

6 April 2022

Mr Warwick Anderson
General Manager Pricing
Australian Energy Regulator (AER)
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Submitted via: AERPricing@aer.gov.au

Dear Warwick

Re: 2022-23 ELECTRICITY PRICING PROPOSAL SUBMISSION

Please find enclosed the pricing proposal submission for AusNet Electricity Services Pty Ltd (AusNet) electricity network customers for the period from 1 July 2022 to 30 June 2023.

AusNet's tariffs and charges reflect the AER Final Determination and Tariff Structure Statement for AusNet Services' 1 July 2021 – 30 June 2026 regulatory period, which was published on 30th April 2021.

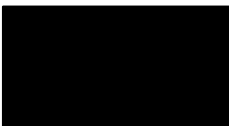
Distribution charges from 1 July 2022 are estimated to increase by an average of 9.8%, while overall network charges (incorporating distribution, transmission and jurisdictional schemes) are expected to increase by an average of 8.2% compared to the 2021-22 financial year.

The change in distribution charges from 1 July 2022 is driven by:

- 2021-22 prices being artificially low as they incorporated handback of \$27m of over-recovered revenue due to COVID lockdowns;
- Adjustment to inflation (\$24m);
- The recovery of costs associated with the June 2021 storms¹ (\$10m);
- Strong reliability performance in the CY2020 and HY2021 resulting in a STPIS reward of \$9m. We have deferred recovery of \$5m of our reward to manage price impacts for our customers.

Attachments which accompany this submission is listed in the Appendix. Should you have any queries on the attached material, please do not hesitate to contact Edwin Chan on [REDACTED] or by email at [REDACTED].

Yours sincerely



Charlotte Eddy
General Manager Regulatory Strategy and Policy
AusNet Services

¹ <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/cost-pass-throughs/ausnet-services-%E2%80%93-cost-pass-through-june-2021-storms-natural-disaster/decision>

Appendix: Attachments to the Proposal

The components that accompany this letter include:

- Annual Pricing Proposal;
- 2022/23 annual SCS pricing model (confidential and public versions);
- 2022/23 annual ACS pricing model²;
- Schedule of Tariffs;
- Alternative Control Services Charges;
- Prescribed Metering Charges;
- Public Lighting Excluded Service Charges;
- Annual pricing confidentiality template; and
- Supporting information.

² We have not made any changes to the draft ACS pricing model submitted to the AER on 25th February. As a result, the AER can consider our 25th February ACS pricing model as our formal 2022/23 submitted model.