

8/05/2015

Mr Robert Telford  
Manager Network Pricing Finance & Compliance  
**Ausgrid**  
GPO Box 4009  
Sydney NSW 2001

Dear Robert

## Ausgrid 2015-16 prescribed Transmission Prices

Please find attached a copy of Ausgrid 2015-16 prescribed transmission prices schedule applicable for the financial year beginning 1 July 2015.

These prices have been set by TransGrid, as the co-ordinating Transmission Network Service Provider (TNSP) for the NSW and ACT market region namely TransGrid, ActewAGL, Directlink and Ausgrid, in accordance with the requirements of (a) Chapter 6A of the National Electricity Rules (The Rules), (b) the AER's Pricing Methodology Guidelines and TransGrid's Transmission Pricing Methodology approved by the Australian Energy Regulator (AER).

Clause 6A.24.3 entitled *Basis for setting prices pending approval of pricing methodology* requires that if a Transmission Network Service Provider has submitted or resubmitted a proposed pricing methodology to the AER under clause 6A.10.1, 6A.11.2 or 6A.12.3 and the AER has not made a final decision approving or amending that methodology under rule 6A.13 by a date that is 3 months prior to the commencement of the first financial year, and that Transmission Network Service Provider must set prices for the first pricing year in accordance with the pricing methodology most recently approved for that Transmission Network Service Provider.

TransGrid's proposed pricing methodology, applicable from 1 July 2015, was approved by the AER on 30 April 2015 which is less than 3 months to the start of the first year of the related regulatory period. Therefore, for 2015/16, TransGrid calculates transmission prices based on its existing pricing methodology for the period 1 July 2009 to 30 June 2014, approved by the AER on April 2010.

TransGrid, as the coordinating TNSP for NSW and ACT and required by the Rules, must determine transmission prices for all businesses in the NSW/ACT region that provide prescribed transmission services, taking into account the Maximum Allowable Revenue (MAR) set by the AER for each respective TNSP.

For the 2013/14 year, TransGrid elected to defer the collection of \$71 million of its approved MAR. This decision was made in consultation with both the AER and the shared holders. It was an initiative of TransGrid to reduce price rises seen by customers at a time of extreme sensitivity to network pricing. The decision was made with a view to recovering the revenue deferral at a future time when regulated revenues were expected to be lower due to a lower allowed rate of return.

TransGrid is recovering \$17 million of this revenue deferral in the current 2014/15 year.

TransGrid has elected to recover the full remaining \$54 million with interest in 2015/16 and still deliver, on average, real transmission price cuts for customers.

The waterfall chart on Attachment One illustrates how the total revenue to be collected from prescribed customers through transmission prices was derived from the MARs and all adjustments as allowed for by the Rules. Note that all adjustments to MAR are consistent with prior years with the exception of a new component referred to as Inter-regional Transmission Use of System (IR-



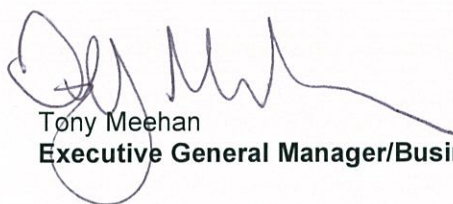
TUoS). The IR-TUoS charge reflects the charge payable by network users in the import region for using the transmission network of the exporting region.

As indicated on the chart, the total revenue to be collected through transmission prices for 2015/16 is \$1,014 million, a 6.3% reduction from 2014/15, implying an average price of 1.52 cents/kWh based on the Australian Energy Market Operator's medium growth scenario. This is a reduction of 7% from the 2014/15 average prices of 1.64 cents/kWh.

The total Ausgrid 2015-16 TUoS charge is forecast to decrease by 7.3% compared to its 2014-15 forecast

Should you wish to discuss any aspect of Ausgrid 2015-16 transmission prices please contact Nicola Tully on 02 9284 3120 or via email [Nicola.Tully@TransGrid.com.au](mailto:Nicola.Tully@TransGrid.com.au)

Yours faithfully



Tony Meehan  
**Executive General Manager/Business Growth And Revenue**

# Ausgrid 2015-16 Transmission Prices Schedule



## TransGrid's Transmission Prices

1 July 2015 to 30 June 2016

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

# Ausgrid

## Customer Charges

### Common service and non-locational charges

These rates apply at all connection points

Energy Rate  
(c/kWh)

Contract Rate  
(\$/kW/month)

Common Service Prices	0.4578	1.6627
Non Locational Prices	0.9010	3.2723

### Usage and exit charges

Customer	Connection Point	Exit (\$/day)	Demand (\$/kW/mth)
Ausgrid	Beaconsfield W 132	319.59	3.1313
Ausgrid	Belmore Park 11	6,868.25	3.9984
Ausgrid	Belmore Park 132	1,033.69	3.3705
Ausgrid	Brandy Hill 11	2,079.73	3.0552
Ausgrid	Bunnerong 33	11,088.63	4.8239
Ausgrid	Campbell Street 11	4,307.14	5.2316
Ausgrid	Canterbury 33	5,281.87	3.5366
Ausgrid	Charm Haven 11	2,150.87	1.5435
Ausgrid	Cronulla 132	-	3.1734
Ausgrid	Gosford 33kV	1,378.83	2.5553
Ausgrid	Gosford 66kV	2,884.27	2.4316
Ausgrid	Green Square 11kV	3,405.32	3.3402
Ausgrid	Gwawley Bay 11	-	3.0288
Ausgrid	Haymarket 132	784.08	3.3623
Ausgrid	Homebush Bay 11	2,413.43	2.9676
Ausgrid	Hurstville North 11	2,488.65	4.0998
Ausgrid	Kingsford 11	2,800.20	5.2042
Ausgrid	Kogarah 11	3,298.01	5.2578
Ausgrid	Kurnell 132	847.55	3.0521
Ausgrid	Kurnell South 11	1,781.81	5.6310
Ausgrid	Kurri 33	3,826.61	1.8240
Ausgrid	Kurri Zone 11	2,080.29	2.4899
Ausgrid	Lane Cove 132	1,889.64	3.9508
Ausgrid	Liddell 330	-	0.6115
Ausgrid	Macquarie Park 11	3,724.67	6.2223
Ausgrid	Maroubra 11	3,429.41	8.0944
Ausgrid	Marrickville 11	2,293.64	3.3057
Ausgrid	Mason Park 132	2,127.73	3.1110
Ausgrid	Meadowbank 11	2,753.01	4.0850
Ausgrid	Mitchell Line 66	3,223.48	3.1210

## Ausgrid 2015-16 Transmission Prices Schedule

### *Usage and exit charges*

Customer	Connection Point	Exit (\$/day)	Demand (\$/kW/mth)
Ausgrid	Morriset 11	-	2.0218
Ausgrid	Munmorah 330	170.94	1.0149
Ausgrid	Muswellbrook STS 33	2,466.32	2.2193
Ausgrid	Newcastle 132	534.44	1.1234
Ausgrid	Ourimbah 132	970.50	2.6238
Ausgrid	Ourimbah 33	1,503.05	2.0701
Ausgrid	Ourimbah 66	1,941.00	2.3650
Ausgrid	Peakhurst 33	3,678.21	2.4746
Ausgrid	Potts Hill 11	4,016.91	3.3171
Ausgrid	Rose Bay 11	2,562.00	13.4536
Ausgrid	Rothbury 11	1,582.24	4.2722
Ausgrid	Singleton 66	4,434.56	5.9032
Ausgrid	Somersby 11	1,116.65	2.1986
Ausgrid	St Peters 11	3,058.28	3.1553
Ausgrid	Sydney East 132	1,264.27	2.1190
Ausgrid	Sydney North 132	880.55	2.5310
Ausgrid	Sydney South 132	352.97	2.0442
Ausgrid	Tomago 132	282.01	1.4598
Ausgrid	Top Ryde 11	2,887.19	4.6566
Ausgrid	Tuggerah 132	123.66	2.3145
Ausgrid	Vales Point 132	1,284.39	1.2334
Ausgrid	VAW 132	-	2.0937
Ausgrid	Waratah West 132	4,871.48	1.4397
Ausgrid	Waverley 11	2,502.64	11.0583
Ausgrid	West Gosford 11	1,763.71	2.0857
Ausgrid	Wyong 11	2,054.17	1.8130