'](#) should be used.
  - Distributors should adjust the year labels in the indicative price templates to reflect the relevant regulatory control period.
  - We also expect DNSPs to use the latest, most applicable versions of each model.
  - Victorian DNSPs should use the 'Metering' sheet in the 'Pricing model template' for its revenue-capped metering services.
- Present tariffs and charging parameters consistently throughout the documents, following the format used in the AER's pricing model templates. This includes:
  - Charging components listed horizontally and tariffs listed vertically.
  - All tariffs, tariff classes and charging components being listed in the same order throughout the TSS, indicative pricing schedules and other pricing models.
- Provide all other content not strictly related to compliance with the NER in the TSS explanatory statement. This document is not subject to standardisation and can include:
  - Background information, network characteristics, bill impacts, demand forecasts, type and nature of a distributor's customers.
  - Detailed information on customer engagement and history of the distributor's tariff development.

## TSS compliance document outline

### *Applies to SCS and ACS*

- Chapter 1: Introduction and overview

### *Applies to SCS tariffs only*

- Chapter 2: List of tariff classes and allocations
  - 6.18.1A(a)(1)
- Chapter 3: Approach to setting tariffs and the basic export level, pricing principles
  - In this chapter, the distributor explains how its tariffs comply with the pricing principles (6.18.1A(b)) and the network pricing objective (6.18.5(a)).
  - A section should be included on the approach to setting tariffs and the basic export level (if applicable) over the period: 6.18.1A(a)(5), 11.141.13(a)(1). This should also include proposed price movements during the regulatory period (e.g. changes in relative discounts between flat and time of use tariffs).
  - Another section should focus on standalone cost/avoidable cost, long run marginal cost and side constraints: 6.18.5(e), 6.18.5(f), 6.18.5(g), 6.18.6.
  - The distributor should also address the customer impact pricing principles (6.18.5(h), 6.18.5(i)) in this chapter.
- Chapter 4: Explanation of tariff structures, charging parameters and classes
  - 6.18.1A(a)(3), 6.18.1A(a)(4), 6.18.3
- Chapter 5: Tariff assignment procedures and policies and the eligibility conditions applicable to each proposed export tariff
  - 6.18.1A(a)(2), 6.18.4, 11.141.13(a)(2)
- Chapter 6: Export tariff transition strategy
  - 6.18.1A(a)(2A)
  - AER has provided on the contents of the Export tariff transition strategy in the Export Tariff Guideline.

### *Applies to ACS tariffs only*

- Chapter 7: The above provisions related to alternative control services
  - The chapter should include sections for each type of ACS, as determined by the distributor (e.g. public lighting, metering). The information provided in this chapter should be high level.
  - Each section should provide information on how each ACS is charged (including the tariff structures and charging parameters).
  - A final summary on how the tariffs are consistent with the ACS proposal within the price review, applicable Framework and Approach paper and, therefore, the Rules.

### *Appendices*

- The appendices should refer to Excel documents submitted to the AER.

- Appendix 1: SCS indicative pricing schedule
  - In order to meet compliance with NER 6.18.1A(e)<sup>1</sup>, DNSPs must provide an indicative NUOS pricing schedule, and may also provide indicative DUOS, TUOS and jurisdictional schemes pricing schedules.
- Appendix 2: ACS indicative pricing schedule

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<sup>1</sup> NER 6.18.1A(e): A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.