Pricing Proposal

For the financial year ending June 2020

May 2019

Content

1 ABOUT THIS PRICING PROPOSAL 4
1.1 Introduction 4
1.2 Structure of this Pricing Proposal 4
1.3 Feedback 5

2 OVERVIEW 6
2.1 Key reforms 6
2.2 Target revenue 6
2.3 Customer impacts 7
2.4 Consistency with the approved TSS 7
2.5 Compliance with the NER 7
2.6 Annual tariff review outcomes 8
2.7 Alternative control services 8

3 TARIFF CLASSES 9

4 PROPOSED TARIFFS AND CHARGING PARAMETERS 11

5 WEIGHTED AVERAGE REVENUE 16

6 VARIATIONS TO TARIFFS 17

7 DESIGNATED PRICING PROPOSAL CHARGES 18

8 CLIMATE CHANGE FUND 19

9 DISTRIBUTION USE OF SYSTEM UNDERS AND OVERS ACCOUNT 20

10 CHANGES FROM THE PREVIOUS REGULATORY YEAR 21
10.1 Demand tariffs for residential and small business customers 21
10.2 Tariff assignment policy 21
10.3 Closure of non-cost reflective tariffs 21
10.4 Transitional tariffs for medium to large customers 22
10.5 Demand windows are aligned with TOU peak 22

11 CUSTOMER IMPACTS 23
11.1 Impact on residential customers 23
11.2 Impact on small business customers 23
11.3 Impact on medium and large business customers 24

12 CONSISTENCY WITH THE TARIFF STRUCTURE STATEMENT 25

13 COMPLIANCE WITH NATIONAL ELECTRICITY RULES 30

14 ANNUAL SYSTEM OF ASSESSMENT AND REVIEW OF TARIFFS 33

15 PUBLIC LIGHTING SERVICES 35

16 ANCILLARY NETWORK SERVICES 36

17 METERING SERVICES 38

Appendix A – Explanatory Notes Standard Control Services

A.1 Indicative pricing schedule for the remaining years in the 2019-24 control period 45
A.2 Customer impact analysis 51

A.3 Completed compliance spreadsheet (CONFIDENTIAL) 97
A.4 Notification of Climate Change Fund contribution 99
A.5 TransGrid's transmission charges for 2019-20 101

Appendix B – Alternative Control Services Fee Schedule

Appendix B. Alternative control services fee schedule 105

1 ABOUT THIS PRICING PROPOSAL

1.1 Introduction

We submit this initial Pricing Proposal for 2019-20, the first regulatory year of the 2019-24 regulatory control period, to the Australian Energy Regulator (AER) in accordance with the requirements of the National Electricity Rules (NER clause 6.18.2(a)(1)).

On 30 April 2019, the AER released its final decision on Ausgrid's electricity distribution determination for the 2019-24 regulatory control period (referred to as 'the AER's final determination' or 'the AER's final decision').[1] This includes the AER's decision on our Tariff Structure Statement (TSS) for the 2019-24 control period.[2] Our amended TSS approved by the AER (referred to as 'the TSS', 'Ausgrid's TSS' or 'our TSS') is published on the AER's website[3] and is also available on our website.[4]

Our initial Pricing Proposal for standard control services is based on the TSS. It also provides schedule of charges for alternative control services (public lighting, ancillary network services and metering services) based on the AER's final determination.

1.2 Structure of this Pricing Proposal

This Pricing Proposal has the following structure:

- Chapter 2 presents overview of our pricing proposal
- Chapter 3 presents our tariff classes
- Chapter 4 presents our tariffs and charging parameters
- Chapter 5 summarises the weighted average revenue
- Chapter 6 summarises variations to tariffs
- Chapter 7 summarises designated pricing proposal charges
- Chapter 8 summarises Climate Change Fund charges
- Chapter 9 summarises distribution use of system unders and overs account
- Chapter 10 summarises changes from the previous regulatory year
- Chapter 11 summarises customer impacts
- Chapter 12 demonstrates consistency with the Tariff Structure Statement
- Chapter 13 demonstrates compliance with National Electricity Rules

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[1] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024*, April 2019. Available at https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausgrid-determination-2019-24/final-decision.

[2] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

[3] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Amended Tariff Structure Statement*, April 2019 – Clean. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20Decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Amended%20Tariff%20Structure%20Statement%20-%20April%202019%20-%20Clean.pdf.

[4] Ausgrid, *Attachment 10.1 – Tariff Structure Statement*, April 2019. Available at https://www.ausgrid.com.au/-/media/Documents/Regulation/Reports-plans/Ausgrid-approved-TSS-2019-24.pdf.

- Chapter 14 summarises annual system of assessment and review of tariffs
- Chapter 15 covers public lighting services
- Chapter 16 covers ancillary network services
- Chapter 17 covers metering services.

The accompanying Explanatory Notes in Appendix A provide more detail on this Pricing Proposal including indicative prices for the remaining regulatory years of the 2019-24 regulatory control period (Appendix A.1), our customer impacts analysis (Appendix A.2) and supporting information. Appendix B provides a schedule of charges for alternative control services.

1.3 Feedback

We welcome feedback from our customers and stakeholders. Please provide feedback to:

pricing@ausgrid.com.au or

Network Pricing Manager
Ausgrid
GPO Box 4009
Sydney NSW 2001

Customers may also comment via Ausgrid's Facebook page at www.facebook.com/Ausgrid or via twitter.com/Ausgrid.

2 OVERVIEW

This document is our initial Pricing Proposal for the first year of the 2019-24 regulatory control period. We submit it for review and approval by the AER as required by clause 6.18.2(a)(1) of Chapter 6 in the National Electricity Rules (NER). It is structured to allow ready assessment of compliance by the AER.

2.1 Key reforms

The proposal is based on our Tariff Structure Statement (April 2019) approved by the AER on 30 April 2019. The key pricing reforms proposed for 2019-20 and approved by the AER are:

- Introduction of demand tariffs as the default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.
- Our new TOU-demand and existing TOU tariffs are opt-out options for all customers assigned to a demand tariff.
- Transitional TOU tariffs for residential and small business customers are set to the legacy flat tariffs for the 2019-24 control period. Together they are referred to as 'flat tariffs'.
- Non-cost reflective flat tariffs are closed to new customers.
- Customers on flat tariffs replacing faulty meters are assigned to the introductory demand tariff for 12 months, and then reassigned to a demand tariff.
- TOU customers replacing a meter for any reason remain on TOU tariffs and can opt-in to demand tariffs.
- Transitional tariffs for medium and large business customers will transition to an appropriate capacity-based tariff over the 2019-24 period.
- No change to the seasonal TOU charging windows for energy for residential and small business customers.
- Alignment of seasonal charging windows for peak energy with summer and winter seasonal demand charges. Residential and small business charging windows for 'low season' maximum demand are aligned with the capacity charging windows for larger businesses (2-8 pm working weekdays).

Our tariff classes are presented in Chapter 3. Proposed tariffs and charging parameters are presented in Chapter 4.

Our initial Pricing Proposal also includes assessment and reassignment of existing customers to an appropriate tariff based on the consumption threshold (see Chapter 13).

2.2 Target revenue

The AER's 2019-24 Determination for Ausgrid established our revenue target for 2019-20. Table 2.1 below shows the revenue targets for DUOS, TUOS, CCF, and the resulting target NUOS. We have set our proposed network tariffs for 2019-20 to recover these revenue targets.

The target revenue includes the AER's decision on revenue adjustments from the capital expenditure sharing scheme (CESS), Demand Management Innovation Mechanism, the amount resulting from the remittal decision for the 2014-19 regulatory control period, the

Service Target Performance Incentive Scheme (STPIS) and the cost of pass-through events (i.e. storm damage and Retailer of Last Resort events). These entitlements have been included in the AER's determination for the 2019-24 period.[5]

Table 2.1. Ausgrid's target revenues for 2019-20 ($m, $2019-20)

Revenue component	Target revenue for 2019-20 ($m)
Distribution use of system (DUOS)	1,460.48
Transmission use of system (TUOS)	311.97
Climate Change Fund (CCF)	133.96
Total Network use of system (NUOS)	1,906.42

Weighted average revenue for DUOS is discussed in Chapter 5.

2.3 Customer impacts

Our initial Pricing Proposal results in $130 (11%) reduction in average network charges (NUOS) from 2018-19 to 2019-20.

Average network charges per residential customer are proposed to decrease by $71 (11%) from 2018-19 to 2019-20.

This translates to a $94 (15%) reduction in the network component of the annual bill for our 'typical' residential customer on a legacy flat energy tariff with energy consumption of 5 MWh, from 2018-19 to 2019-20. Over 1 million customers on this tariff will benefit from our lower prices.

Our 'typical' small business customer on a legacy flat energy tariff with energy consumption of 10 MWh a year has a $225 (15%) reduction in the network component of the annual bill in 2019-20, compared to the bill in 2018-19. Almost 68,000 small business customers on this tariff will benefit from our lower prices (see Chapter 11).

2.4 Consistency with the approved TSS

Our initial Pricing Proposal is based on our approved Tariff Structure Statement for the 2019-24 regulatory control period. There are no departures in proposed tariff classes, tariffs and charging parameters. Differences in indicative prices are explained by our update of forecasts of customer numbers, energy consumption and demand, as well as an updated estimate of the 2019-20 designated pricing proposal charges including TransGrid's charges, and the Climate Change Fund contributions (see Chapter 12).

2.5 Compliance with the NER

Our initial Pricing Proposal complies with the AER's determination and the National Energy Rules (see Chapter 13).

[5] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 1 – Annual revebue requirement*, April 2019, p 1-8. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%201%20-%20Annual%20revenue%20requirement%20-%20April%202019.pdf.

2.6 Annual tariff review outcomes

Our initial Pricing Proposal includes reassignment of about 6,000 non-residential customers to an appropriate tariff based on their consumption profiles (see Chapter 14).

2.7 Alternative control services

Our initial Pricing Proposal provides schedule of charges for alternative control services: public lighting (Chapter 15), ancillary network services (Chapter 16) and metering services (Chapter 17).

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3 TARIFF CLASSES

This section sets out the tariff classes for standard control services that are specified in our approved TSS for 2019-24 (NER clause 6.18.2(b)(2)). Our TSS contains policies and procedures we will apply to assign customers to tariff classes. It also sets out the policies and procedures for assigning customers to tariffs within each class. Additional explanation is provided in our ES7 Network Price Guide.

Table 3.1 below summarises our five network tariff classes, and the individual tariffs in each tariff class. For the first time, in 2019-20 we include a set of demand tariffs for residential customers and for non-residential customers with less than 40 MWh energy consumption a year (see Section 2.1 of the TSS).

Assignment of customers to tariff classes are presented in Section 2.2 of the TSS.

Assignment of customers to a tariff within the tariff class are presented in Section 2.3 of the TSS.

Table 3.1. Ausgrid's tariff class descriptions from 1 July 2019

Tariff Class	Definition	Primary Network Tariffs	Other Network Tariffs
Low Voltage	Applicable to separately metered low voltage (400V or 230V) connections, as measured at the metering point.	EA025 – Residential TOU EA111 – Residential demand (introductory) EA115 – Residential TOU demand EA116 – Residential demand EA225 – Small business TOU EA251 – Small business demand (introductory) EA255 – Small business TOU demand EA256 – Small business demand EA302 – LV 40-160 MWh EA305 – LV 160-750 MWh EA310 – LV >750 MWh	*Secondary* EA030 – Controlled load 1 EA040 – Controlled load 2 *Closed** EA010 – Residential non-TOU *closed* EA011 – Residential transitional TOU *closed* EA050 – Small business non-TOU *closed* EA051 – Small business transitional TOU *closed* EA316 – Transitional 40-160 MWh *closed* EA317 – Transitional 160-750 MWh *closed* EA325 – LV Connection (standby) *closed*
High Voltage	Applicable to any connection at high voltage (11kV) level, as measured at the metering point.	EA370 – HV Connection (system) EA380 – HV Connection (substation)	EA360 – HV Connection (standby) *closed* Individually calculated tariffs
Sub-transmission	Applicable to any connection at a sub-transmission voltage (132/66/33kV), as measured at the metering point.	EA390 – ST Connection (system) EA391 – ST Connection (substation)	Individually calculated tariffs
Unmetered	Applicable to any LV connection that is defined as an unmetered supply by Ausgrid in consultation with AEMO as per clause S7.2.3 (Item 5) of the Rules.	EA401 – Public lighting EA402 – Constant unmetered EA403 – EnergyLight	
Transmission	Applicable to any site that is connected to the electricity transmission network.	EA501 – Transmission tariff	Individually calculated tariffs

Note: *Closed* means only available for customers already assigned to the tariff. Transitional tariffs EA316 and EA317 will be closed during 2019-20 after the reassignments of existing customers reviewed for consumption thresholds is completed, to mitigate customer impacts. Once there are no more customers assigned to the closed tariff, we may remove this tariff from the pricing table at the annual pricing proposal. If there are no customers assigned to a tariff, we may also exclude it from the tariff table for the annual pricing proposal.

4 PROPOSED TARIFFS AND CHARGING PARAMETERS

This section sets out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates (NER clause 6.18.2(b)(3)).

Tables 4.1 – 4.4 below set out our proposed prices for NUOS and its components (DUOS, TUOS and CCF) for 2019-20. Indicative NUOS prices for each remaining year of the 2019-24 regulatory period are provided in Appendix A.1 (NER clause 6.18(d)).

The four types of charging parameters are:

- network access charge
- energy consumption charge
- demand charge
- capacity charge.[6]

The energy consumption and demand charges may vary by time of day and/or by season, with different time periods applied to residential and non-residential customers.

Seasonal definitions of time periods used in the charging parameters for the Time of Use (TOU) energy consumption charge, demand charge and capacity charge for different customer categories are provided in our TSS[7] and are further explained in our ES7 Network Price Guide.[8]

6 Ausgrid's TSS, Section 3.1, p 15.
7 Ausgrid's TSS, Section 3.1, pp 16-24.
8 Ausgrid, *ES7 - Network Price Guide*, July 2019. Available at https://www.ausgrid.com.au/Industry/Regulation/Network-prices.

Table 4.1. Ausgrid's network use of system (NUOS) tariffs by charging parameter from 1 July 2019 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.1024	8.2177							
	EA011	Residential transitional TOU *closed*	37.1024		8.2177	8.2177	8.2177				
	EA025	Residential TOU	46.0410		23.5007	5.4892	3.5087				
	EA111	Residential demand (introductory)	37.1024		7.8913	7.8913	7.8913	1.0178	1.0178		
	EA115	Residential TOU demand	46.0410		23.5007	3.7765	2.7360	4.0714	4.0714		
	EA116	Residential demand	37.1024		2.7416	2.7416	2.7416	20.3568	10.1784		
	EA030	Controlled load 1	0.1508	1.7522							
	EA040	Controlled load 2	11.0480	4.6267							
	EA050	Small business non-TOU *closed*	123.6110	7.9083							
	EA051	Small business transitional TOU *closed*	123.6110		7.9083	7.9083	7.9083				
	EA225	Small business TOU	121.8728		21.5111	7.2663	2.8782				
	EA251	Small business demand (introductory)	121.8728		7.5969	7.5969	7.5969	1.0178	1.0178		
	EA255	Small business TOU demand	121.8728		18.7185	6.6762	2.2108	4.0714	4.0714		
	EA256	Small business demand	121.8728		3.0127	3.0127	3.0127	20.3568	15.2676		
	EA302	LV 40-160 MWh	511.4501		6.4946	2.3498	1.1057			32.8110	
	EA305	LV 160-750 MWh	1652.3676		6.1950	2.2747	1.1181				32.8110
	EA310	LV >750 MWh	2494.9242		4.6546	1.7939	0.8582				32.8110
	EA316	Transitional 40-160 MWh *closed*	133.7667		23.7746	8.6051	1.9307			0.0000	
	EA317	Transitional 160-750 MWh *closed*	133.7667		23.7746	8.6051	1.9307				0.0000
	EA325	LV Connection (standby) *closed*	2382.0766		9.2447	7.5766	2.2322				0.3649
High Voltage	EA360	HV Connection (standby) *closed*	2074.7785		7.4910	3.4192	2.0485				0.6431
	EA370	HV Connection (system)	4931.4407		2.7404	1.7748	1.1480				19.9321
	EA380	HV Connection (substation)	4931.4407		2.4413	1.5433	1.0191				17.1014
Sub-transmission	EA390	ST Connection (system)	6177.2783		2.1078	1.7050	1.1366				6.3573
	EA391	ST Connection (substation)	6177.2783		1.9560	1.4783	1.0302				5.6042
Unmetered	EA401	Public lighting		7.1881							
	EA402	Constant unmetered		8.6290							
	EA403	EnergyLight		6.5974							
Transmission	EA501	Transmission-connected	28125.0000								0.9033

Table 4.2. Ausgrid's distribution use of system (DUOS) tariffs by charging parameter from 1 July 2019 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.1024	5.0504							
	EA011	Residential transitional TOU *closed*	37.1024		5.0504	5.0504	5.0504				
	EA025	Residential TOU	46.0410		16.2114	4.8422	2.8817				
	EA111	Residential demand (introductory)	32.2824		6.3573	6.3573	6.3573	1.0178	1.0178		
	EA115	Residential TOU demand	41.2210		16.2114	2.3774	1.4148	4.0714	4.0714		
	EA116	Residential demand	32.2824		0.6854	0.6854	0.6854	20.3568	10.1784		
	EA030	Controlled load 1	0.1508	0.0000							
	EA040	Controlled load 2	11.0480	0.0000							
	EA050	Small business non-TOU *closed*	123.6110	4.4909							
	EA051	Small business transitional TOU *closed*	123.6110		4.4909	4.4909	4.4909				
	EA225	Small business TOU	121.8728		14.7259	6.1455	1.9544				
	EA251	Small business demand (introductory)	106.4046		4.8872	4.8872	4.8872	1.0178	1.0178		
	EA255	Small business TOU demand	106.4046		11.9909	5.8154	1.4796	4.0714	4.0714		
	EA256	Small business demand	106.4046		1.0911	1.0911	1.0911	20.3568	15.2676		
	EA302	LV 40-160 MWh	511.4501		4.1852	1.1711	0.1478			32.8110	
	EA305	LV 160-750 MWh	1652.3676		4.0108	1.0735	0.1355				32.8110
	EA310	LV >750 MWh	2494.9242		3.4877	0.9759	0.1232				32.8110
	EA316	Transitional 40-160 MWh *closed*	133.7667		10.4533	6.7302	0.9211			0.0000	
	EA317	Transitional 160-750 MWh *closed*	133.7667		10.4533	6.7302	0.9211				0.0000
	EA325	LV Connection (standby) *closed*	2382.0766		8.0346	6.4821	1.1495				0.3649
High Voltage	EA360	HV Connection (standby) *closed*	2074.7785		4.5421	0.4822	0.3494				0.1070
	EA370	HV Connection (system)	4931.4407		1.8325	1.0035	0.3817				18.5052
	EA380	HV Connection (substation)	4931.4407		1.5432	0.8450	0.3215				15.7294
Sub-transmission	EA390	ST Connection (system)	6177.2783		1.3280	0.9378	0.3695				5.3483
	EA391	ST Connection (substation)	6177.2783		1.2244	0.7593	0.3112				4.6457
Unmetered	EA401	Public lighting		4.9386							
	EA402	Constant unmetered		6.0127							
	EA403	EnergyLight		4.1785							
Transmission	EA501	Transmission-connected	0.0000								0.0000

Table 4.3. Ausgrid's transmission use of system (TUOS) tariffs by charging parameter from 1 July 2019 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	0.0000	2.7820							
	EA011	Residential transitional TOU *closed*	0.0000		2.7820	2.7820	2.7820				
	EA025	Residential TOU	0.0000		6.9041	0.2618	0.2417				
	EA111	Residential demand (introductory)	4.8200		1.1488	1.1488	1.1488	0.0000	0.0000		
	EA115	Residential TOU demand	4.8200		6.9041	1.0139	0.9359	0.0000	0.0000		
	EA116	Residential demand	4.8200		1.6709	1.6709	1.6709	0.0000	0.0000		
	EA030	Controlled load 1	0.0000	1.4622							
	EA040	Controlled load 2	0.0000	4.3867							
	EA050	Small business non-TOU *closed*	0.0000	2.8876							
	EA051	Small business transitional TOU *closed*	0.0000		2.8876	2.8876	2.8876				
	EA225	Small business TOU	0.0000		6.2555	0.5911	0.3941				
	EA251	Small business demand (introductory)	15.4682		2.2282	2.2282	2.2282	0.0000	0.0000		
	EA255	Small business TOU demand	15.4682		6.2555	0.3887	0.2591	0.0000	0.0000		
	EA256	Small business demand	15.4682		1.4401	1.4401	1.4401	0.0000	0.0000		
	EA302	LV 40-160 MWh	0.0000		1.7331	0.6024	0.3815			0.0000	
	EA305	LV 160-750 MWh	0.0000		1.6079	0.6248	0.4063				0.0000
	EA310	LV >750 MWh	0.0000		0.5907	0.2417	0.1587				0.0000
	EA316	Transitional 40-160 MWh *closed*	0.0000		12.8866	1.4402	0.5750			0.0000	
	EA317	Transitional 160-750 MWh *closed*	0.0000		12.8866	1.4402	0.5750				0.0000
	EA325	LV Connection (standby) *closed*	0.0000		0.7755	0.6600	0.6481				0.0000
High Voltage	EA360	HV Connection (standby) *closed*	0.0000		2.3464	2.3344	1.0966				0.5361
	EA370	HV Connection (system)	0.0000		0.1865	0.0498	0.0448				1.4269
	EA380	HV Connection (substation)	0.0000		0.2651	0.0652	0.0645				1.3720
Sub-transmission	EA390	ST Connection (system)	0.0000		0.0217	0.0092	0.0091				1.0089
	EA391	ST Connection (substation)	0.0000		0.0217	0.0092	0.0091				0.9585
Unmetered	EA401	Public lighting		1.2105							
	EA402	Constant unmetered		1.5774							
	EA403	EnergyLight		1.3799							
Transmission	EA501	Transmission-connected	28125.0000								0.9033

Table 4.4. Ausgrid's Climate Change Fund (CCF) tariffs by charging parameter from 1 July 2019 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	0.0000	0.3853							
	EA011	Residential transitional TOU *closed*	0.0000		0.3853	0.3853	0.3853				
	EA025	Residential TOU	0.0000		0.3853	0.3853	0.3853				
	EA111	Residential demand (introductory)	0.0000		0.3853	0.3853	0.3853	0.0000	0.0000		
	EA115	Residential TOU demand	0.0000		0.3853	0.3853	0.3853	0.0000	0.0000		
	EA116	Residential demand	0.0000		0.3853	0.3853	0.3853	0.0000	0.0000		
	EA030	Controlled load 1	0.0000	0.2900							
	EA040	Controlled load 2	0.0000	0.2400							
	EA050	Small business non-TOU *closed*	0.0000	0.5297							
	EA051	Small business transitional TOU *closed*	0.0000		0.5297	0.5297	0.5297				
	EA225	Small business TOU	0.0000		0.5297	0.5297	0.5297				
	EA251	Small business demand (introductory)	0.0000		0.4816	0.4816	0.4816	0.0000	0.0000		
	EA255	Small business TOU demand	0.0000		0.4721	0.4721	0.4721	0.0000	0.0000		
	EA256	Small business demand	0.0000		0.4816	0.4816	0.4816	0.0000	0.0000		
	EA302	LV 40-160 MWh	0.0000		0.5763	0.5763	0.5763			0.0000	
	EA305	LV 160-750 MWh	0.0000		0.5763	0.5763	0.5763				0.0000
	EA310	LV >750 MWh	0.0000		0.5763	0.5763	0.5763				0.0000
	EA316	Transitional 40-160 MWh *closed*	0.0000		0.4346	0.4346	0.4346			0.0000	
	EA317	Transitional 160-750 MWh *closed*	0.0000		0.4346	0.4346	0.4346				0.0000
	EA325	LV Connection (standby) *closed*	0.0000		0.4346	0.4346	0.4346				0.0000
High Voltage	EA360	HV Connection (standby) *closed*	0.0000		0.6025	0.6025	0.6025				0.0000
	EA370	HV Connection (system)	0.0000		0.7215	0.7215	0.7215				0.0000
	EA380	HV Connection (substation)	0.0000		0.6331	0.6331	0.6331				0.0000
Sub-transmission	EA390	ST Connection (system)	0.0000		0.7581	0.7581	0.7581				0.0000
	EA391	ST Connection (substation)	0.0000		0.7099	0.7099	0.7099				0.0000
Unmetered	EA401	Public lighting		1.0390							
	EA402	Constant unmetered		1.0390							
	EA403	EnergyLight		1.0390							
Transmission	EA501	Transmission-connected	0.0000								0.0000

5 WEIGHTED AVERAGE REVENUE

This chapter sets out the weighted average revenue from tariffs within each tariff class for standard control services proposed for the first year of the 2019-24 regulatory control period (NER clause 6.18.2(b)(4)).

Table 5.1 below demonstrates that there is no economic cross-subsidy between tariff classes, consistent with the requirements of clause 6.18.5(e)(1) of the NER.

Table 5.1. Comparison of 2019-20 DUOS tariffs vs standalone and avoidable costs ($m)

Regulatory year		2019-20, $m	
Tariff Class	**Avoidable costs**	**Expected DUOS revenue**	**Standalone costs**
Low Voltage	255.52	1,362.19	1,430.06
High Voltage	15.73	52.26	903.11
Subtransmission	26.59	36.39	339.67
Unmetered	1.54	9.65	1,176.07

Note: Excludes GST.

6 VARIATIONS TO TARIFFS

Clause 6.18.2(b)(5) of the NER requires that a pricing proposal set out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur.

We do not propose to vary or adjust our network tariffs during 2019-20.

7 DESIGNATED PRICING PROPOSAL CHARGES

Clause 6.18.2(b)(6) of the NER requires that a pricing proposal must set out how charges for designated pricing proposal charges (previously known as transmission use of system services and related charges) are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year.

In addition, clause 6.18.7(b) states that recovery of designated pricing proposal charges should not exceed the estimated amount of these charges for the relevant regulatory year, once the overs and unders account has been taken into account.

Ausgrid's Transmission Use of System (TUOS) tariffs[9] are designed to recover the allowed revenue for our electricity transmission (dual-function) network, to pass through the prescribed transmission costs of TransGrid, inter-distributor transfers and avoided TUOS, and to recover/return any under/over recovery of designated transmission revenues in the previous period.

The AER's final decision of Ausgrid's transmission revenue included a revenue adjustment from the remittal decision for the 2014-19 regulatory control period. The opening TUOS unders and overs account for 2019-20 was set to zero under the AER's final decision.

In our initial Pricing Proposal, we have updated the forecast of TransGrid charges for 2019-20, as well as the estimate of inter-distributor transfers and avoided TUOS, to calculate the 2019-20 prices. We set TOUS prices that satisfy the revenue cap compliance formula.[10]

[9] This document uses the terms Transmission Use of System (TUOS) and Designated pricing proposal charges interchangeably.

[10] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, p 13-8. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2013%20-%20Control%20mechanisms%20-%20April%202019.pdf.

8 CLIMATE CHANGE FUND

Clause 6.18.2(b)(6A) of the NER requires that a pricing proposal must set out how the jurisdictional scheme amounts (in NSW, the Climate Change Fund, or the CCF) are to be passed on to customers, including any adjustments for over or under recovery of these amounts in any previous regulatory year.

We have updated the forecast CCF contributions for 2019-20 (see Appendix A.4). We also updated interest rate applicable to the balance using the AER's final decision.

We set CCF prices for 2019-20 to target a zero balance for the CCF unders and overs account.

Table 8.1. Unders and overs account forecast closing balance – CCF ($'000)

Financial Year	Units	2017-18 (actual)	2018-19 (estimate)	2019-20 (forecast)
Interest rate applicable to balance	%	6.50%	6.39%	5.72%
Opening balance	$'000	19,691	35,352	-147
Interest on opening balance	$'000	1,280	2,261	-8
Under/over recovery for regulatory year	$'000	13,935	-36,608	151
Interest on under/over recovery for regulatory year	$'000	446	-1,152	4
Closing balance of CCF unders and overs account	$'000	35,352	-147	0

9 DISTRIBUTION USE OF SYSTEM UNDERS AND OVERS ACCOUNT

Ausgrid must maintain a DUOS unders and overs account in its annual pricing proposal under clause 6.18.2(b)(7) of the NER.

The AER's final decision on revenues for 2019-24 incorporates a revenue adjustment to reflect the outcomes of the remittal decision for the 2014-19 regulatory control period. This remittal adjustment targeted a zero balance for our DUOS unders and overs account in 2019-20 taking into account estimated revenue for 2018-19.

The target revenue under the final decision was used to set DUOS prices for 2019-20. We set the DUOS prices to satisfy the revenue cap formula which includes the approved S-factor for 2019-20.[11] To verify compliance, we applied the AER's decision on side constraint which includes factors related to the incentive schemes.[12]

The true-up of the 2018-19 revenue forecast will be implemented in 2020-21 prices, through the revenue variance adjustment.[13]

[11] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, p 13-6.
[12] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, p 13-9.
[13] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, pp 13-5 – 13-6.

10 CHANGES FROM THE PREVIOUS REGULATORY YEAR

Clause 6.18.2(b)(8) of the NER requires that a pricing proposal must describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.

Our approved TSS for the 2019-24 regulatory control period further advances our tariff reform towards cost reflective tariffs.

10.1 Demand tariffs for residential and small business customers

The key element of our pricing reforms proposed for 2019-20 and approved by the AER is the introduction of demand tariffs for residential and small business customers.

Each demand tariff consists of a fixed daily charge (in cents per day), an energy consumption charge (in cents per kWh) with a seasonal TOU structure, and a seasonal demand charge (in cents per kW per day). The demand measure is the maximum energy consumption recorded over any 30-minute period within the defined seasonal demand window on a working weekday in each month (measured in kW). The resulting demand charge applies for each day in the month (before being reset for the next month) (see TSS Section 3.2).

The demand window for measuring the maximum demand is aligned with a corresponding TOU peak energy window. In seasons where there is no peak energy on working weekdays, a summer window of 2-8 pm applies (see TSS Section 3.1 and ES7 Network Price Guide for detail).

10.2 Tariff assignment policy

From 1 July 2019, demand tariffs become a default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.

Tariff assignment policy and tariffs include a demand (introductory) tariff for 12 months for existing residential and small business customers on a flat tariff when they replace their meter due to meter failure. The demand (introductory) tariffs give customers an opportunity to understand their patterns of usage for 12 months before being automatically reassigned to the default demand tariff. Customers assigned to the demand (introductory) tariff have the option to be reassigned to another demand tariff, or to a TOU tariff (see TSS Section 2.3).

Our new TOU-demand and existing TOU tariffs are opt-out options for all customers assigned to a demand tariff.

TOU customers replacing meter for any reason remain on TOU tariffs and can opt-in to demand tariffs (see ES7 Network Price Guide for detail).

10.3 Closure of non-cost reflective tariffs

In line with the AER's final decision on our TSS, our transitional TOU tariffs for residential (EA011) and small business (EA051) customers introduced during 2018-19 will be set to the legacy flat tariff in NUOS charges.[14] Note that EA010 and EA011 customers might be

[14] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, p 18-15. Available at https://www.aer.gov.au/system/files/AER%20-

subject to different metering service charges depending on the meter type and the connection history (see Chapter 17).

Existing flat (non-cost reflective) residential and small business tariffs (EA010/EA011 and EA050/EA051) are closed to new customers (see ES7 Network Price Guide for detail).

10.4 Transitional tariffs for medium to large customers

Transitional tariffs for medium and large business customers will transition to an appropriate capacity-based tariff over the 2019-24 period.[15] Transitional tariff EA316 (40-160 MWh) will converge with EA302 (40-160 MWh). Transitional tariff EA317 (160-750 MWh) will converge with EA305 (160-750 MWh).

The capacity charge for 2019-20 for transitional tariffs EA316 (in kW) and EA317 (in kVA) will be set to zero, to manage transition and allow time to communicate approved changes to the customers.

10.5 Demand windows are aligned with TOU peak

Our initial Pricing Proposal, in line with the TSS, maintains current seasonal TOU charging windows for energy for residential and small business customers. New summer and winter seasonal demand windows are aligned with corresponding peak energy windows. In other months ('low season') where peak energy price does not apply, residential and small business charging windows are aligned with the capacity charging windows for larger businesses (2-8 pm working weekdays).

%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

[15] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, p 18-16. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

11 CUSTOMER IMPACTS

In setting our tariffs we apply pricing principles under clause 6.18.5 of the NER which include considering customer impacts (NER section 6.18.5(h)). We have supported our approved TSS with extensive customer impact analysis (see TSS Section 4.4). We replicate this analysis in Appendix A.2.

11.1 Impact on residential customers

From 1 July 2019, demand tariffs become the default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.

Our initial Pricing Proposal results in $130 (11%) reduction in average network charges (NUOS) from 2018-19 to 2019-20.

Average network charges per residential customer are proposed to decrease by $71 (11%) from 2018-19 to 2019-20.

This translates to a $94 (15%) reduction in the network component of the annual bill for our 'typical' residential customer on a legacy flat energy tariff with energy consumption of 5 MWh, from 2018-19 to 2019-20. Over 1 million customers on this tariff will benefit from our lower prices (see Table 11.1).

Table 11.1. Impacts on typical residential customer bills in 2019/20

Tariff	Usage MWh pa	Network component of bill in 2019/20	Percentage and $ change from 2018/19	Bill with 10% reduction in demand
Existing: EA010 Non-Time of Use	5	$546	-15% (-$94)	
Existing: EA025 Time of Use	5	$543	-3% (-$19)	
New: EA116 Demand	5	$511		$487
New: EA115 Time of Use demand	5	$541		$536

Note: Excludes GST. Percentage change not available for new tariffs as they did not exist in 2018/19.

11.2 Impact on small business customers

Our 'typical' small business customer on a legacy flat energy tariff with energy consumption of 10 MWh a year has a $225 (15%) reduction in the network component of the annual bill in 2019-20, compared to the bill in 2018-19 (see Table 11.2). Almost 68,000 small business customers on this tariff will benefit from our lower prices.

Table 11.2. Impacts on typical small business customer bills in 2019-20

Tariff	Usage MWh pa	Network component of bill in 2019-20	Percentage and $ change from 2018-19	Bill with 10% reduction in demand
Existing: EA050 Non-Time of Use	10	$1,242	-15% (-$225)	
Existing: EA225 Time of Use	10	$1,239	-5% (-$72)	
New: EA256 Demand	10	$1,169		$1,126
New: EA255 Time of Use demand	10	$1,225		$1,216

Note: Excludes GST. Percentage change not available for new tariffs as they did not exist in 2018-19.

11.3 Impact on medium and large business customers

Our initial Pricing Proposal results in lower network bill to medium and large business customers (see Table 11.3).

Table 11.3. Impacts on typical medium and large business customer bills in 2019-20

Tariff	Usage MWh pa	Network component of bill in 2019-20	Percentage and $ change from 2018-19
Existing: EA302 40-160 MWh pa	70	$6,649	-12% (-$930)
Existing: EA305 160-750 MWh pa	300	$25,637	-8% (-2,162)
Existing: EA310 >750 MWh pa	1000	$58,961	-8% ($4,918)

Note: Excludes GST. Usage is for a 'typical' customer on each tariff.

Detailed analysis of customer impacts is presented in Appendix A.2.

12 CONSISTENCY WITH THE TARIFF STRUCTURE STATEMENT

Clause 6.18.2(b)(7A) of the NER requires that a pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them.

This initial Pricing Proposal is based on the approved TSS. Any deviations from the indicative prices for 2019-20 are due to the updates to:

- allowed revenues
- forecast customer numbers
- energy and demand forecasts including those resulting from the proposed reassignment of customers as part of the annual review of tariff thresholds
- prescribed services (TransGrid TOUS), and
- approved jurisdictional schemes (Climate Change Fund) contributions.

We have passed the revenue savings to the new demand tariffs, ensuring that the disparity between small business and residential demand tariffs is progressively removed.

We have also slightly rebalanced our small to medium business tariffs to maintain the reduction in fixed charges as indicated for 2019-20 in our approved TSS. The rebalancing is within the long-term view of simplifying our tariff structures flagged in our Revised Proposal.[16] We have offset any increases in peak energy charges by decreases in shoulder charges to remove incentive for inefficient investment in distributed energy resources (DER) by businesses.

Table 12.1 provides comparison of network tariff prices by charging parameter (proposed vs indicative in the TSS).

[16] Ausgrid, Revised Proposal – Attachment 10.1 *Tariff Structure Statement*, January 2019, p 48. Available at https://www.aer.gov.au/system/files/Ausgrid%20-%20Revised%20Proposal%20-%20Attachment%2010.01%20Tariff%20Structure%20Statement%20-%20January%202019.pdf.

Table 12.1. Comparison of Ausgrid's 2019-20 network tariffs by charging parameter (exclusive of GST) – proposed vs indicative – Low Voltage tariff class

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA010	Residential non-TOU *closed*	Proposal	37.1024	8.2177							
		Indicative	37.1624	8.5923							
		% difference	-0.2%	-4.4%							
EA011	Residential transitional TOU *closed*	Proposal	37.1024		8.2177	8.2177	8.2177				
		Indicative	37.1624		10.1484	10.1484	10.1484				
		% difference	-0.2%		-19.0%	-19.0%	-19.0%				
EA025	Residential TOU	Proposal	46.0410		23.5007	5.4892	3.5087				
		Indicative	46.1155		23.5336	5.9127	3.8293				
		% difference	-0.2%		-0.1%	-7.2%	-8.4%				
EA030	Controlled load 1	Proposal	0.1508	1.7522							
		Indicative	0.1511	1.8541							
		% difference	-0.2%	-5.5%							
EA040	Controlled load 2	Proposal	11.0480	4.6267							
		Indicative	11.0659	4.7786							
		% difference	-0.2%	-3.2%							
EA111	Residential demand (introductory)	Proposal	37.1024		7.8913	7.8913	7.8913	1.0178	1.0178		
		Indicative	37.1624		8.1794	8.1794	8.1794	1.0195	1.0195		
		% difference	-0.2%		-3.5%	-3.5%	-3.5%	-0.2%	-0.2%		
EA115	Residential TOU demand	Proposal	46.0410		23.5007	3.7765	2.7360	4.0714	4.0714		
		Indicative	46.1155		23.5336	4.4199	3.0859	4.0779	4.0779		
		% difference	-0.2%		-0.1%	-14.6%	-11.3%	-0.2%	-0.2%		
EA116	Residential demand	Proposal	37.1024		2.7416	2.7416	2.7416	20.3568	10.1784		
		Indicative	37.1624		3.0293	3.0293	3.0293	20.3897	10.1949		
		% difference	-0.2%		-9.5%	-9.5%	-9.5%	-0.2%	-0.2%		

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA050	Small business non-TOU *closed*	Proposal	123.6110	7.9083							
		Indicative	123.6110	8.4650							
		% difference	0.0%	-6.6%							
EA051	Small business transitional TOU *closed*	Proposal	123.6110		7.9083	7.9083	7.9083				
		Indicative	123.6110		9.9158	9.9158	9.9158				
		% difference	0.0%		-20.2%	-20.2%	-20.2%				
EA225	Small business TOU	Proposal	121.8728		21.5111	7.2663	2.8782				
		Indicative	121.8728		21.5007	8.2616	3.0752				
		% difference	0.0%		0.0%	-12.0%	-6.4%				
EA251	Small business demand (introductory)	Proposal	121.8728		7.5969	7.5969	7.5969	1.0178	1.0178		
		Indicative	121.8728		8.1466	8.1466	8.1466	1.0195	1.0195		
		% difference	0.0%		-6.7%	-6.7%	-6.7%	-0.2%	-0.2%		
EA255	Small business TOU demand	Proposal	121.8728		18.7185	6.6762	2.2108	4.0714	4.0714		
		Indicative	121.8728		18.7851	7.8759	2.4396	4.0779	4.0779		
		% difference	0.0%		-0.4%	-15.2%	-9.4%	-0.2%	-0.2%		
EA256	Small business demand	Proposal	121.8728		3.0127	3.0127	3.0127	20.3568	15.2676		
		Indicative	121.8728		5.1193	5.1193	5.1193	20.3897	15.2923		
		% difference	0.0%		-41.2%	-41.2%	-41.2%	-0.2%	-0.2%		

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA302	LV 40-160 MWh	Proposal	511.4501		6.4946	2.3498	1.1057			32.8110	
		Indicative	511.4501		5.2190	2.5097	1.0974			32.8110	
		% difference	0.0%		24.4%	-6.4%	0.8%			0.0%	
EA305	LV 160-750 MWh	Proposal	1652.3676		6.1950	2.2747	1.1181				32.8110
		Indicative	1652.3676		4.7825	2.3938	1.0917				32.8110
		% difference	0.0%		29.5%	-5.0%	2.4%				0.0%
EA310	LV >750 MWh	Proposal	2494.9242		4.6546	1.7939	0.8582				32.8110
		Indicative	2498.9571		4.2844	2.3167	1.1051				32.8110
		% difference	-0.2%		8.6%	-22.6%	-22.3%				0.0%
EA316	Transitional 40-160 MWh *closed*	Proposal	133.7667		23.7746	8.6051	1.9307			0.0000	
		Indicative	133.9829		23.3579	8.4543	1.8969			0.0000	
		% difference	-0.2%		1.8%	1.8%	1.8%			0.0%	
EA317	Transitional 160-750 MWh *closed*	Proposal	133.7667		23.7746	8.6051	1.9307				0.0000
		Indicative	133.9829		23.3579	8.4543	1.8969				0.0000
		% difference	-0.2%		1.8%	1.8%	1.8%				0.0%
EA325	LV Connection (standby) *closed*	Proposal	2382.0766		9.2447	7.5766	2.2322				0.3649
		Indicative	2385.9270		9.2597	7.5889	2.2358				0.3655
		% difference	-0.2%		-0.2%	-0.2%	-0.2%				-0.2%

Table 12.2. Comparison of Ausgrid's 2019-20 network tariffs by charging parameter (exclusive of GST) – proposed vs indicative – other tariffs

Tariff Class	Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
					Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
				c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
High Voltage	EA360	HV Connection (standby) *closed*	Proposal	2074.7785		7.4910	3.4192	2.0485				0.6431
			Indicative	2078.1322		9.1696	5.0827	2.8337				0.6442
			% difference	-0.2%		-18.3%	-32.7%	-27.7%				-0.2%
	EA370	HV Connection (system)	Proposal	4931.4407		2.7404	1.7748	1.1480				19.9321
			Indicative	4939.4120		3.2136	1.9695	1.2435				19.9643
			% difference	-0.2%		-14.7%	-9.9%	-7.7%				-0.2%
	EA380	HV Connection (substation)	Proposal	4931.4407		2.4413	1.5433	1.0191				17.1014
			Indicative	4939.4120		2.9166	1.8031	1.1201				17.1291
			% difference	-0.2%		-16.3%	-14.4%	-9.0%				-0.2%
Sub-transmission	EA390	ST Connection (system)	Proposal	6177.2783		2.1078	1.7050	1.1366				6.3573
			Indicative	6187.2634		2.3546	1.7591	1.1633				6.3676
			% difference	-0.2%		-10.5%	-3.1%	-2.3%				-0.2%
	EA391	ST Connection (substation)	Proposal	6177.2783		1.9560	1.4783	1.0302				5.6042
			Indicative	6187.2634		1.9920	1.4949	1.0467				5.6058
			% difference	-0.2%		-1.8%	-1.1%	-1.6%				0.0%
Unmetered	EA401	Public lighting	Proposal		7.1881							
			Indicative		7.3966							
			% difference		-2.8%							
	EA402	Constant unmetered	Proposal		8.6290							
			Indicative		8.9130							
			% difference		-3.2%							
	EA403	EnergyLight	Proposal		6.5974							
			Indicative		6.7912							
			% difference		-2.9%							
Transmission	EA501	Transmission-connected	Proposal	28125.0000								0.9033
			Indicative	22938.4457								0.7367
			% difference	22.6%								22.6%

13 COMPLIANCE WITH NATIONAL ELECTRICITY RULES

Clause 6.18.2(b)(7) of the NER requires that a pricing proposal must demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.

Our approved TSS has demonstrated compliance with the pricing principles (NER clause 6.18.5). This initial Pricing Proposal does not contain any unexplained material changes from the indicative prices for 2019-20. As such, it complies with the NER. Table 13.1 provides a compliance checklist.

Table 13.1. Compliance checklist of pricing proposal against key rule provisions

Rule provision	Requirement	Sections in Pricing Proposal	Other documents
6.18.2(b)(2)	A pricing proposal must set out the proposed tariffs for each tariff class that is specified in the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.	Chapter 3	
6.18.2(b)(3)	A pricing proposal must set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates.	Chapter 4	Explanatory Notes
6.18.2(b)(4)	A pricing proposal must set out, for each tariff class related to standard control services, the expected weighted average revenue for the relevant regulatory year and also for the current regulatory year.	Chapter 5	Explanatory Notes
6.18.2(b)(5)	A pricing proposal must set out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur.	Chapter 6	
6.18.2(b)(6)	A pricing proposal must set out how designated pricing proposal charges are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year.	Chapter 7	
6.18.2(b)(6A)	A pricing proposal must set out how jurisdictional scheme amounts for each approved jurisdictional scheme are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts.	Chapter 8	
6.18.2(b)(6B)	A pricing proposal must describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria.	n/a	
6.18.2(b)(7)	A pricing proposal must demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.	Chapter 12 Chapter 13	Compliance spreadsheets
6.18.2(b)(7A)	A pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them.	Chapter 12 Chapter 13	Compliance spreadsheets
6.18.2(b)(8)	A pricing proposal must describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.	Chapter 10	Explanatory Notes

Rule provision	Requirement	Sections in Pricing Proposal	Other documents
6.18.2(d)	At the same as a Distribution Network Service Provider submits a pricing proposal under paragraph (a), the Distribution Network Service Provider must submit to the AER a revised indicative pricing schedule which sets out, for each tariff and for each of the remaining regulatory years of the regulatory control period, the indicative price levels determined in accordance with the Distribution Network Service Provider's tariff structure statement for that regulatory control period and updated so as to take into account that pricing proposal.	Appendix A.1	Explanatory Notes

14 ANNUAL SYSTEM OF ASSESSMENT AND REVIEW OF TARIFFS

Consistent with the methodology for annual tariff assessment and review set out in our approved TSS[17] and with the AER's final decision,[18] this chapter discusses the outcomes of our annual reviews of network tariffs for existing retail customers. Our annual review is to ensure that the current tariff class and the tariff within the class remains appropriate for the customer. We reassign existing customers as part of the annual review if a different tariff is supported by 24 months of data

Based on customers' energy consumption history as at 31 December 2018, we propose to reassign about 6,000 customers during 2019-20 (see Table 14.1). We will notify customers' retailers before implementing tariff changes. We have considered customer impacts on customers subject to the reassignment and utilised transitional tariffs where the impact of moving the customer to their new NUOS tariff was unacceptable.

Table 14.1: Proposed tariff reassignments for 2019-20

Current Network Tariff	Proposed Network Tariff	No. of Customers
Small business TOU (EA225)	LV 40-160 MWh (EA302)	1,214
	LV 160-750 MWh (EA305)	52
	Transitional 40-160 MWh *closed* (EA316)	2,079
	Transitional 160-750 MWh *closed* (EA317)	36
LV 40-160 MWh (EA302)	Small business TOU (EA225)	1,710
	LV 160-750 MWh (EA305)	122
	LV >750 MWh (EA310)	18
LV 160-750 MWh (EA305)	Small business TOU (EA225)	37
	LV TOU Capacity 40-160 MWh pa (EA302)	413
	LV TOU Capacity >750 MWh pa (EA310)	66
LV >750 MWh (EA310)	Small business TOU (EA225)	15
	LV TOU Capacity 40-160 MWh pa (EA302)	27
	LV 160-750 MWh (EA305)	134
Transitional 40-160 MWh *closed* (EA316)	Small business TOU (EA225)	299
LV Connection (standby) *closed* (EA325)	LV 160-750 MWh (EA305)	1
Total number of customers		6,223

[17] Ausgrid's TSS, p 14.

[18] AER F*inal Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, pp 18-20 – 18-23.

Note: *Closed* means only available for customers already assigned to the tariff. Transitional tariffs EA316 and EA317 will be closed during 2019-20 after the reassignments of existing customers reviewed for consumption thresholds is completed, to mitigate customer impacts. A new level of metering service charge might apply depending on the meter type and the connection history (see Chapter 17).

15 PUBLIC LIGHTING SERVICES

Public lighting services are classified as alternative control services. These services are subject to a different control mechanism to our general network services, which the AER has given a standard control services classification.

Public lighting encompasses the provision, construction and maintenance of public lighting and emerging public lighting technology. Ausgrid provides public lighting services to over 100 customers including councils, community groups and government associations. There are over 240,000 public lights in Ausgrid's network area, which are typically installed on major and minor roadways. A conventional public light comprises of five (5) main components: a lamp, a luminaire, a bracket, a support structure, and a connection to the low voltage electricity network.

Public Lighting Prices for 2019-20

The AER's Final Decision on our public lighting prices for 2019-20 is shown in Appendix B.

16 ANCILLARY NETWORK SERVICES

Background

Ancillary network services (ANS) are non-routine services that are provided by a DNSP to individual customers on an "as needs" basis. These services are classified by the AER as alternative control services and do not form part of Ausgrid's distribution use of system revenue requirement determined by the AER. Rather, the DNSP recovers the costs of providing alternative control services through a range of fees.

AER's Final Decision

Refer to Appendix B for the AER's Final Decision on the price cap for ancillary network services provided by Ausgrid in 2019-20.

New metering related ANS

In its Final Decision, the AER acknowledge that new ANS are likely to develop over the course of the 2019-24 regulatory control period. In terms of how these services should be priced, the AER stated:

> if new services arise during the 2019-24 regulatory control period with characteristics that are the same or essentially the same as other alternative control services, we consider that they should be priced as a quoted service until the next regulatory period. Any new ancillary network service and pricing methodology should be disclosed through each distributor's annual pricing process.[19]

In line with these arrangements, Ausgrid wishes to propose that a new ANS fee be approved as part of our 2019-20 ANS fee schedule. The new fee relates to the maintenance and testing of legacy customer metering installations in Ausgrid substations. Ausgrid considers this service to be a direct control service required to ensure the safety and security of our network, by only allowing appointed persons to conduct these testings in Ausgrid substations.

This service is performed by Ausgrid at the request of customer retailers, retailer appointed Metering Coordinators or AEMO metering providers. Ausgrid expects that these requests will increase over time as Metering Coordinators have a compliance obligation to ensure metering installations are tested under the timeframes outlined in the NERs.

The recent emergence of this new service meant that it was not included in our Initial or Revised Regulatory Proposal for the 2019-24 regulatory control period, and therefore was not included in the AER's Final Decision. It is nonetheless a service that we will be required to provide and thus requires pricing in 2019-20 as well as in future years of the 2019-24 regulatory control period.

Our approach to pricing this new service is set out in the table below. We also provide a service description and identify where this new ANS fits within the service groups that the AER approved in its classification of our services. The attachment at the end of this document includes this new ANS.

[19] AER, *Final Decision - Ausgrid Distribution Determination 2019 to 2024*, *Attachment 15 – Alternative control services*, April 2019, p. 15-10. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2015%20-%20Alternative%20control%20services%20-%20April%202019.pdf.

Table 16.1: New ANS service not included in the AER's Final Decision

	Overview
Service name	Maintenance and testing of customer metering access points
Service description	Where legacy customer metered installations are contained within Ausgrid assets or substations, any alterations, removals, maintenance, emergency maintenance or accuracy testing of the metering installation, including the instrument transformers, must be conducted by an Ausgrid appointed person. This requirement is due to the safety and network security concerns surrounding electrical works with in Ausgrid substations. Ausgrid will be requested to arrange these works from the customer's electricity retailer, the retailer appointed Metering Coordinator or AEMO Metering Provider. Upon request for these services Ausgrid will prepare a quotation for the applicant.
AER classification – service group	Metering service group (ACS)
Pricing method	Ausgrid proposes to apply the quoted services control mechanism, with the labour rate set at $196.39 per hour (engineer).

17 METERING SERVICES

Background

The AER classified our type 5 and 6 metering services as an alternative control service.[20] Ausgrid recovers the costs of these services through a range of metering charges approved in the AER's Final Decision, which are escalated each year by an approved price control mechanism. The cost recovery of our type 5 and 6 metering services is separate from our distribution use of system revenue requirement.

AER's Final Decision on type 5 and 6 metering charges

We align our metering charges to our network tariffs. This approach was taken given the relationship between a customer's metering technology and their network tariff.

Our proposed annual metering charges for type 5 and 6 metering services are shown in the table below and in Appendix B. These charges are consistent with the AER's Final Decision. We have also included the following additional charges for new metering services:

- Residential Transitional TOU (data enabled)
- Small Business Transitional TOU (data enabled)
- Transitional LV 160-750 MWh.

Note that existing Ausgrid type 5 and type 6 metering customers who transition to an advanced meter will continue to be charged the capital metering charge applicable prior to the meter upgrade, if their Ausgrid meter was installed on or before 30 June 2015. This will apply to customers upgrading to the new residential and small business demand tariffs (EA111/EA115/EA116 and EA251/EA255/EA256). See Appendix B for further detail.

[20] AER, *Final Decision: Ausgrid 2019-24 distribution determination*, April 2019, p. 12-13.

Table 17.1. Annual metering charges for 2019-20 by tariff ($2019-20)

Service charge name	Component	Price
Residential Non TOU Closed	Capital	15.62
	Non-capital	10.89
Residential Transitional TOU	Capital	15.62
	Non-capital	10.89
Residential TOU	Capital	17.38
	Non-capital	28.15
Controlled Load 1	Capital	8.67
	Non-capital	0.92
Controlled Load 2	Capital	8.67
	Non-capital	0.92
Small Business Non TOU Closed	Capital	23.88
	Non-capital	11.24
Small Business Transitional TOU	Capital	23.88
	Non-capital	11.24
Small Business TOU	Capital	16.59
	Non-capital	27.89
LV 40-160MWh (System)	Capital	21.60
	Non-capital	49.64
Transitional LV 40-160 MWh	Capital	21.60
	Non-capital	49.64
Generator Tariff	Capital	21.60
	Non-capital	49.64
Residential Transitional TOU (data enabled) **(New)^**	Capital	17.38
	Non-capital	28.15
Small Business Transitional TOU (data enabled) **(New)^^**	Capital	16.59
	Non-capital	27.89
Transitional LV 160-750 MWh **(New)^^^**	Capital	21.60
	Non-capital	49.64

^ Residential Transitional TOU (data enabled) is a quoted service with its price aligned to the AER's approved Residential TOU metering charge in FY20. In later years of the 2019-24 period, the FY20 price of this quoted service will be updated for CPI and the AER's approved X-factors for type 5 and 6 metering services.

^^ Small Business Transitional TOU (data enabled) is a quoted service with its price aligned to the AER's approved Small Business TOU metering charge in FY20. In later years of the 2019-24 period, the FY20 price of this quoted service will be updated for CPI and the AER's approved X-factors for type 5 and 6 metering services.

^^^ Transitional LV 160-750 MWh (New) is a quoted service for customers with Ausgrid meters on network tariff EA317 which, due to an administrative oversight by Ausgrid, do not have an approved metering charge in the AER's Final Decision. The price of this quoted service is aligned to the AER's approved LV 40-160 MWh (System) metering charge in FY20. In later years of the 2019-24 period, the FY20 price of this quoted service will be updated for CPI and the AER's approved X-factors for type 5 and 6 metering services.

Proposed new metering services and charges

In its Final Decision on our alternative control services, the AER stated that:

> if new services arise during the 2019-24 regulatory control period with characteristics that are the same or essentially the same as other alternative control services, we consider that they should be priced as a quoted service until the next regulatory period. Any new ancillary network service and pricing methodology should be disclosed through each distributor's annual pricing process.[21]

Ausgrid is proposing to use this process to include three new metering services as quoted services in our approved schedule of FY20 metering prices. The proposed charges for these new services are:

- Residential Transitional TOU (data enabled)
- Small Business Transitional TOU (data enabled), and
- Transitional LV 160-750 MWh.

The new 'data enabled' charges are aligned to the corresponding approved Residential TOU and Small Business TOU metering charges. This ensures that customers accessing the same level of service (ie, interval data reads) pay the same price for the service regardless of the network tariff they have been assigned to.[22]

Treating an interval meter as an accumulation meter supported by the approved charges for the standard *Residential Transitional TOU* and *Small Business Transitional TOU* metering services results in customers losing the opportunities offered by the availability of interval data. The benefits to customers of enabling data reads include the greater degree of customers' control over their energy use and costs, and the choice of a more cost reflective tariff.

We have also proposed a new metering service charge as a quoted service for *Transitional LV 160-750 MWh* to recover the efficient costs of providing metering services to customers on our EA317 network tariff, which currently does not have an approved metering charge (see Chapter 14 on the proposed reassignment of customers to this tariffs in 2019-20 as an outcome of the annual tariff review). Our proposed price for this service aligns to our AER approved charge for customers with the same metering technology.[23]

[21] AER, *Final Decision - Ausgrid Distribution Determination 2019 to 2024*, *Attachment 15 – Alternative control services*, April 2019, p. 15-10. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2015%20-%20Alternative%20control%20services%20-%20April%202019.pdf.

[22] The AER's decision on our network tariff assignment policy has led to the proposal of these new charges.

[23] Our proposed *Transitional LV 160-750 MWh* (New) directly aligns to the AER approved *LV 40-160 MWh (System)* and *Transitional LV 40-160 MWh*.

Pricing Proposal

For the financial year ending June 2020

Appendix A: Explanatory Notes Standard Control Services

May 2019

Content

A.1 Indicative pricing schedule for the remaining years in the 2019-24 control period 45
A.2 Customer impact analysis 51
Residential customer impacts 52
Small business customer impacts 67
Medium and large business low voltage customer impacts 82
High Voltage customer impacts 88
Subtransmission customer impacts 90
Transitional customer impacts 92
A.3 Completed compliance spreadsheet (CONFIDENTIAL) 97
A.4 Notification of Climate Change Fund contribution 99
A.5 TransGrid's transmission charges for 2019-20 101

A.1 Indicative pricing schedule for the remaining years in the 2019-24 control period

Table A.1.1. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Proposed 2019-20

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.1024	8.2177							
	EA011	Residential transitional TOU *closed*	37.1024		8.2177	8.2177	8.2177				
	EA025	Residential TOU	46.0410		23.5007	5.4892	3.5087				
	EA111	Residential demand (introductory)	37.1024		7.8913	7.8913	7.8913	1.0178	1.0178		
	EA115	Residential TOU demand	46.0410		23.5007	3.7765	2.7360	4.0714	4.0714		
	EA116	Residential demand	37.1024		2.7416	2.7416	2.7416	20.3568	10.1784		
	EA030	Controlled load 1	0.1508	1.7522							
	EA040	Controlled load 2	11.0480	4.6267							
	EA050	Small business non-TOU *closed*	123.6110	7.9083							
	EA051	Small business transitional TOU *closed*	123.6110		7.9083	7.9083	7.9083				
	EA225	Small business TOU	121.8728		21.5111	7.2663	2.8782				
	EA251	Small business demand (introductory)	121.8728		7.5969	7.5969	7.5969	1.0178	1.0178		
	EA255	Small business TOU demand	121.8728		18.7185	6.6762	2.2108	4.0714	4.0714		
	EA256	Small business demand	121.8728		3.0127	3.0127	3.0127	20.3568	15.2676		
	EA302	LV 40-160 MWh	511.4501		6.4946	2.3498	1.1057			32.8110	
	EA305	LV 160-750 MWh	1652.3676		6.1950	2.2747	1.1181				32.8110
	EA310	LV >750 MWh	2494.9242		4.6546	1.7939	0.8582				32.8110
	EA316	Transitional 40-160 MWh *closed*	133.7667		23.7746	8.6051	1.9307			0.0000	
	EA317	Transitional 160-750 MWh *closed*	133.7667		23.7746	8.6051	1.9307				0.0000
	EA325	LV Connection (standby) *closed*	2382.0766		9.2447	7.5766	2.2322				0.3649
High Voltage	EA360	HV Connection (standby) *closed*	2074.7785		7.4910	3.4192	2.0485				0.6431
	EA370	HV Connection (system)	4931.4407		2.7404	1.7748	1.1480				19.9321
	EA380	HV Connection (substation)	4931.4407		2.4413	1.5433	1.0191				17.1014
Sub-transmission	EA390	ST Connection (system)	6177.2783		2.1078	1.7050	1.1366				6.3573
	EA391	ST Connection (substation)	6177.2783		1.9560	1.4783	1.0302				5.6042
Unmetered	EA401	Public lighting		7.1881							
	EA402	Constant unmetered		8.6290							
	EA403	EnergyLight		6.5974							
Transmission	EA501	Transmission-connected	28125.0000								0.9033

Table A.1.2. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2020-21

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	38.0021	8.3538							
	EA011	Residential transitional TOU *closed*	38.0021		8.3538	8.3538	8.3538				
	EA025	Residential TOU	47.1575		24.0545	5.5512	3.5783				
	EA111	Residential demand (introductory)	38.0021		8.0487	8.0487	8.0487	1.0425	1.0425		
	EA115	Residential TOU demand	47.1575		24.0545	3.7830	2.7571	4.1701	4.1701		
	EA116	Residential demand	38.0021		2.4681	2.4681	2.4681	20.8505	10.4252		
	EA030	Controlled load 1	0.1545	1.8407							
	EA040	Controlled load 2	11.3159	4.7652							
	EA050	Small business non-TOU *closed*	124.8471	7.5991							
	EA051	Small business transitional TOU *closed*	124.8471		7.5991	7.5991	7.5991				
	EA225	Small business TOU	123.0915		22.0106	6.4978	2.6639				
	EA251	Small business demand (introductory)	123.0915		7.2790	7.2790	7.2790	1.0425	1.0425		
	EA255	Small business TOU demand	123.0915		19.1973	5.7818	2.0342	4.1701	4.1701		
	EA256	Small business demand	123.0915		2.3302	2.3302	2.3302	20.8505	15.6378		
	EA302	LV 40-160 MWh	409.1600		6.3061	2.2789	1.0985			33.6066	
	EA305	LV 160-750 MWh	1404.5124		6.0632	2.2842	1.1270				33.6066
	EA310	LV >750 MWh	2555.4230		4.8818	1.9075	0.9651				33.6066
	EA316	Transitional 40-160 MWh *closed*	194.6278		19.4443	7.2573	1.8289			7.4270	
	EA317	Transitional 160-750 MWh *closed*	474.8182		19.0353	6.9887	1.7991				9.0196
	EA325	LV Connection (standby) *closed*	2439.8389		9.4689	7.7604	2.2863				0.3738
High Voltage	EA360	HV Connection (standby) *closed*	2125.0893		7.7671	3.5960	2.1423				0.6587
	EA370	HV Connection (system)	5051.0219		2.7662	1.7667	1.1449				20.4154
	EA380	HV Connection (substation)	5051.0219		2.5961	1.6261	1.0777				17.5161
Sub-transmission	EA390	ST Connection (system)	6327.0696		2.2216	1.7500	1.1745				6.5114
	EA391	ST Connection (substation)	6327.0696		1.9416	1.5221	1.0735				5.7401
Unmetered	EA401	Public lighting		7.2120							
	EA402	Constant unmetered		8.6794							
	EA403	EnergyLight		6.7013							
Transmission	EA501	Transmission-connected	35156.2500								1.1291

Table A.1.3. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2021-22

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	38.9236	8.5079							
	EA011	Residential transitional TOU *closed*	38.9236		8.5079	8.5079	8.5079				
	EA025	Residential TOU	48.3010		24.6272	5.5932	3.6579				
	EA111	Residential demand (introductory)	38.9236		8.1742	8.1742	8.1742	1.0678	1.0678		
	EA115	Residential TOU demand	48.3010		24.6272	3.7700	2.7755	4.2712	4.2712		
	EA116	Residential demand	38.9236		2.3910	2.3910	2.3910	21.3560	10.6780		
	EA030	Controlled load 1	0.1582	1.8393							
	EA040	Controlled load 2	11.5903	4.7638							
	EA050	Small business non-TOU *closed*	126.0956	7.2790							
	EA051	Small business transitional TOU *closed*	126.0956		7.2790	7.2790	7.2790				
	EA225	Small business TOU	124.3224		22.5061	5.8484	2.4572				
	EA251	Small business demand (introductory)	124.3224		6.9840	6.9840	6.9840	1.0678	1.0678		
	EA255	Small business TOU demand	124.3224		19.6317	5.0354	1.8487	4.2712	4.2712		
	EA256	Small business demand	124.3224		1.8969	1.8969	1.8969	21.3560	16.0170		
	EA302	LV 40-160 MWh	327.3280		5.9378	2.1948	1.1133			34.4215	
	EA305	LV 160-750 MWh	1193.8356		5.6938	2.1978	1.1476				34.4215
	EA310	LV >750 MWh	2617.3888		4.9746	1.9973	1.0834				34.4215
	EA316	Transitional 40-160 MWh *closed*	247.5390		14.7563	5.2856	1.5516			18.1904	
	EA317	Transitional 160-750 MWh *closed*	848.1128		13.7081	4.6006	1.4725				22.2076
	EA325	LV Connection (standby) *closed*	2499.0020		9.6985	7.9485	2.3418				0.3828
High Voltage	EA360	HV Connection (standby) *closed*	2176.6200		8.0660	3.7932	2.2459				0.6747
	EA370	HV Connection (system)	5173.5029		2.8352	1.7845	1.1576				20.9105
	EA380	HV Connection (substation)	5173.5029		2.7148	1.6791	1.1181				17.9408
Sub-transmission	EA390	ST Connection (system)	6480.4931		2.3359	1.7997	1.2143				6.6693
	EA391	ST Connection (substation)	6480.4931		2.0398	1.5623	1.1132				5.8793
Unmetered	EA401	Public lighting		7.3676							
	EA402	Constant unmetered		8.4484							
	EA403	EnergyLight		6.8010							
Transmission	EA501	Transmission-connected	43945.3125								1.4114

Table A.1.4. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2022-23

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	39.8674	8.6888							
	EA011	Residential transitional TOU *closed*	39.8674		8.6888	8.6888	8.6888				
	EA025	Residential TOU	49.4722		25.2028	5.6403	3.7403				
	EA111	Residential demand (introductory)	39.8674		8.3434	8.3434	8.3434	1.0937	1.0937		
	EA115	Residential TOU demand	49.4722		25.2028	3.8303	2.8375	4.3748	4.3748		
	EA116	Residential demand	39.8674		2.3621	2.3621	2.3621	21.8739	10.9370		
	EA030	Controlled load 1	0.1620	1.8268							
	EA040	Controlled load 2	11.8714	4.7513							
	EA050	Small business non-TOU *closed*	127.3566	7.0284							
	EA051	Small business transitional TOU *closed*	127.3566		7.0284	7.0284	7.0284				
	EA225	Small business TOU	125.5657		23.0235	5.2482	2.2697				
	EA251	Small business demand (introductory)	125.5657		6.7303	6.7303	6.7303	1.0937	1.0937		
	EA255	Small business TOU demand	125.5657		20.0853	4.3821	1.6938	4.3748	4.3748		
	EA256	Small business demand	125.5657		1.4818	1.4818	1.4818	21.8739	16.4054		
	EA302	LV 40-160 MWh	278.2288		5.3196	2.0174	1.0981			35.2562	
	EA305	LV 160-750 MWh	1074.4520		5.1167	2.0385	1.1405				35.2562
	EA310	LV >750 MWh	2680.8572		4.8274	2.0051	1.1728				35.2562
	EA316	Transitional 40-160 MWh *closed*	268.8021		8.8640	3.0544	1.2355			30.0142	
	EA317	Transitional 160-750 MWh *closed*	1074.4520		7.2418	2.1511	1.1415				35.2562
	EA325	LV Connection (standby) *closed*	2559.5996		9.9337	8.1413	2.3985				0.3921
High Voltage	EA360	HV Connection (standby) *closed*	2229.4003		8.3660	3.9891	2.3492				0.6911
	EA370	HV Connection (system)	5298.9538		2.8418	1.7591	1.1433				21.4175
	EA380	HV Connection (substation)	5298.9538		2.7824	1.6952	1.1341				18.3759
Sub-transmission	EA390	ST Connection (system)	6637.6369		2.3945	1.8081	1.2219				6.8310
	EA391	ST Connection (substation)	6637.6369		2.1064	1.5789	1.1296				6.0219
Unmetered	EA401	Public lighting		7.3361							
	EA402	Constant unmetered		8.3658							
	EA403	EnergyLight		7.1434							
Transmission	EA501	Transmission-connected	54931.6406								1.7643

Table A.1.5. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2023-24

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	40.8342	8.9067							
	EA011	Residential transitional TOU *closed*	40.8342		8.9067	8.9067	8.9067				
	EA025	Residential TOU	50.6719		25.7991	5.7708	3.8771				
	EA111	Residential demand (introductory)	40.8342		8.5424	8.5424	8.5424	1.1202	1.1202		
	EA115	Residential TOU demand	50.6719		25.7991	3.9050	2.9206	4.4809	4.4809		
	EA116	Residential demand	40.8342		2.3608	2.3608	2.3608	22.4043	11.2022		
	EA030	Controlled load 1	0.1660	1.8209							
	EA040	Controlled load 2	12.1592	4.7454							
	EA050	Small business non-TOU *closed*	128.6301	6.7823							
	EA051	Small business transitional TOU *closed*	128.6301		6.7823	6.7823	6.7823				
	EA225	Small business TOU	126.8213		23.5624	4.6501	2.0984				
	EA251	Small business demand (introductory)	126.8213		6.4804	6.4804	6.4804	1.1202	1.1202		
	EA255	Small business TOU demand	126.8213		20.5574	3.7794	1.5684	4.4809	4.4809		
	EA256	Small business demand	126.8213		1.1833	1.1833	1.1833	22.4043	16.8032		
	EA302	LV 40-160 MWh	250.4059		4.4796	1.7868	1.0889			36.1111	
	EA305	LV 160-750 MWh	1020.7294		4.4346	1.9715	1.2326				36.1111
	EA310	LV >750 MWh	2745.8646		4.3670	1.9180	1.2348				36.1111
	EA316	Transitional 40-160 MWh *closed*	250.4059		4.4796	1.7868	1.0889			36.1111	
	EA317	Transitional 160-750 MWh *closed*	1020.7294		4.4346	1.9715	1.2326				36.1111
	EA325	LV Connection (standby) *closed*	2621.6667		10.1746	8.3387	2.4567				0.4016
High Voltage	EA360	HV Connection (standby) *closed*	2283.4605		8.7137	4.2299	2.4739				0.7078
	EA370	HV Connection (system)	5427.4468		2.8973	1.7617	1.1487				21.9369
	EA380	HV Connection (substation)	5427.4468		2.8736	1.7151	1.1477				18.8215
Sub-transmission	EA390	ST Connection (system)	6798.5913		2.4919	1.8455	1.2528				6.9967
	EA391	ST Connection (substation)	6798.5913		2.1922	1.6090	1.1592				6.1679
Unmetered	EA401	Public lighting		7.3679							
	EA402	Constant unmetered		8.4328							
	EA403	EnergyLight		7.3190							
Transmission	EA501	Transmission-connected	68664.5508								2.2053

A.2 Customer impact analysis

Customer impacts under our initial Pricing Proposal follow closely the impacts discussed in detail in our approved TSS (April 2019). The Pricing Proposal appropriately balances the need to improve the efficiency of our network tariffs against the important requirement to consider the impact of these tariff reforms on our customers. Impact on individual customers depends on the retail product offered by their retailer, and on customer's behavioural response.

Based on our proposed prices from 1 July 2019, the average reduction in the network component of the bill in 2019-20 of a typical residential customer using 5,000 kWh a year on our most common tariff, EA010 non-Time of Use tariff, is expected to be 15% (Table A2.3) and for a typical small business customer using 10,000 kWh a year it is 15% (Table A2.4). Table A2.5 shows the network component of the bill in 2019-20 for a typical customer on each of our two medium business tariffs and for a typical large business customer. The final prices for each tariff will continue to be determined on an annual basis.

Table A2.3. Impacts on typical residential customer bills in 2019-20

Tariff	Usage MWh pa	Network component of bill in 2019-20	Percentage and $ change from 2018-19	Bill with 10% reduction in demand
Existing: EA010 Non-Time of Use	5	$546	-15% (-$94)	
Existing: EA025 Time of Use	5	$543	-3% (-$19)	
New: EA116 Demand	5	$511		$487
New: EA115 Time of Use demand	5	$541		$536

Note: Excludes GST. Percentage change not available for new tariffs as they did not exist in 2018-19.

Table A2.4. Impacts on typical small business customer bills in 2019-20

Tariff	Usage MWh pa	Network component of bill in 2019-20	Percentage and $ change from 2018-19	Bill with 10% reduction in demand
Existing: EA050 Non-Time of Use	10	$1,242	-15% (-$225)	
Existing: EA225 Time of Use	10	$1,239	-5% (-$72)	
New: EA256 Demand	10	$1,169		$1,126
New: EA255 Time of Use demand	10	$1,225		$1,216

Note: Excludes GST. Percentage change not available for new tariffs as they did not exist in 2018-19.

Table A2.5. Impacts on typical medium and large business customer bills in 2019-20

Tariff	Usage MWh pa	Network component of bill in 2019-20	Percentage and $ change from 2018-19
Existing: EA302 40-160 MWh pa	70	$6,649	-12% (-$930)
Existing: EA305 160-750 MWh pa	300	$25,637	-8% (-2,162)
Existing: EA310 >750 MWh pa	1000	$58,961	-8% ($4,918)

Note: Excludes GST. Usage is for a 'typical' customer on each tariff.

For the customer impact analysis, we follow the methodology described in detail in our TSS. Where an outcome with an opt-out is presented, additional improvement can be achieved for some customers with opting out into TOU tariffs (not modelled).

The following sections present impacts for:

- Residential customers
- Small business customers
- Medium and large business low voltage customers
- High voltage customers (on listed tariffs)
- Subtransmission customers (on listed tariffs).

The set of figures shows the impact for different groups of customers depending on their meter type and tariff, at the beginning of the regulatory period in 2019-20 and at the end of the regulatory period in 2023-24. Each figure has a summary table of the impacts including average annual bill impact, energy consumption, demand and average load factor.

Average load factor is the average demand as a proportion of the maximum demand in a year and is important in determining the impact of a demand charge. The average load factor for a residential customer is approximately 10%. Customers with a very low load factor have very peaky demand (and drive higher network costs than other customers with the same overall consumption but higher load factor) and are more affected by demand charges. Customers with a higher load factor are less affected.

Residential customer impacts

Based on Figure 2.3 in Section 2 of the Tariff Structure Statement showing the assignment of residential customers from 1 July 2019, the following figures show the impact on residential customers moving from their current tariff to a new tariff from 1 July 2019 and impacts at the end of the regulatory period in 2023-24.

Box A2.1 is a key to the set of residential customer impact figures including:

- Figures A2.1 to A2.5: the impact on customers on each of the tariffs in 2018-19 from 1 July 2019
- Figures A2.6 and A2.7: the impact on customers on flat tariff being assigned to a new demand (introductory) tariff due to meter failure after 1 July 2019, and the impact of being reassigned to the default demand tariff after 12 months
- Figure A2.8: the impact on customers being assigned to a demand tariff due to change from a flat tariff to a smart meter by customer initiated action after 1 July 2019
- Figure A2.9: the impact on TOU customers opting-in to a demand tariff due to change for any reason from an interval meter to a smart meter after 1 July 2019
- Figures A2.10 and A2.11: the impact on customers on the continuing non-demand tariffs (flat and TOU) of tariff price progression from 2018-19 to the end of the regulatory period in 2023-24
- Figures A2.12 and A2.13: the impact on customers on the two new demand tariffs of tariff price progression from 2019-20 to the end of the regulatory period in 2023-24.

Box A2.1. Key to residential customer impact figures

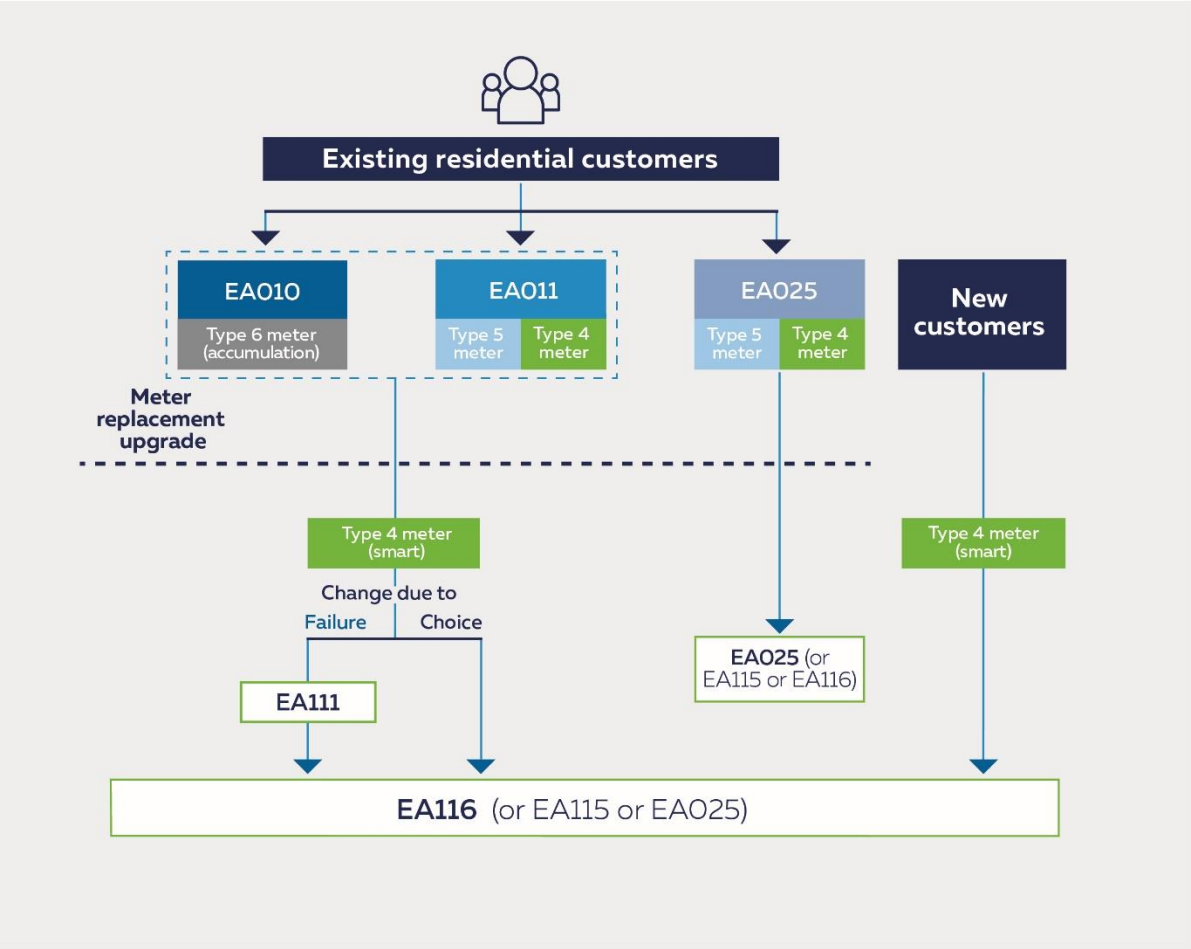
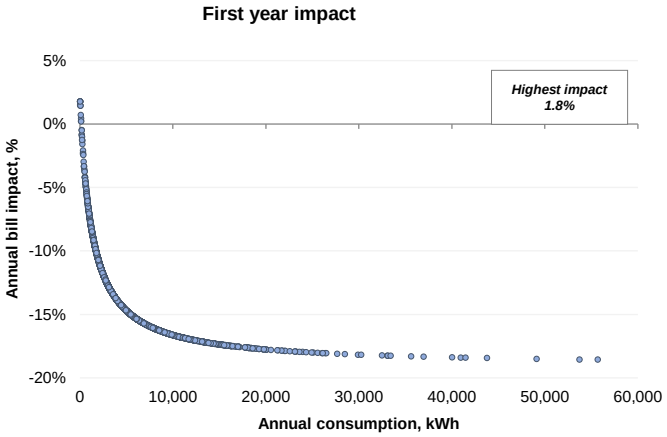
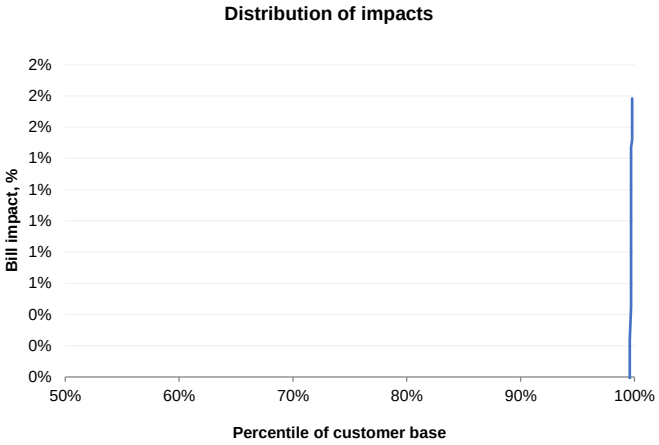
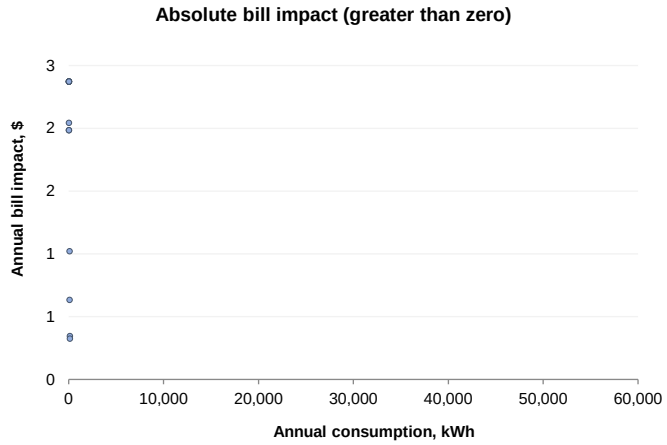


Figure A2.1. First year impact: EA010/EA011 Flat tariff from 2018-19 to 2019-20

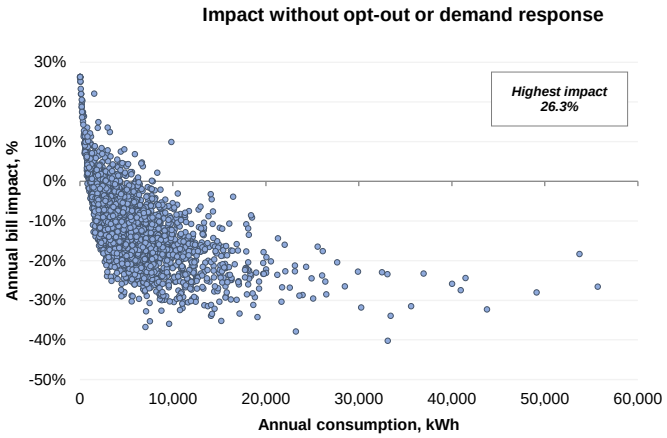


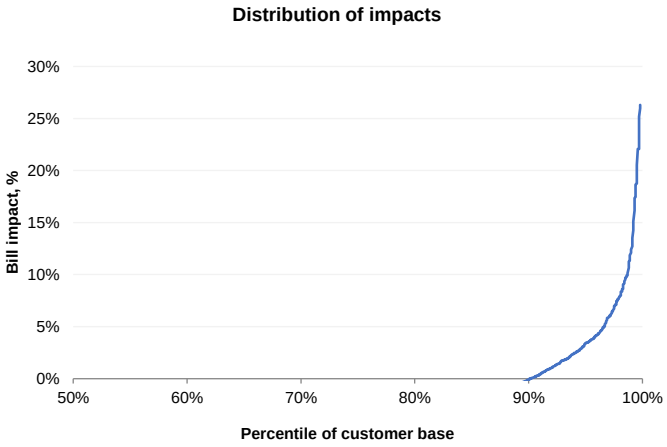


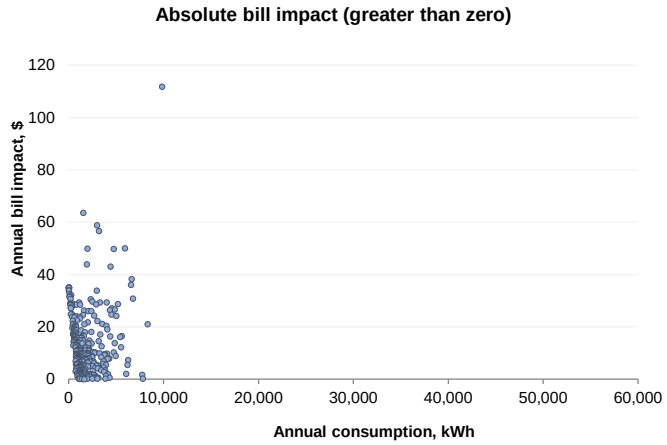


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.4%	0.0%	0.0%
Average annual bill impact, %	-13.4%	1.3%	-	-
Average annual bill impact, $	($98)	$2	-	-
Average annual consumption, kWh	5,189	33	-	-
Average maximum demand, kW	5.6	0.4	-	-
Average load factor, %	10.2%	0.2%	-	-

Figure A2.2. Opt-out of customers with interval meters from EA011 Flat to EA025 TOU on 1 July 2019

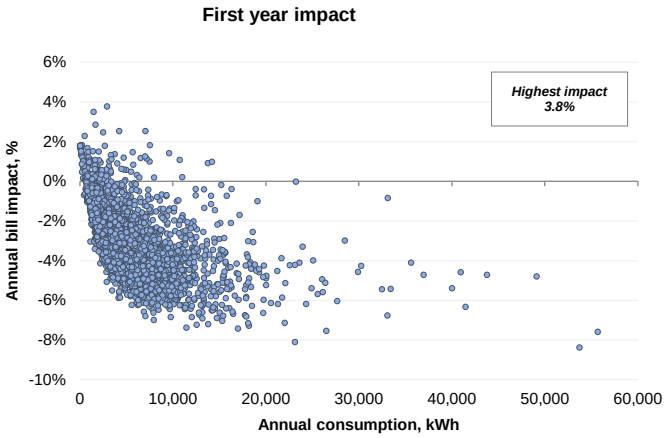


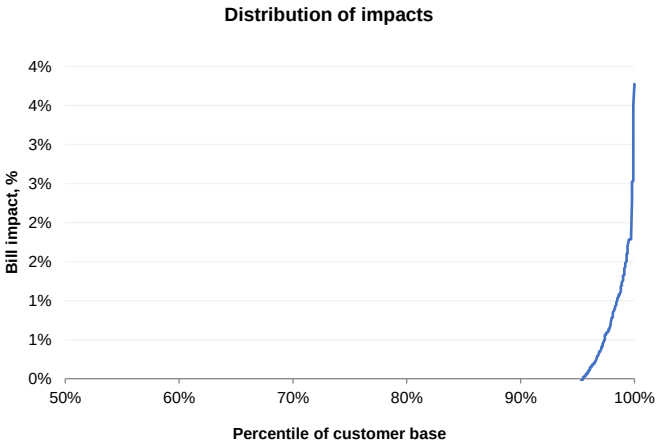


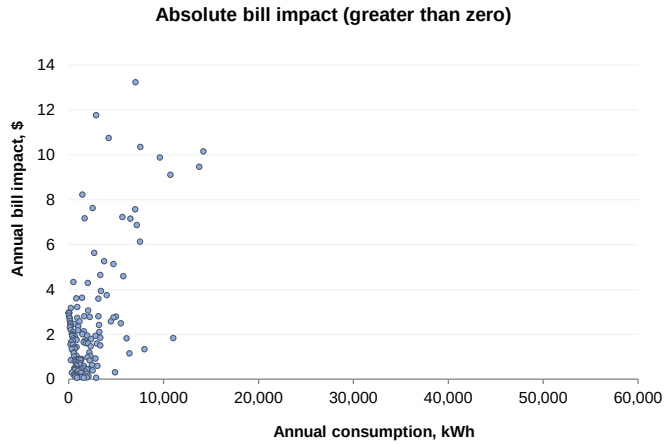


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	9.8%	1.3%	0.5%
Average annual bill impact, %	-10.6%	5.2%	17.5%	24.2%
Average annual bill impact, $	($93)	$13	$31	$35
Average annual consumption, kWh	5,189	1,826	546	148
Average maximum demand, kW	5.6	3.7	1.8	0.8
Average load factor, %	10.2%	5.5%	3.0%	0.7%

Figure A2.3. First year impact: EA025 TOU tariff from 2018-19 to 2019-20

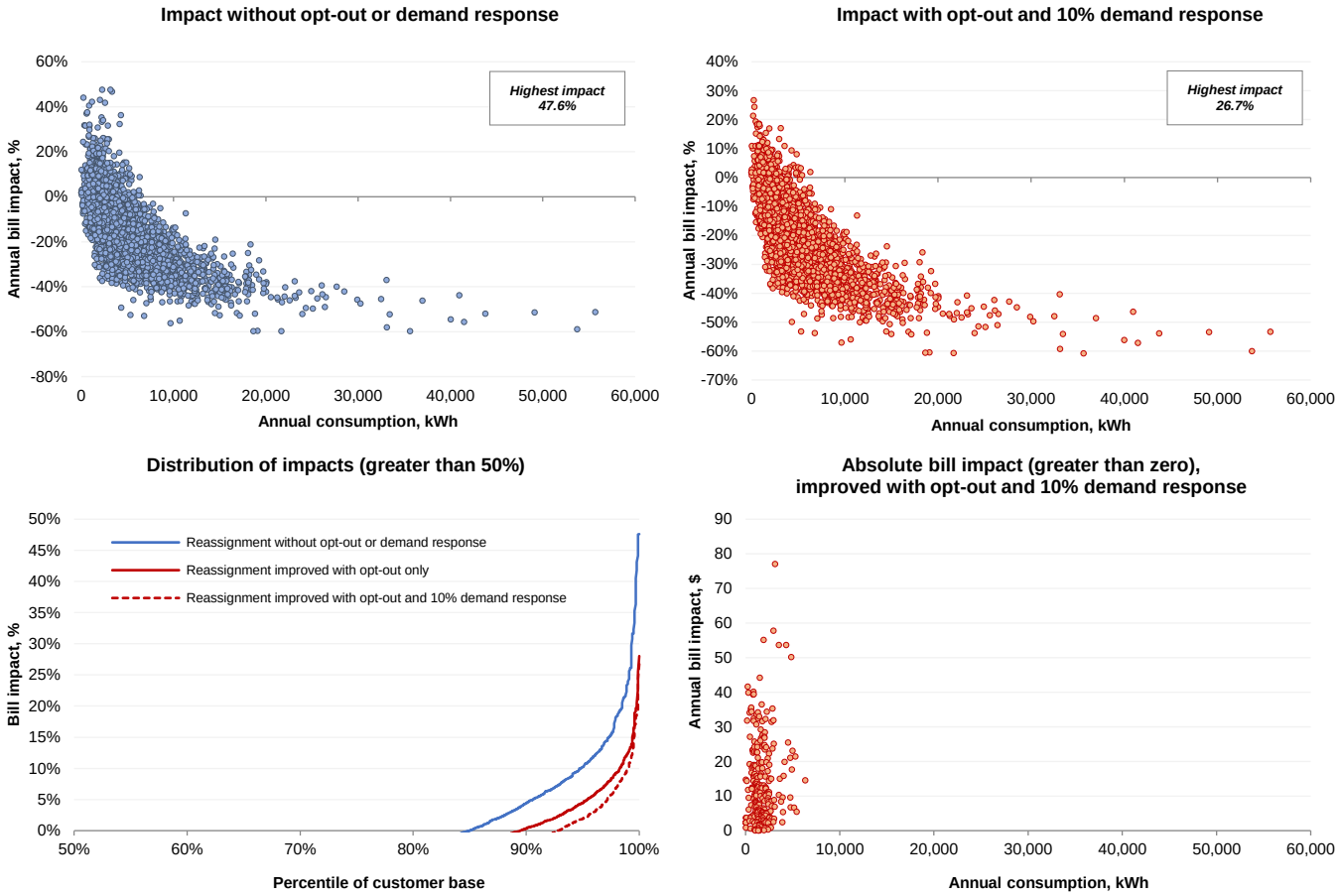






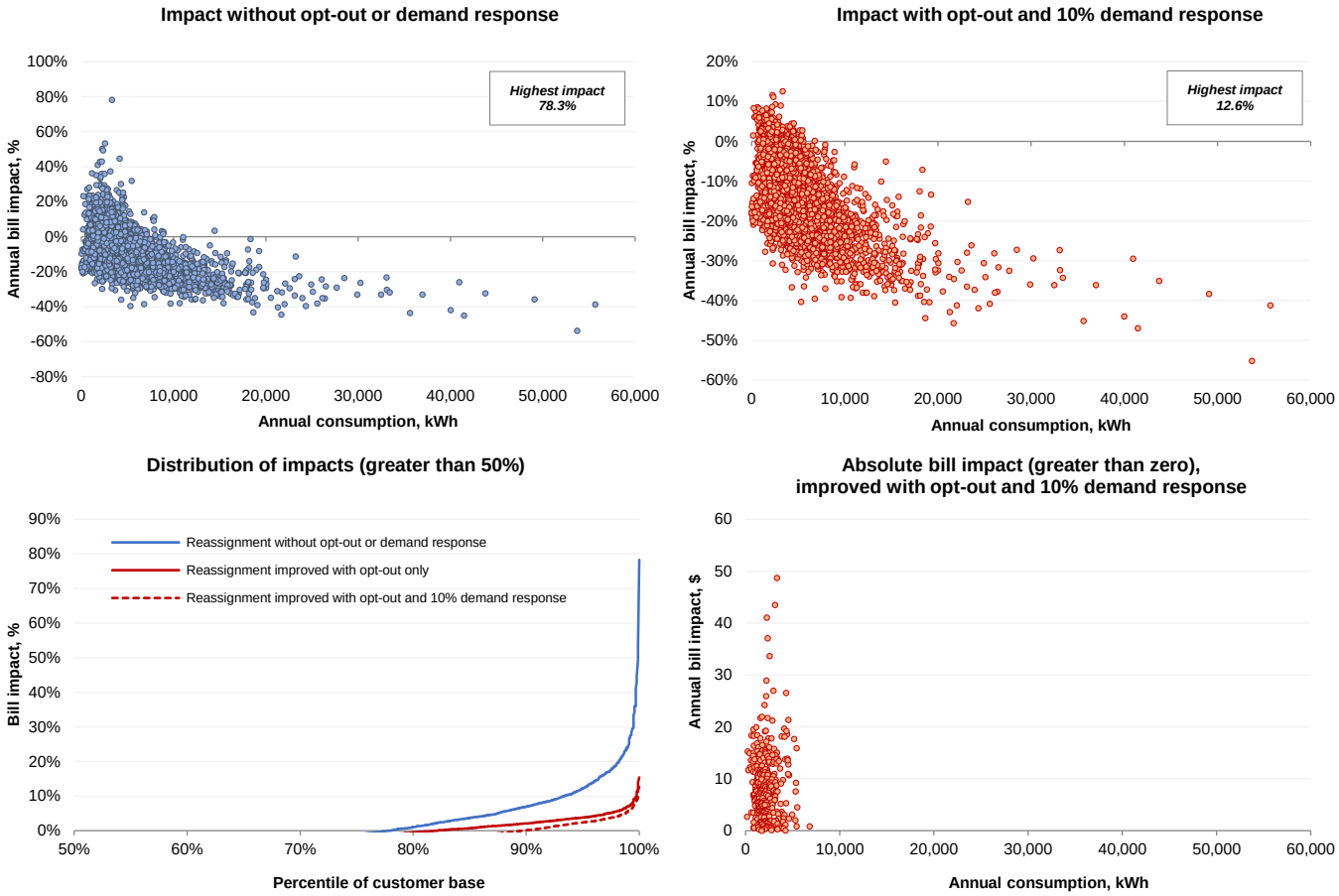
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	4.4%	0.0%	0.0%
Average annual bill impact, %	-2.9%	0.8%	-	-
Average annual bill impact, $	($21)	$2	-	-
Average annual consumption, kWh	5,189	2,148	-	-
Average maximum demand, kW	5.6	2.8	-	-
Average load factor, %	10.2%	8.4%	-	-

Figure A2.4. Opt-out of customers with smart meters from EA011 Flat to EA116 Demand on 1 July 2019



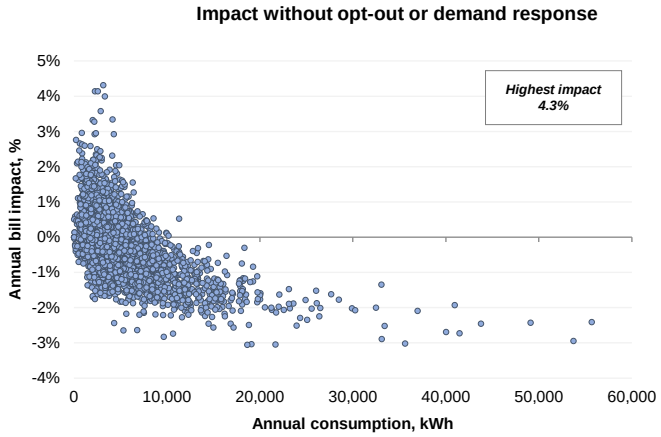
Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	7.1%	1.0%	0.1%
Average annual bill impact, %	-20.1%	5.1%	14.7%	24.2%
Average annual bill impact, $	($174)	$14	$35	$38
Average annual consumption, kWh	5,189	1,725	1,057	227
Average maximum demand, kW	5.6	4.4	3.9	2.0
Average load factor, %	10.2%	4.2%	2.8%	1.3%

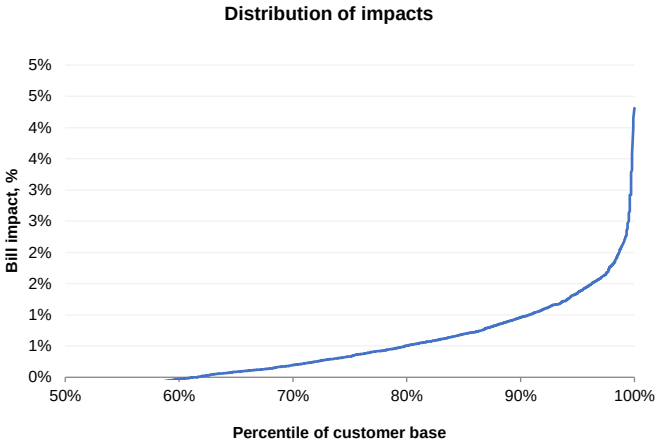
Figure A2.5. Opt-out of customers with smart meters from EA025 TOU to EA116 Demand on 1 July 2019

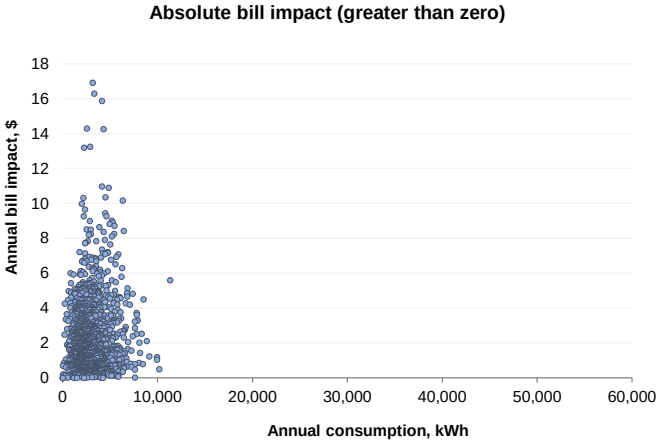


Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	10.3%	0.1%	0.0%
Average annual bill impact, %	-13.5%	2.7%	11.8%	-
Average annual bill impact, $	($102)	$9	$42	-
Average annual consumption, kWh	5,189	2,211	2,623	-
Average maximum demand, kW	5.6	5.1	10.1	-
Average load factor, %	10.2%	5.1%	3.1%	-

Figure A2.6. Reassignment of customers from EA010/EA011 Flat to EA111 Demand (introductory) on meter replacement due to failure in 2019-20

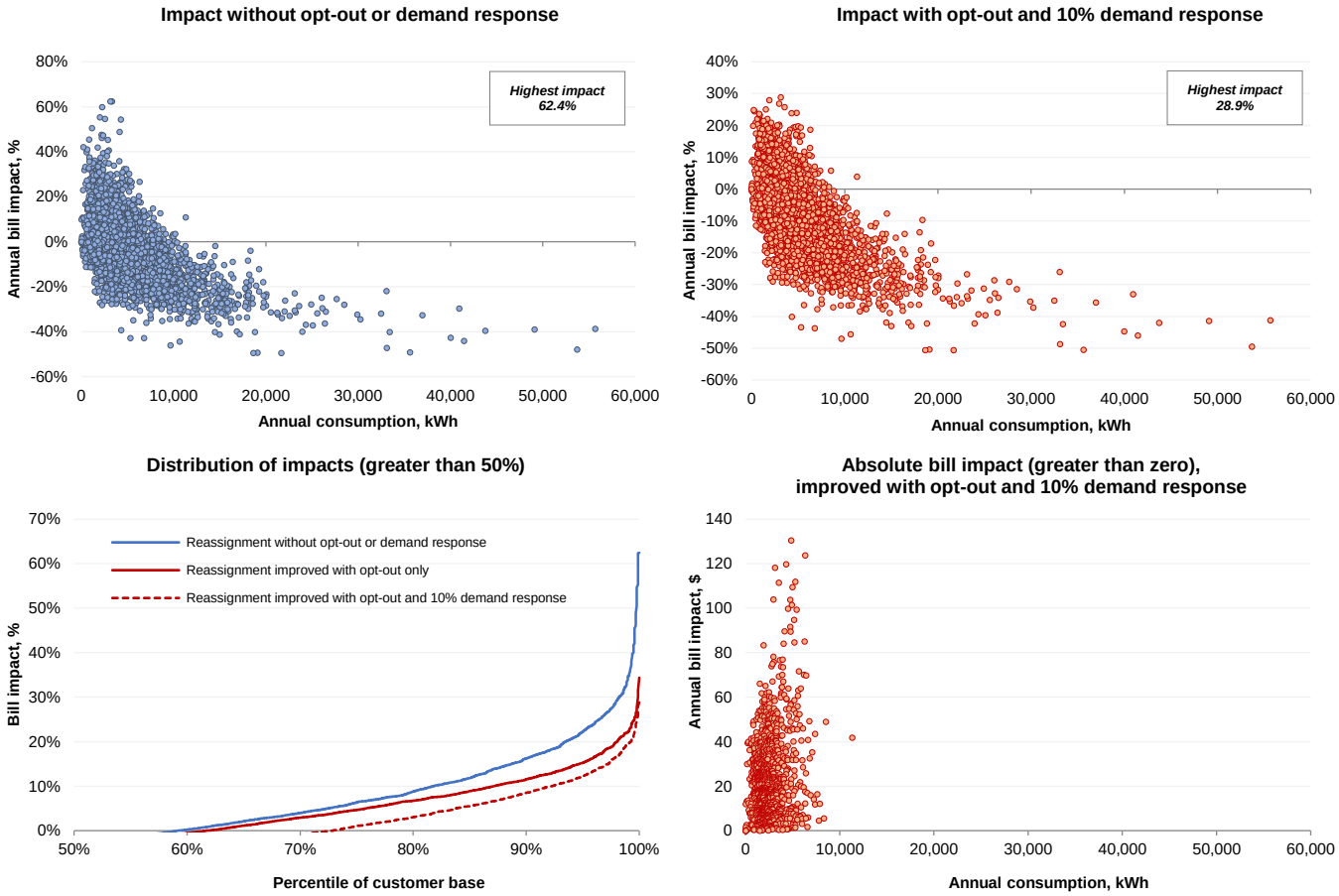






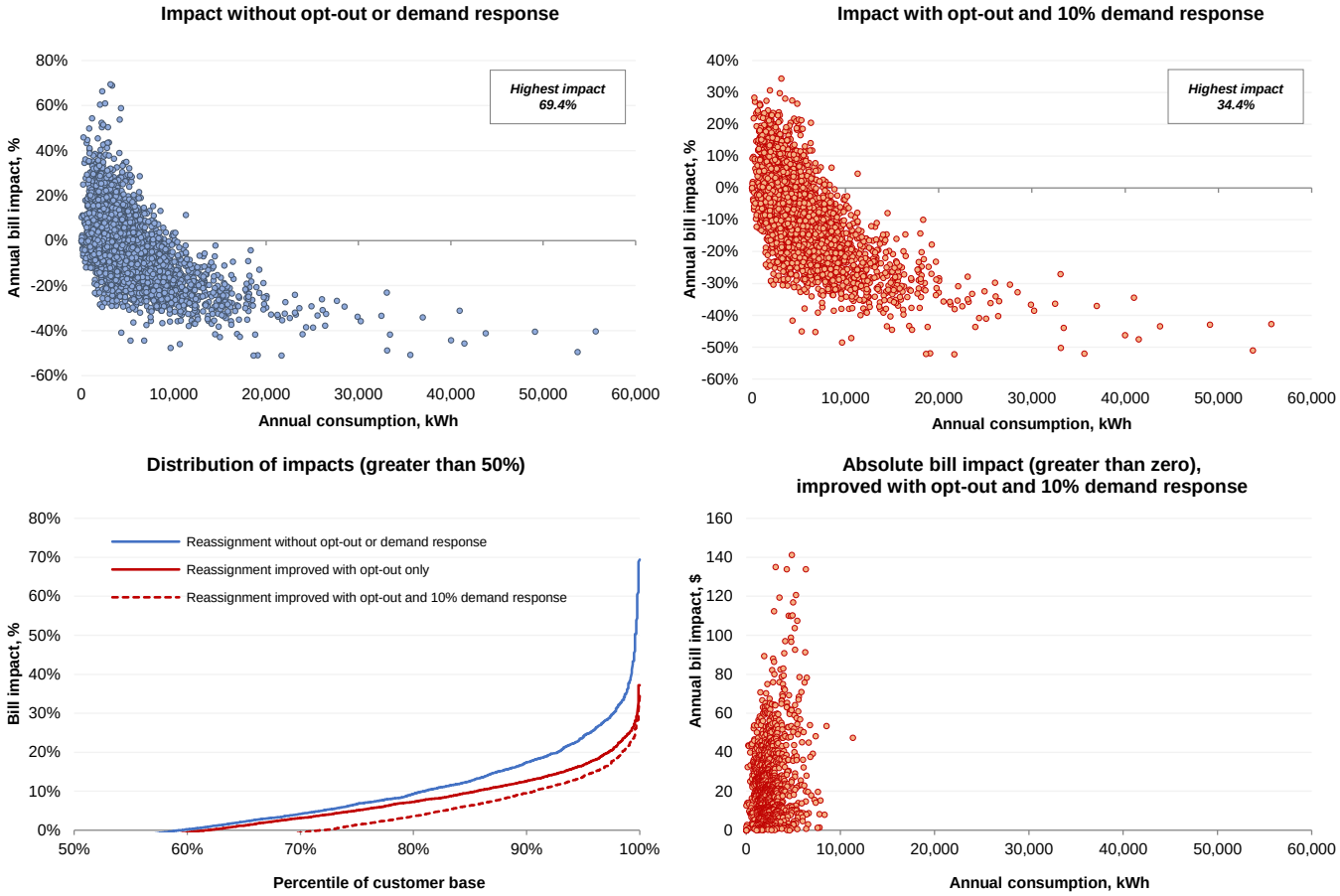
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	38.4%	0.0%	0.0%
Average annual bill impact, %	-0.2%	0.7%	-	-
Average annual bill impact, $	($3)	$2	-	-
Average annual consumption, kWh	5,189	2,972	-	-
Average maximum demand, kW	5.6	5.1	-	-
Average load factor, %	10.2%	6.6%	-	-

Figure A2.7. Opt-out of customers from EA111 Demand (introductory) to EA116 Demand in 2019-20



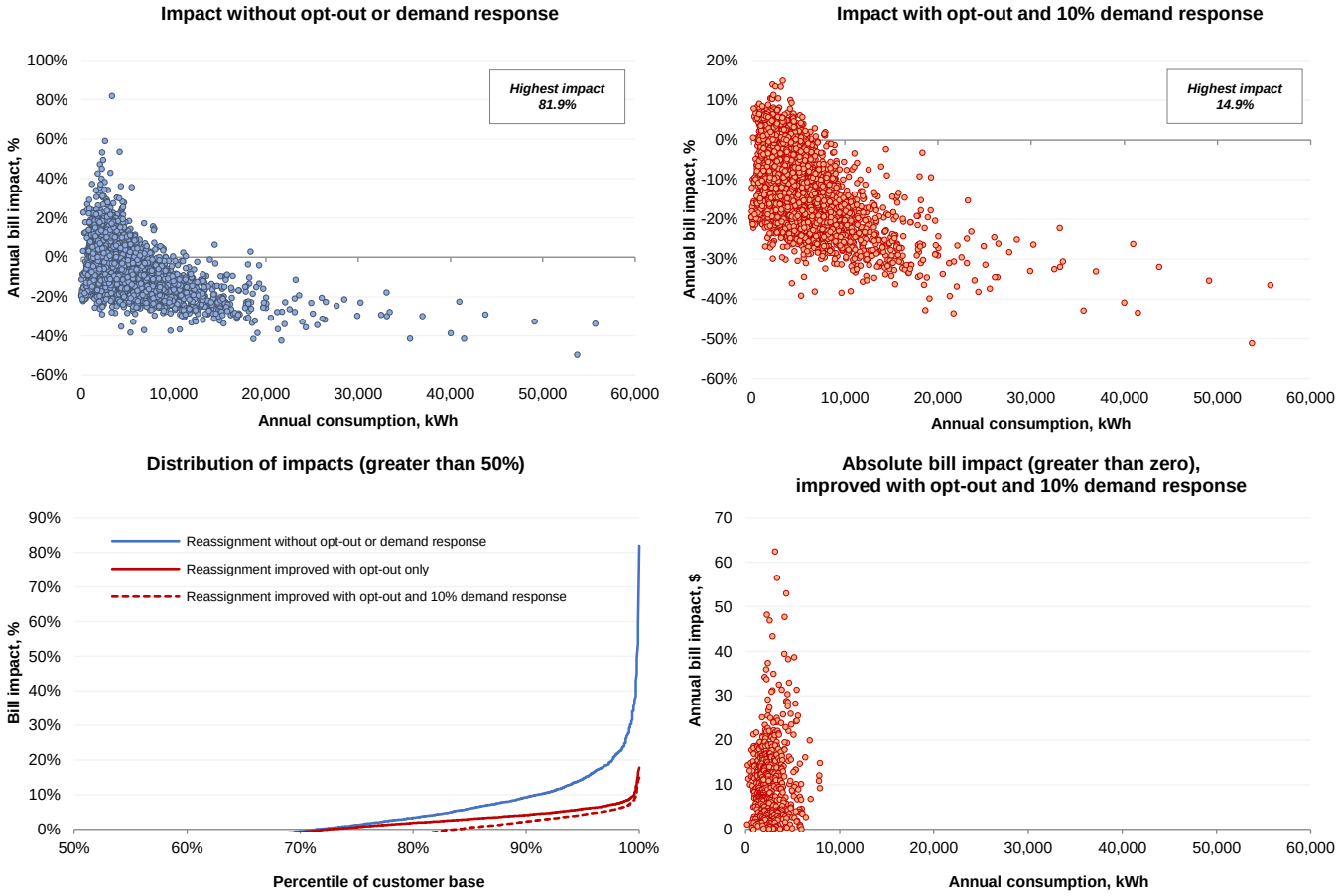
Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	27.1%	7.7%	0.7%
Average annual bill impact, %	-8.0%	7.4%	14.5%	22.9%
Average annual bill impact, $	($73)	$25	$48	$66
Average annual consumption, kWh	5,189	2,655	2,337	1,752
Average maximum demand, kW	5.6	5.0	5.4	5.4
Average load factor, %	10.2%	6.0%	4.9%	3.4%

Figure A2.8. Reassignment of customers from EA010/EA011 Flat to EA116 Demand on meter upgrade by customer choice in 2019-20



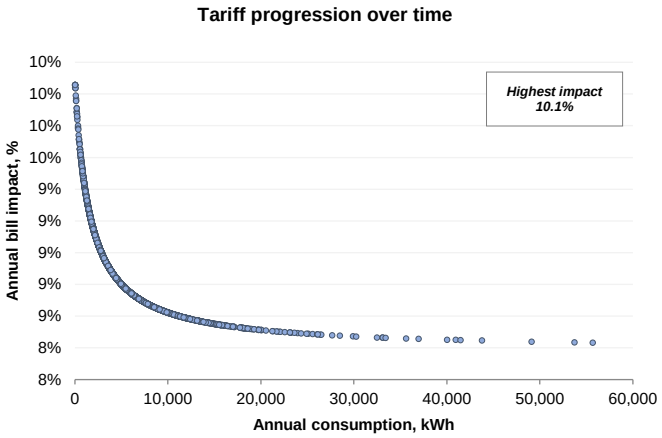
Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	28.0%	9.3%	1.5%
Average annual bill impact, %	-8.1%	8.1%	15.3%	23.5%
Average annual bill impact, $	($76)	$27	$50	$74
Average annual consumption, kWh	5,189	2,682	2,351	2,216
Average maximum demand, kW	5.6	5.1	5.4	6.2
Average load factor, %	10.2%	6.0%	4.9%	3.8%

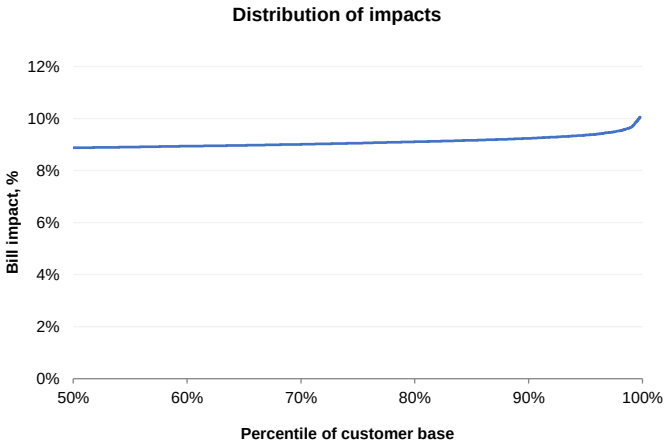
Figure A2.9. Reassignment of customers from EA025 TOU to EA116 Demand on meter replacement in 2019-20

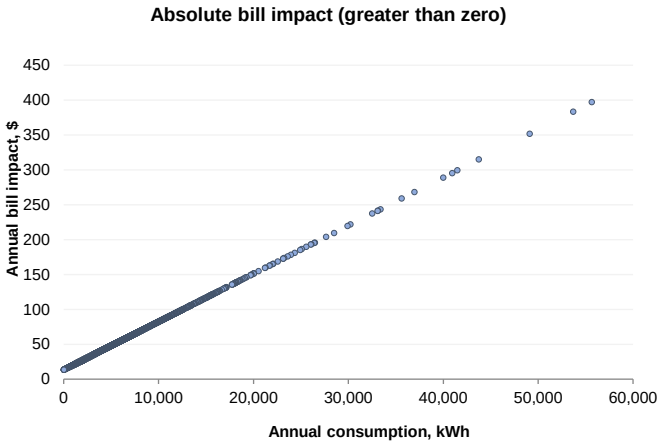


Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	16.2%	0.3%	0.0%
Average annual bill impact, %	-10.9%	3.3%	11.9%	-
Average annual bill impact, $	($82)	$12	$45	-
Average annual consumption, kWh	5,189	2,693	2,695	-
Average maximum demand, kW	5.6	5.4	10.5	-
Average load factor, %	10.2%	5.6%	3.1%	-

Figure A2.10. Tariff progression over time: EA010/EA011 Flat tariff from 2019-20 to 2023-24

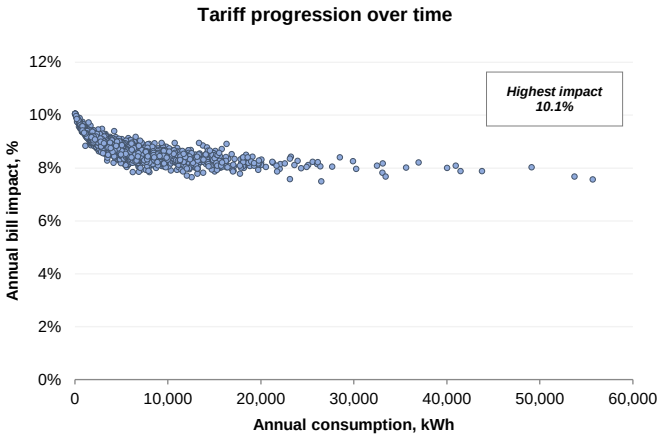


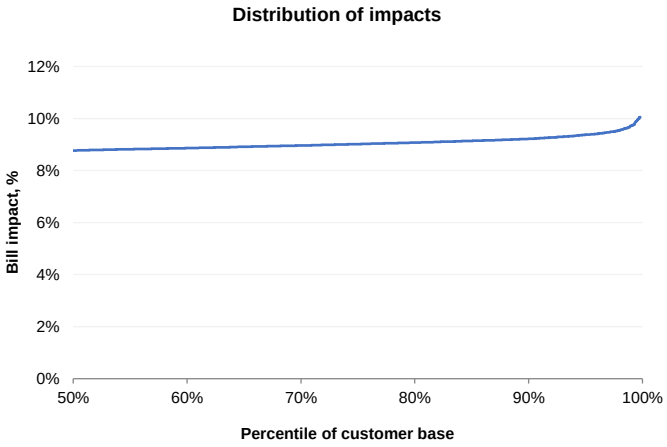


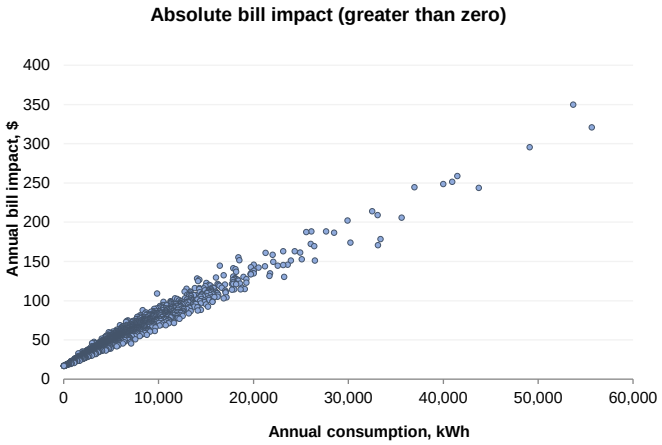


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.3%	0.0%
Average cumulative bill impact, %	8.9%	8.9%	10.1%	-
Average cumulative bill impact, $	$49	$49	$14	-
Average annual consumption, kWh	5,189	5,189	6	-
Average maximum demand, kW	5.6	5.6	0.2	-
Average load factor, %	10.2%	10.2%	0.1%	-

Figure A2.11. Tariff progression over time: EA025 TOU tariff from 2019-20 to 2023-24

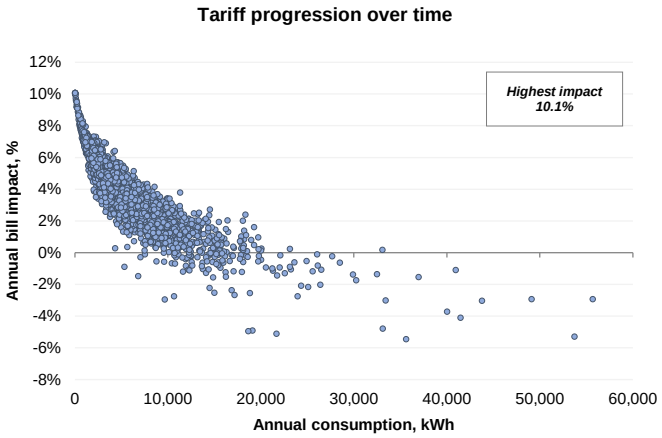


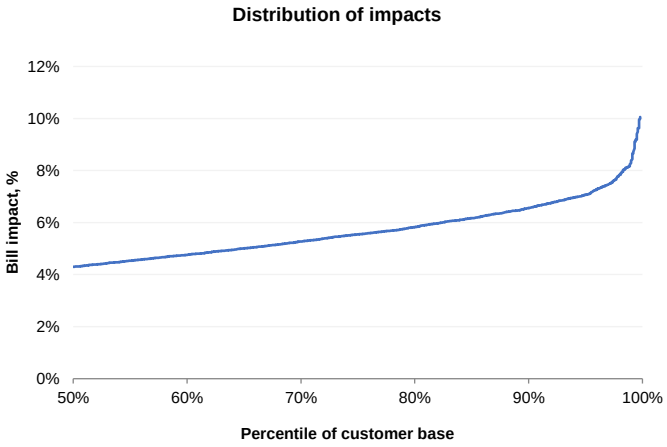


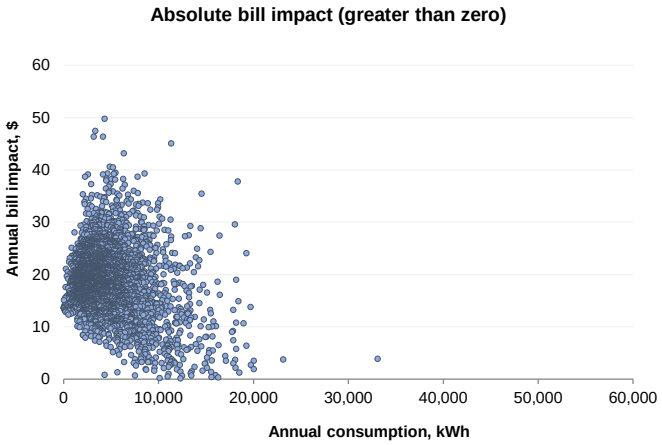


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.3%	0.0%
Average cumulative bill impact, %	8.8%	8.8%	10.1%	-
Average cumulative bill impact, $	$49	$49	$17	-
Average annual consumption, kWh	5,189	5,189	6	-
Average maximum demand, kW	5.6	5.6	0.2	-
Average load factor, %	10.2%	10.2%	0.1%	-

Figure A2.12. Tariff progression over time: EA116 Demand tariff from 2019-20 to 2023-24

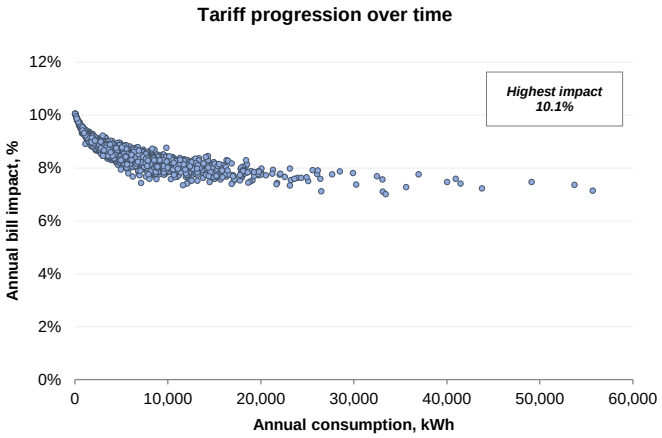


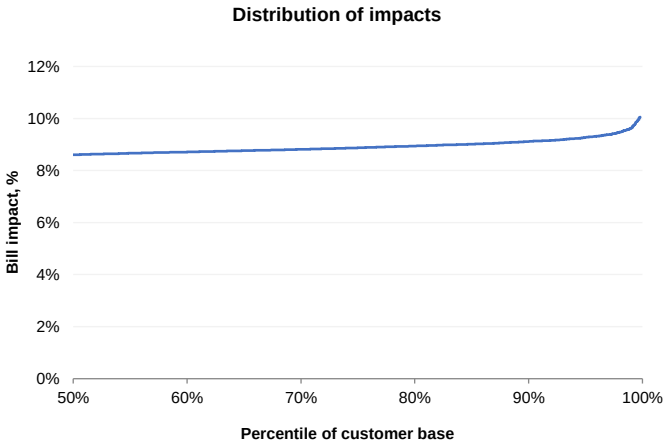


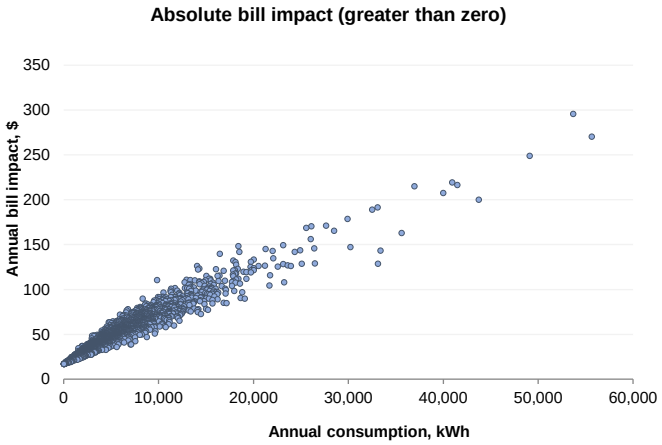


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	96.8%	0.2%	0.0%
Average cumulative bill impact, %	4.1%	4.3%	10.1%	-
Average cumulative bill impact, $	$17	$18	$14	-
Average annual consumption, kWh	5,189	4,722	0	-
Average maximum demand, kW	5.6	5.5	0.0	-
Average load factor, %	10.2%	9.7%	0.0%	-

Figure A2.13. Tariff progression over time: EA115 TOU Demand tariff from 2019-20 to 2023-24







Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.3%	0.0%
Average cumulative bill impact, %	8.6%	8.6%	10.1%	-
Average cumulative bill impact, $	$47	$47	$17	-
Average annual consumption, kWh	5,189	5,189	6	-
Average maximum demand, kW	5.6	5.6	0.2	-
Average load factor, %	10.2%	10.2%	0.1%	-

Small business customer impacts

Based on Figure 2.4 in Section 2 of the Tariff Structure Statement showing the assignment of small business customers from 1 July 2019, the following figures show the impact on small business customers moving from their current tariff to a new tariff from 1 July 2019 and impacts at the end of the regulatory period in 2023-24.

Box A2.2 is a key to the set of small business customer impact figures including:

- Figures A2.14 to A2.18: the impact on customers on each of the tariffs in 2018-19 from 1 July 2019
- Figures A2.19 and A2.20: the impact on customers on flat tariffs being assigned to a new demand (introductory) tariff due to meter failure after 1 July 2019, and the impact of being reassigned to the default demand tariff after 12 months
- Figure A2.21: the impact on customers being assigned to a new demand tariff due to change from a flat tariff to a smart meter by customer initiated action after 1 July 2019
- Figure A2.22: the impact on TOU customers opting-in to a demand tariff due to change for any reason from an interval meter to a smart meter after 1 July 2019
- Figures A2.23 and A2.24: the impact on customers on the continuing non-demand tariffs of tariff price progression from 2019-20 to the end of the regulatory period in 2023-24
- Figures A2.25 and A2.26: the impact on customers on the two new demand tariffs of tariff price progression from 2019-20 to the end of the regulatory period in 2023-24.

Box A2.2. Key to small business customer impact figures

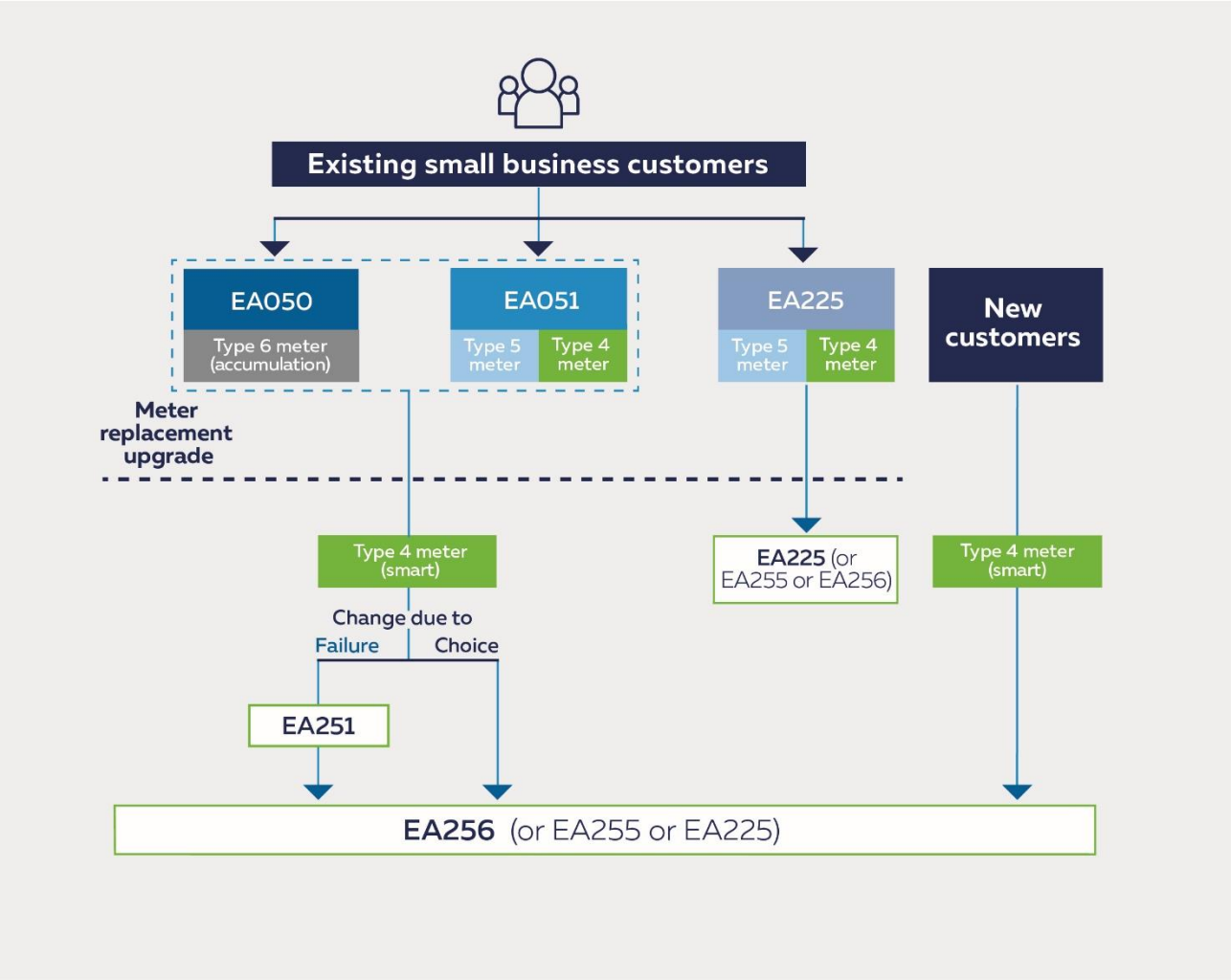
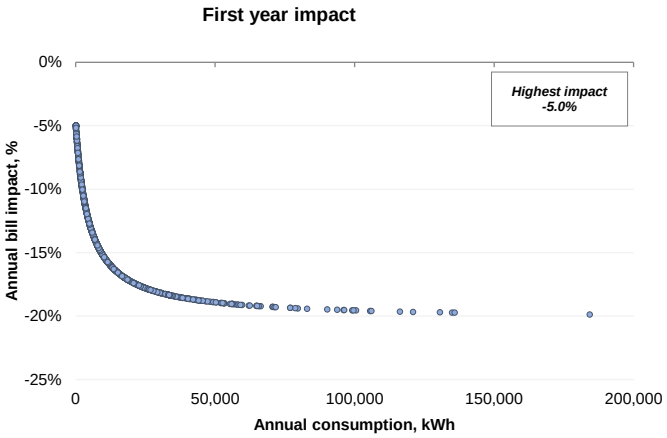
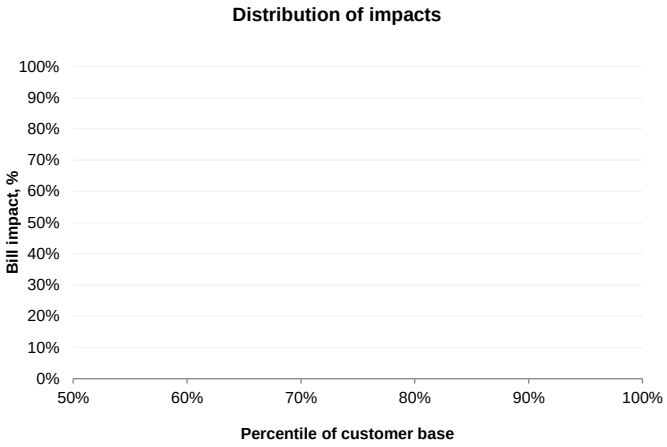
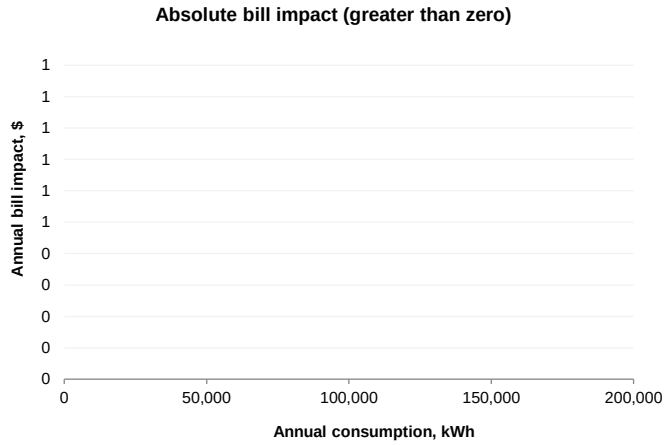


Figure A2.14. First year impact: EA050/EA051 Flat tariff from 2018-19 to 2019-20

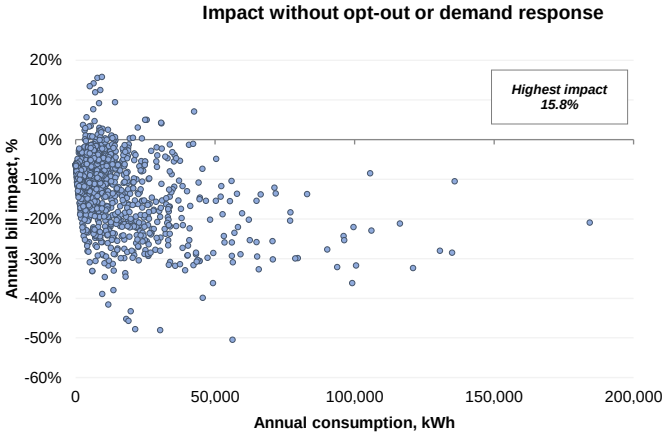


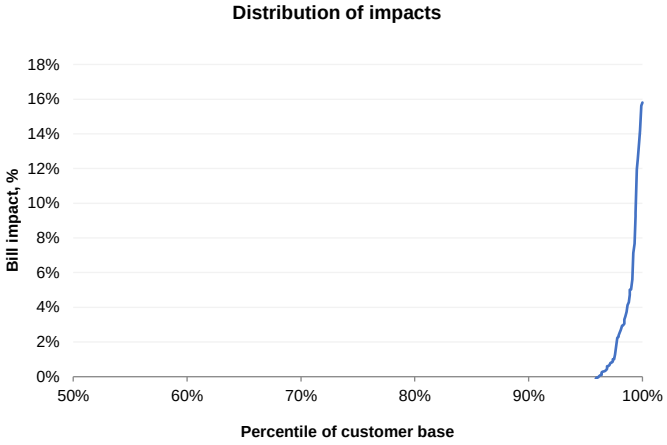


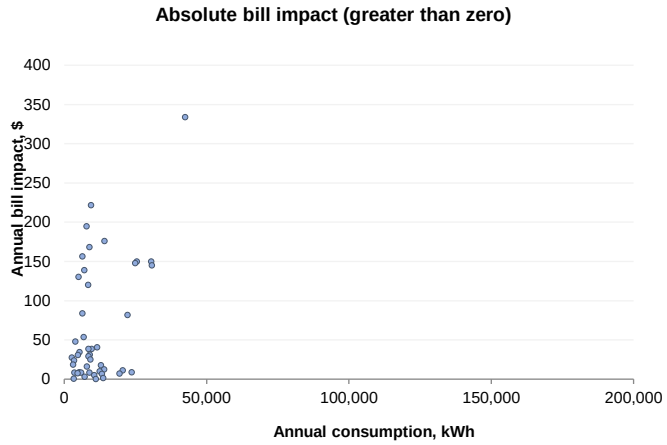


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average annual bill impact, %	-13.6%	-	-	-
Average annual bill impact, $	($287)	-	-	-
Average annual consumption, kWh	13,105	-	-	-
Average maximum demand, kW	8.0	-	-	-
Average load factor, %	19.7%	-	-	-

Figure A2.15. Opt-out of customers with interval meters from EA051 Flat to EA225 TOU on 1 July 2019

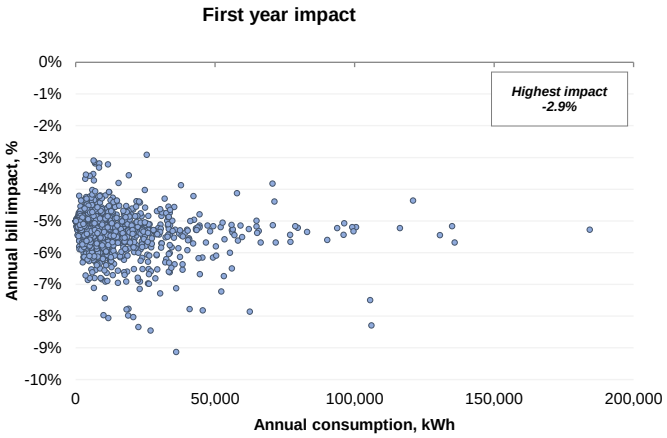


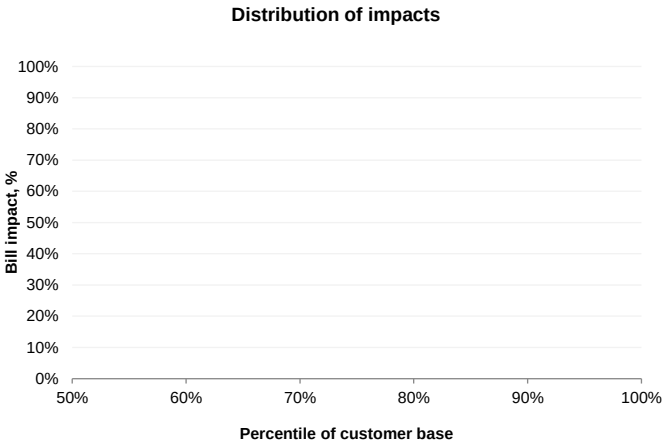


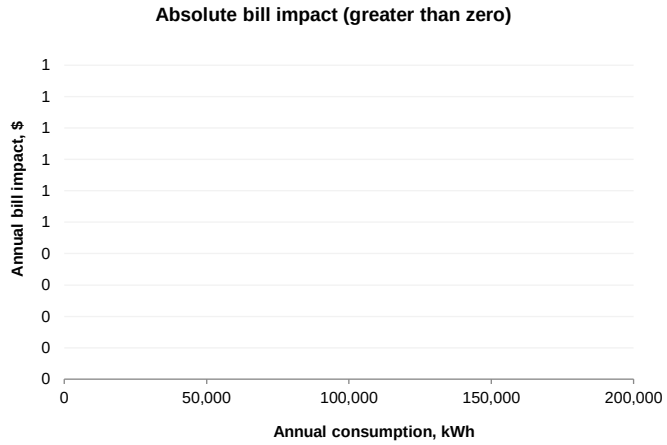


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	3.8%	0.5%	0.0%
Average annual bill impact, %	-12.6%	4.1%	13.9%	-
Average annual bill impact, $	($279)	$65	$168	-
Average annual consumption, kWh	13,105	11,560	7,357	-
Average maximum demand, kW	8.0	14.5	22.1	-
Average load factor, %	19.7%	11.1%	6.3%	-

Figure A2.16. First year impact: EA225 TOU tariff from 2018-19 to 2019-20

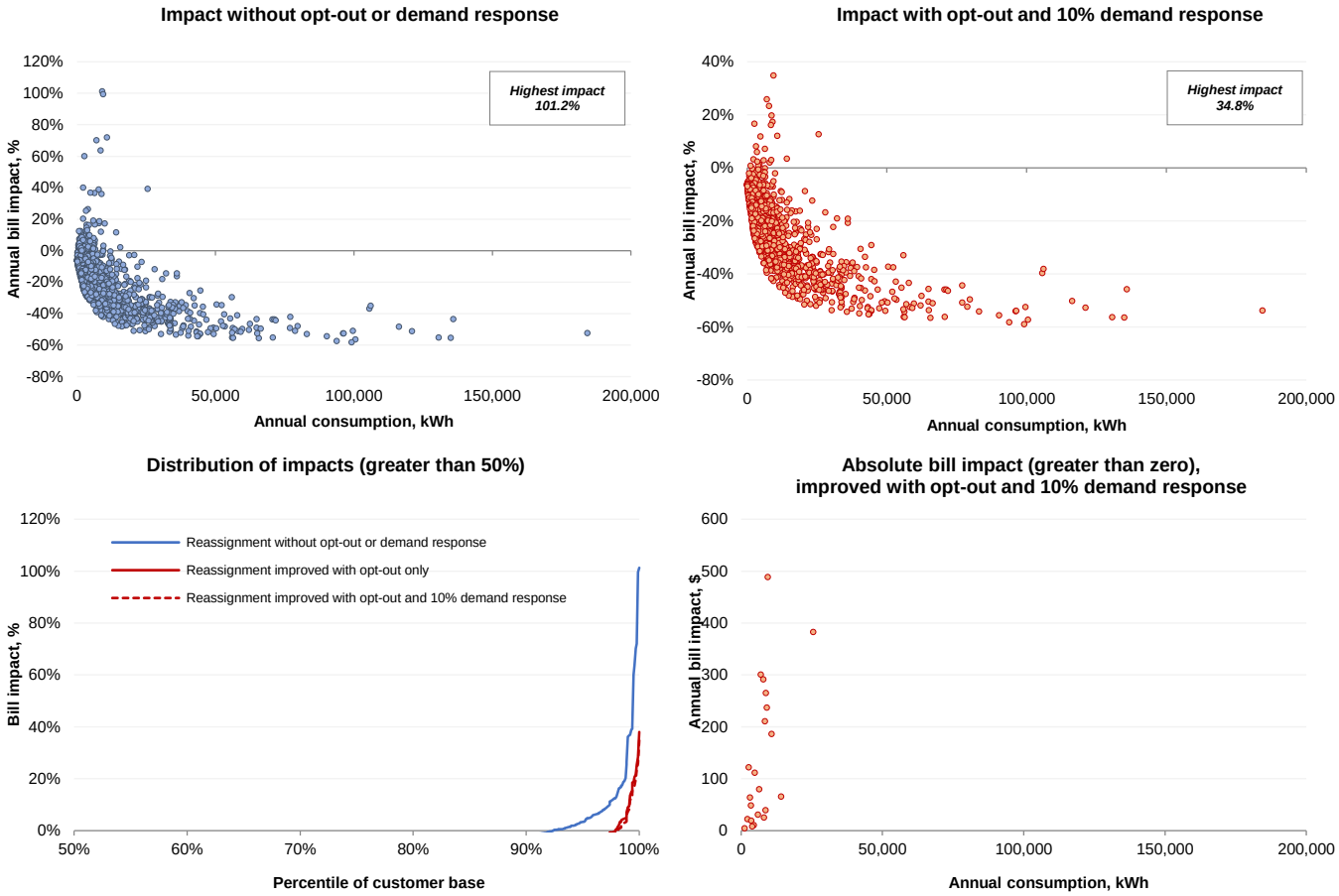






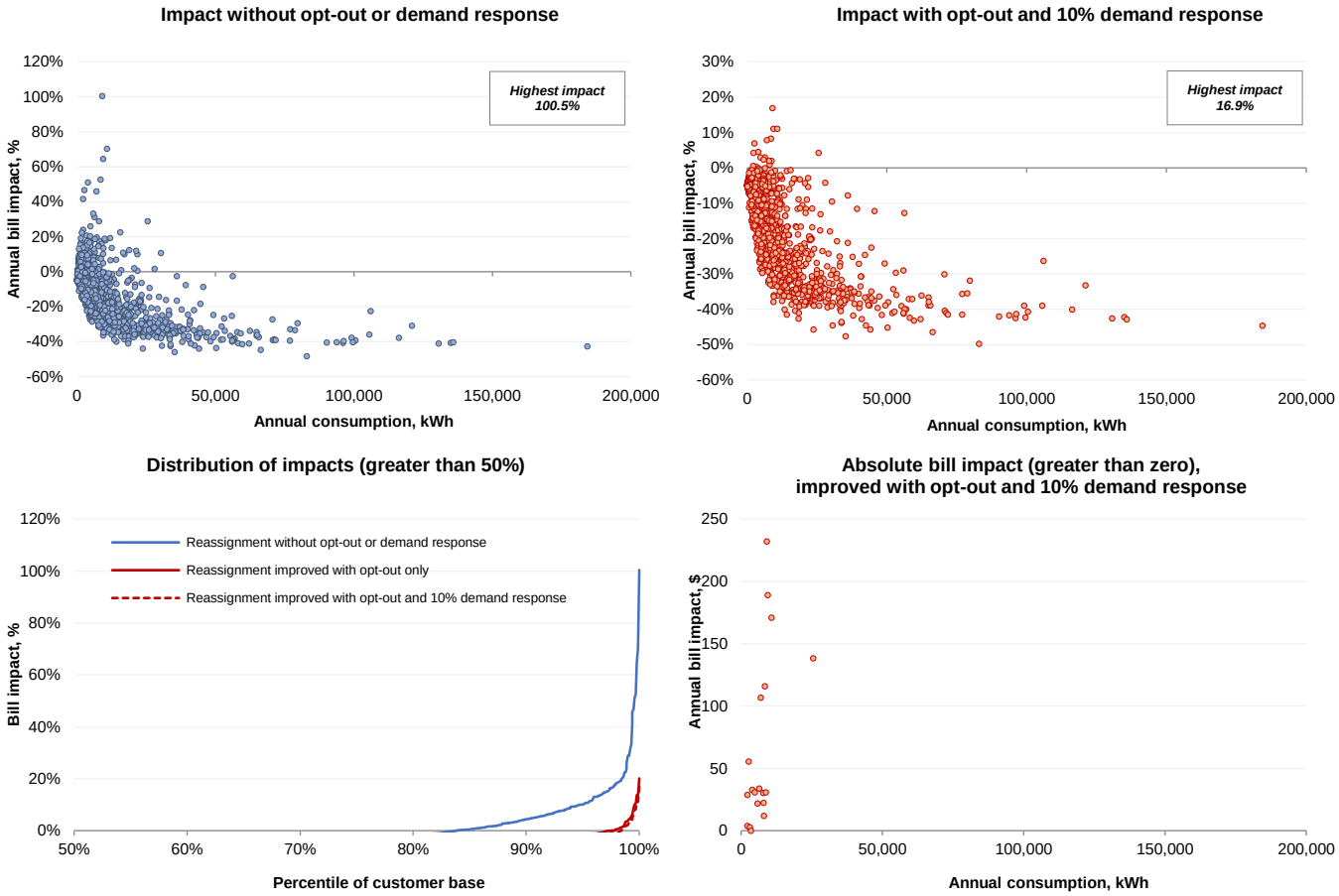
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average annual bill impact, %	-5.3%	-	-	-
Average annual bill impact, $	($86)	-	-	-
Average annual consumption, kWh	13,105	-	-	-
Average maximum demand, kW	8.0	-	-	-
Average load factor, %	19.7%	-	-	-

Figure A2.17. Opt-out of customers with smart meters from EA051 Flat to EA256 Demand on 1 July 2019



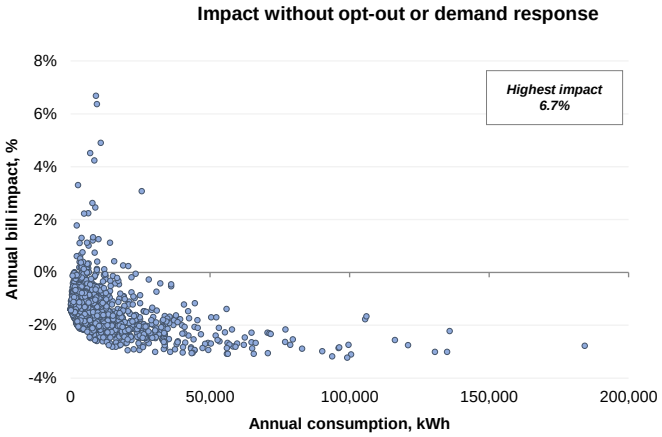
Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	1.8%	0.8%	0.3%
Average annual bill impact, %	-24.1%	10.6%	19.1%	28.0%
Average annual bill impact, $	($598)	$137	$260	$360
Average annual consumption, kWh	13,105	7,190	9,370	8,027
Average maximum demand, kW	8.0	23.0	35.9	34.2
Average load factor, %	19.7%	4.1%	3.0%	2.7%

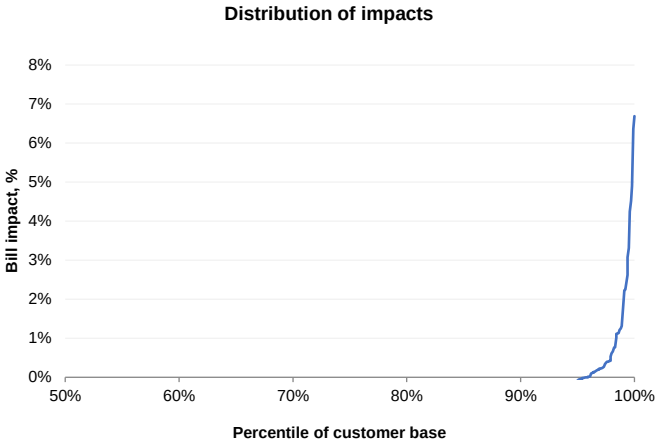
Figure A2.18. Opt-out of customers with smart meters from EA225 TOU to EA256 Demand on 1 July 2019

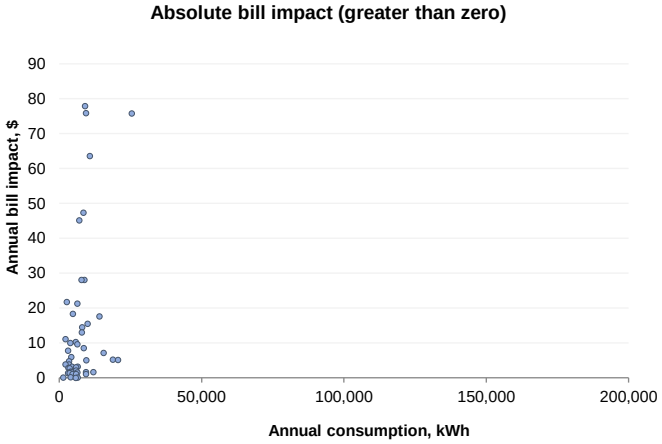


Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	1.6%	0.3%	0.0%
Average annual bill impact, %	-17.9%	4.8%	13.0%	-
Average annual bill impact, $	($405)	$66	$197	-
Average annual consumption, kWh	13,105	7,180	9,687	-
Average maximum demand, kW	8.0	24.9	47.3	-
Average load factor, %	19.7%	3.6%	2.5%	-

Figure A2.19. Reassignment of customers from EA050/EA051 Flat to EA251 Demand (introductory) on meter replacement due to failure in 2019-20

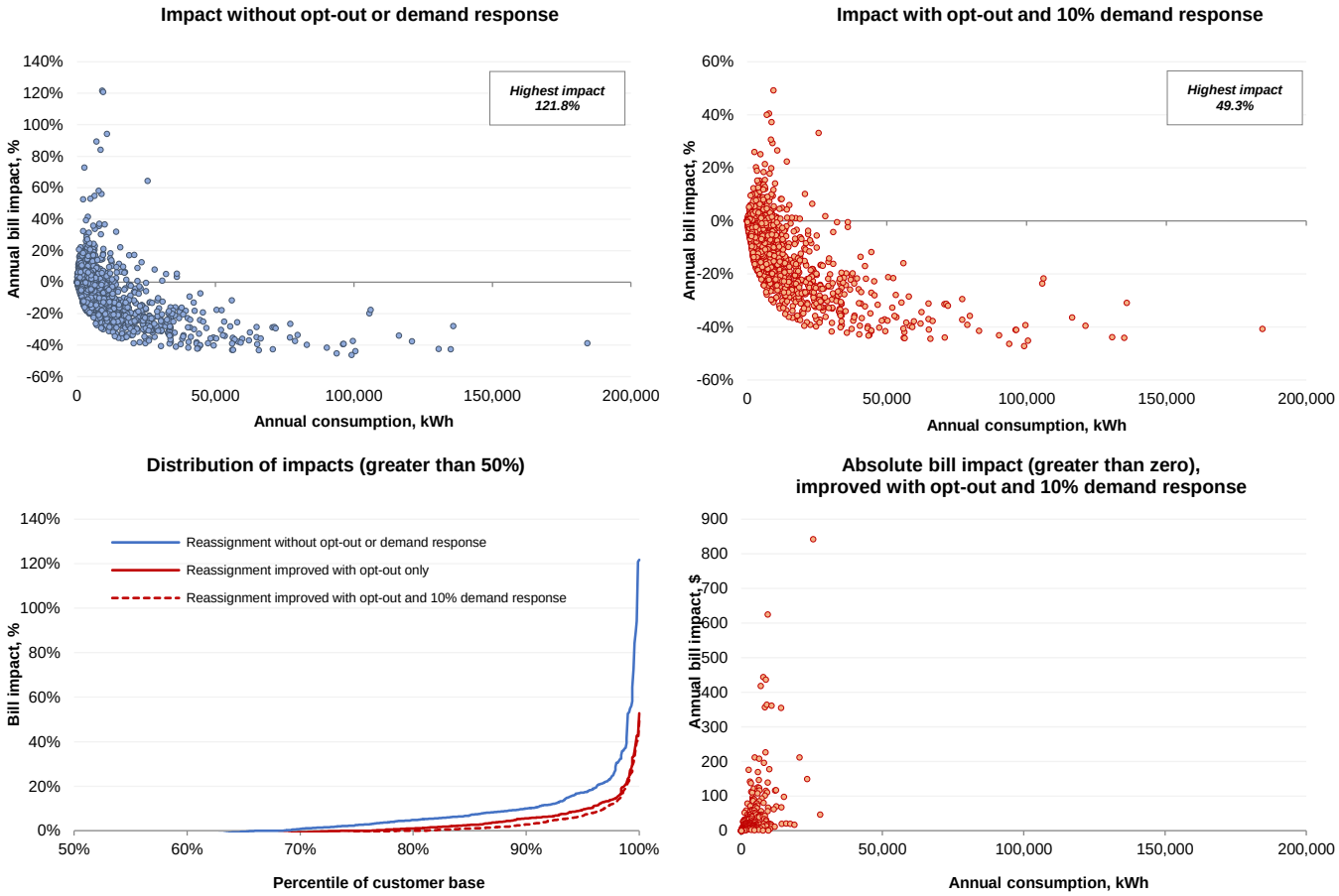






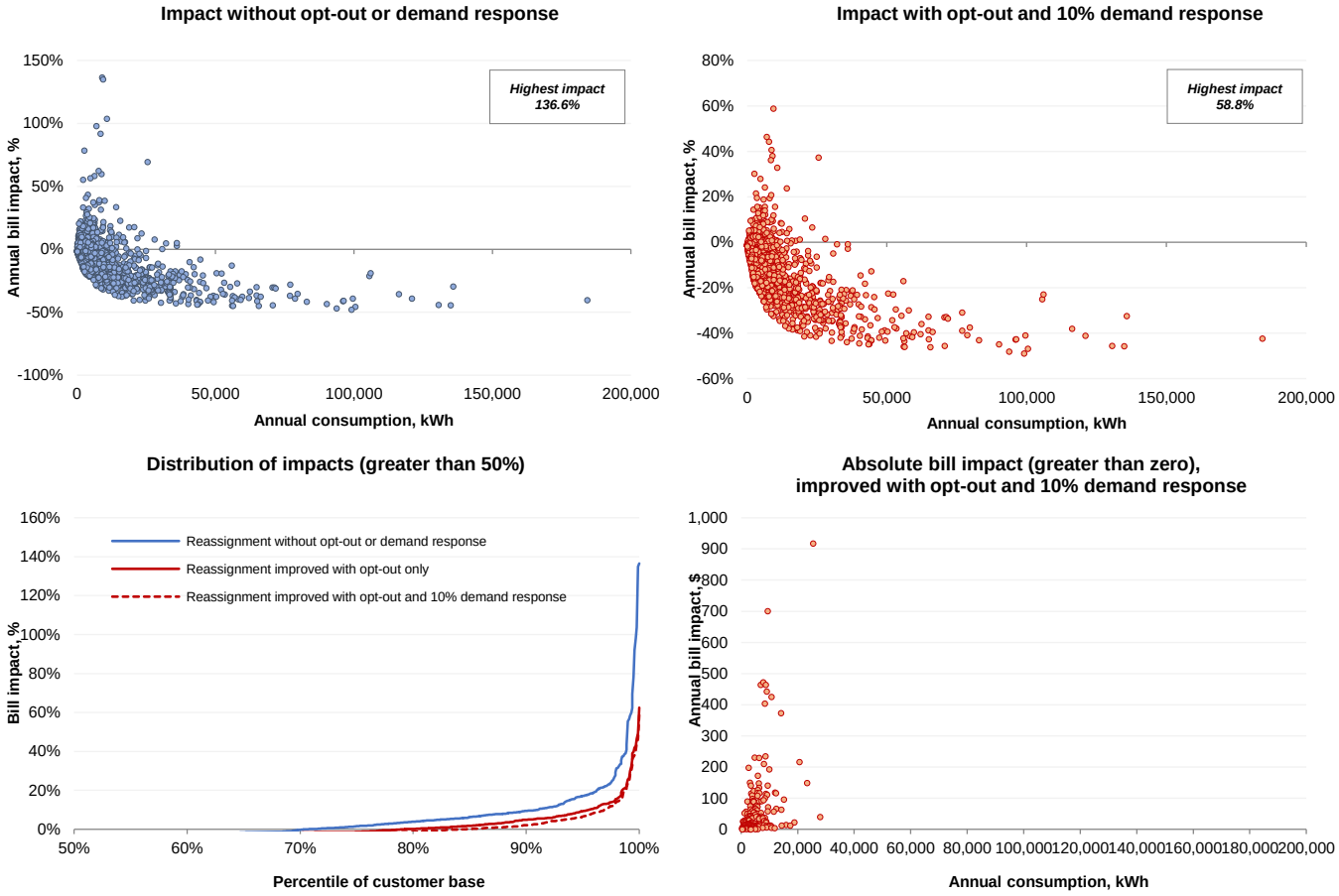
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	4.2%	0.0%	0.0%
Average annual bill impact, %	-1.4%	1.3%	-	-
Average annual bill impact, $	($26)	$14	-	-
Average annual consumption, kWh	13,105	7,206	-	-
Average maximum demand, kW	8.0	16.9	-	-
Average load factor, %	19.7%	5.4%	-	-

Figure A2.20. Opt-out of customers from EA251 Demand (introductory) to EA256 Demand in 2019-20



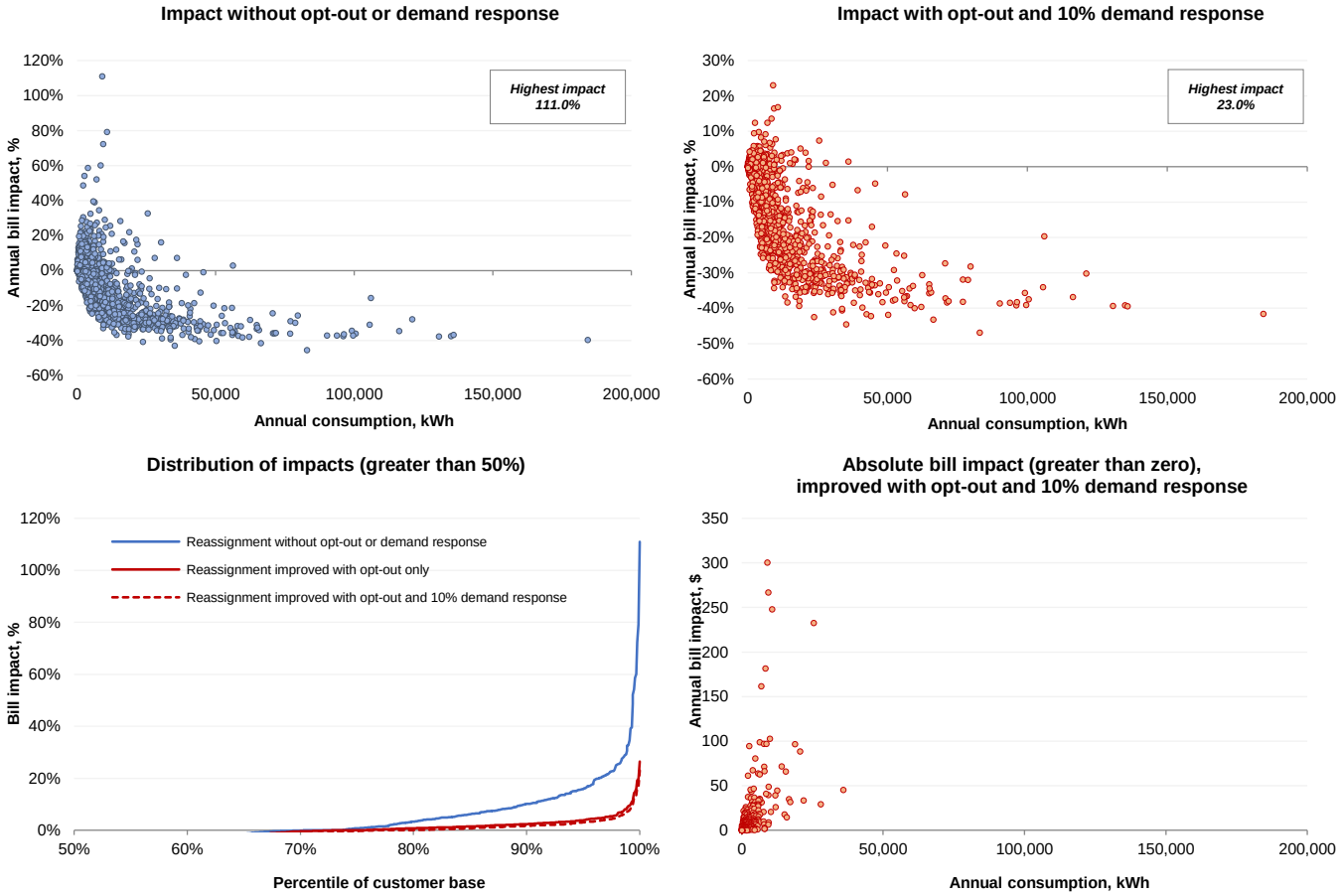
Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	19.0%	3.1%	1.1%
Average annual bill impact, %	-11.4%	5.8%	19.7%	30.9%
Average annual bill impact, $	($285)	$57	$216	$380
Average annual consumption, kWh	13,105	4,913	7,196	9,014
Average maximum demand, kW	8.0	8.6	18.1	31.3
Average load factor, %	19.7%	6.6%	5.4%	3.5%

Figure A2.21. Reassignment of customers from EA050/EA051 Flat to EA256 Demand on meter upgrade by customer choice in 2019-20



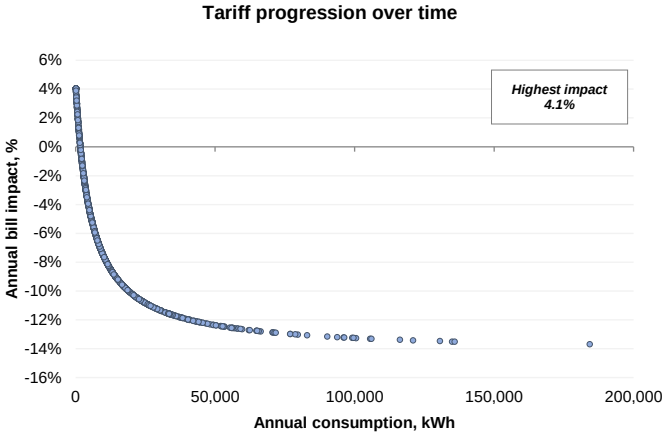
Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	15.6%	3.0%	1.2%
Average annual bill impact, %	-12.5%	6.9%	21.9%	34.5%
Average annual bill impact, $	($311)	$69	$236	$407
Average annual consumption, kWh	13,105	5,483	7,153	8,980
Average maximum demand, kW	8.0	9.5	18.3	30.6
Average load factor, %	19.7%	7.0%	5.3%	3.6%

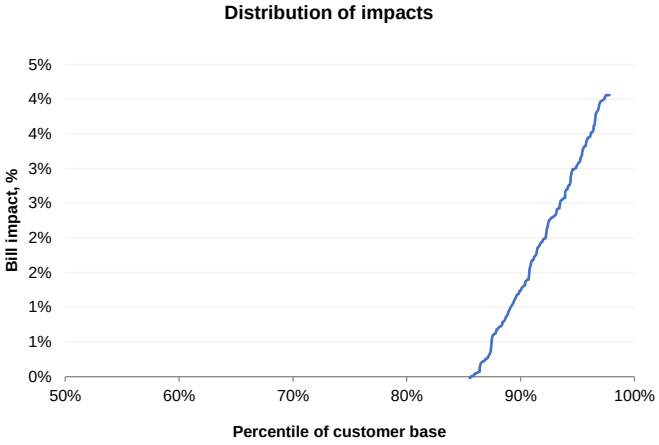
Figure A2.22. Reassignment of customers from EA225 TOU to EA256 Demand on meter replacement in 2019-20

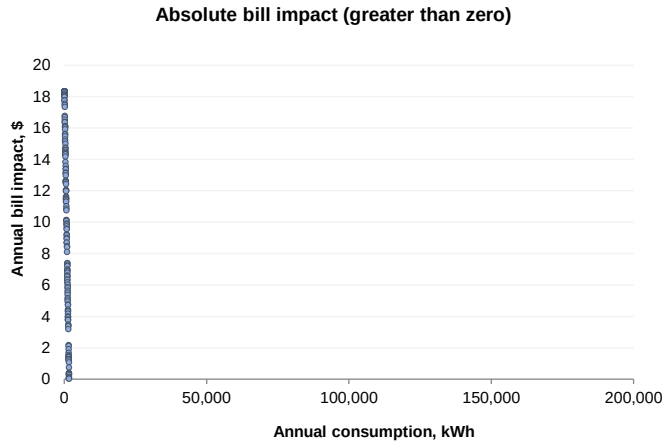


Summary results - improved with opt-out and 10% demand response	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	20.5%	0.5%	0.1%
Average annual bill impact, %	-13.4%	2.4%	15.8%	23.0%
Average annual bill impact, $	($319)	$22	$209	$301
Average annual consumption, kWh	13,105	4,085	7,833	9,016
Average maximum demand, kW	8.0	7.9	38.0	40.0
Average load factor, %	19.7%	6.0%	2.4%	2.6%

Figure A2.23. Tariff progression over time: EA050/EA051 Flat tariff from 2019-20 to 2023-24

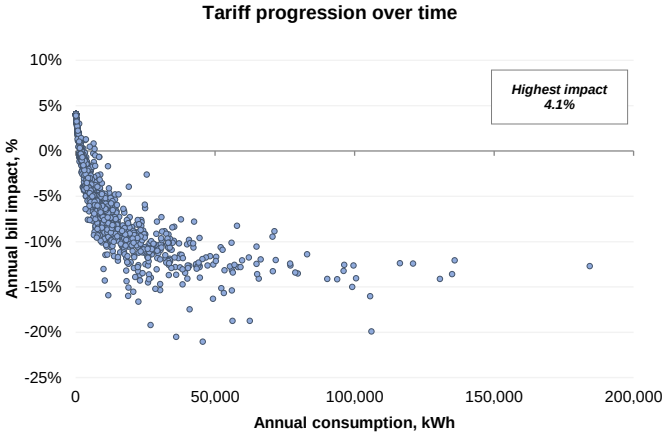


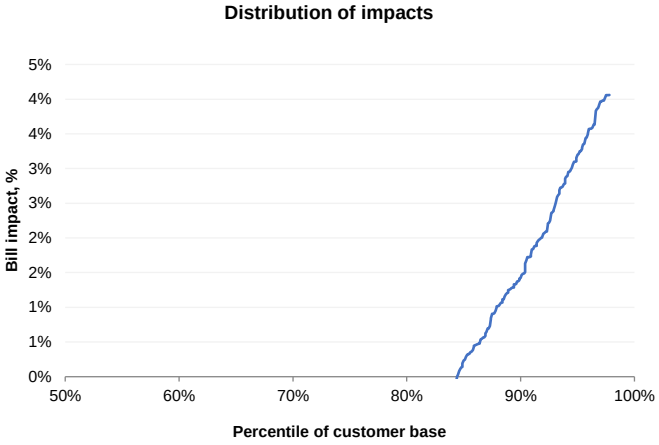


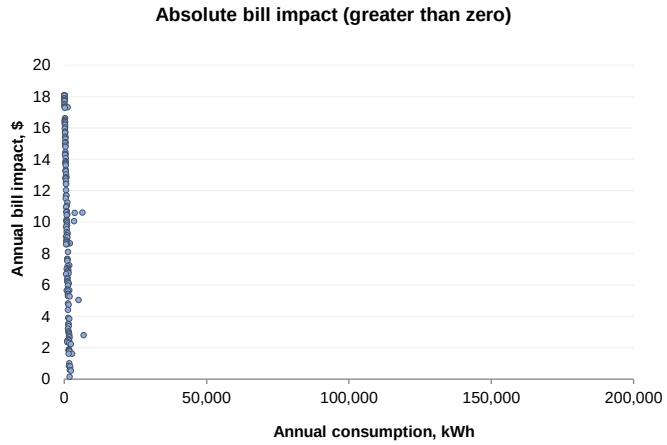


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	14.3%	0.0%	0.0%
Average cumulative bill impact, %	-5.7%	2.3%	-	-
Average cumulative bill impact, $	($129)	$11	-	-
Average annual consumption, kWh	13,105	668	-	-
Average maximum demand, kW	8.0	1.4	-	-
Average load factor, %	19.7%	11.1%	-	-

Figure A2.24. Tariff progression over time: EA225 TOU tariff from 2019-20 to 2023-24

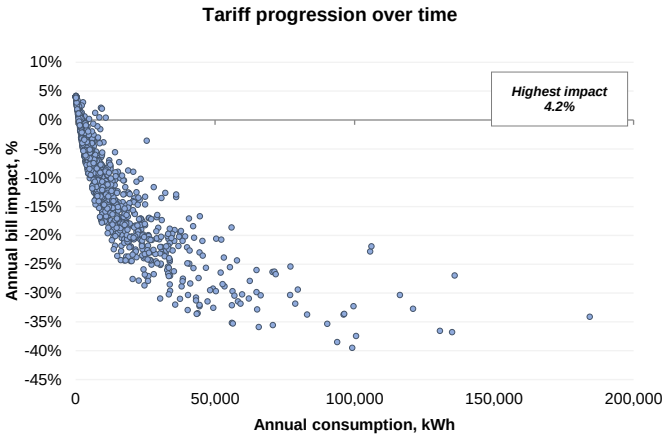


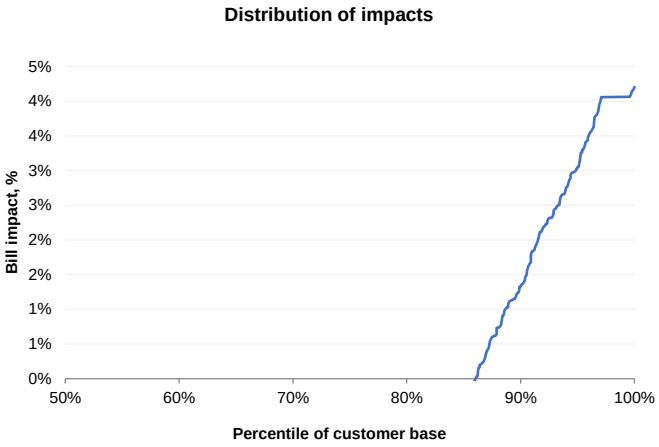


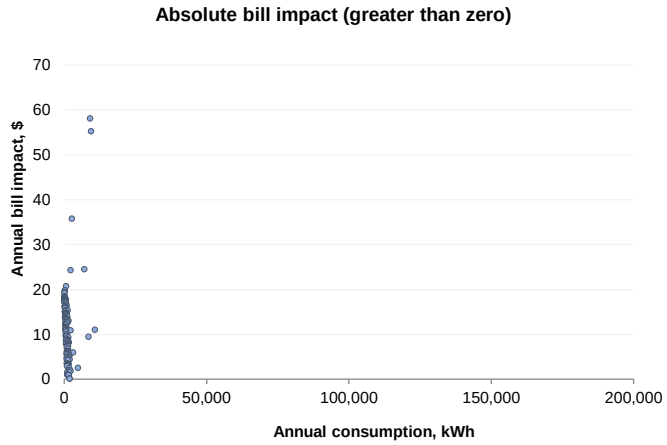


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	15.5%	0.0%	0.0%
Average cumulative bill impact, %	-5.4%	2.2%	-	-
Average cumulative bill impact, $	($125)	$11	-	-
Average annual consumption, kWh	13,105	863	-	-
Average maximum demand, kW	8.0	1.6	-	-
Average load factor, %	19.7%	11.5%	-	-

Figure A2.25. Tariff progression over time: EA256 Demand tariff from 2019-20 to 2023-24

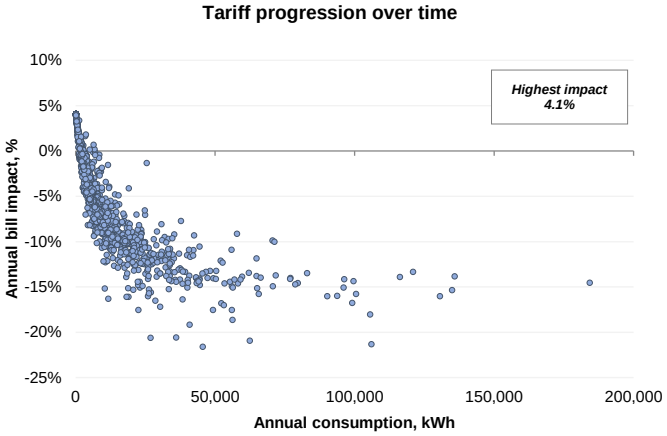


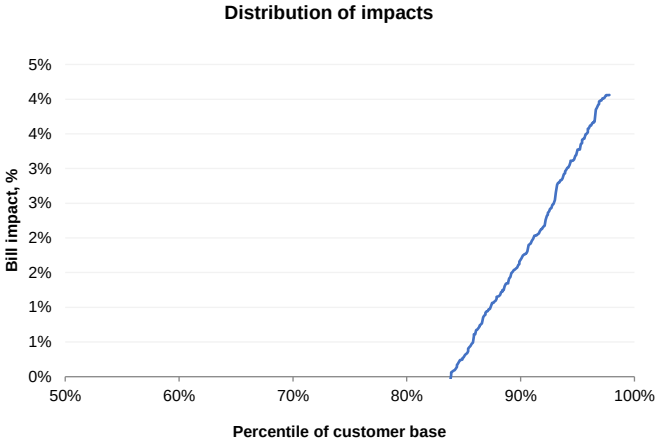


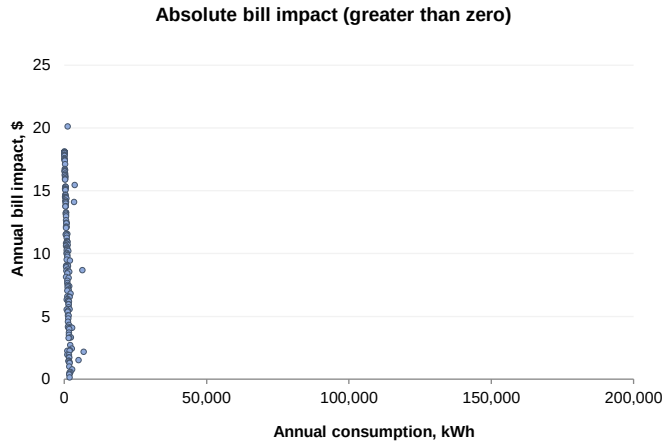


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	13.9%	0.0%	0.0%
Average cumulative bill impact, %	-10.0%	2.4%	-	-
Average cumulative bill impact, $	($182)	$13	-	-
Average annual consumption, kWh	13,105	928	-	-
Average maximum demand, kW	8.0	3.2	-	-
Average load factor, %	19.7%	9.0%	-	-

Figure A2.26. Tariff progression over time: EA255 TOU Demand tariff from 2019-20 to 2023-24







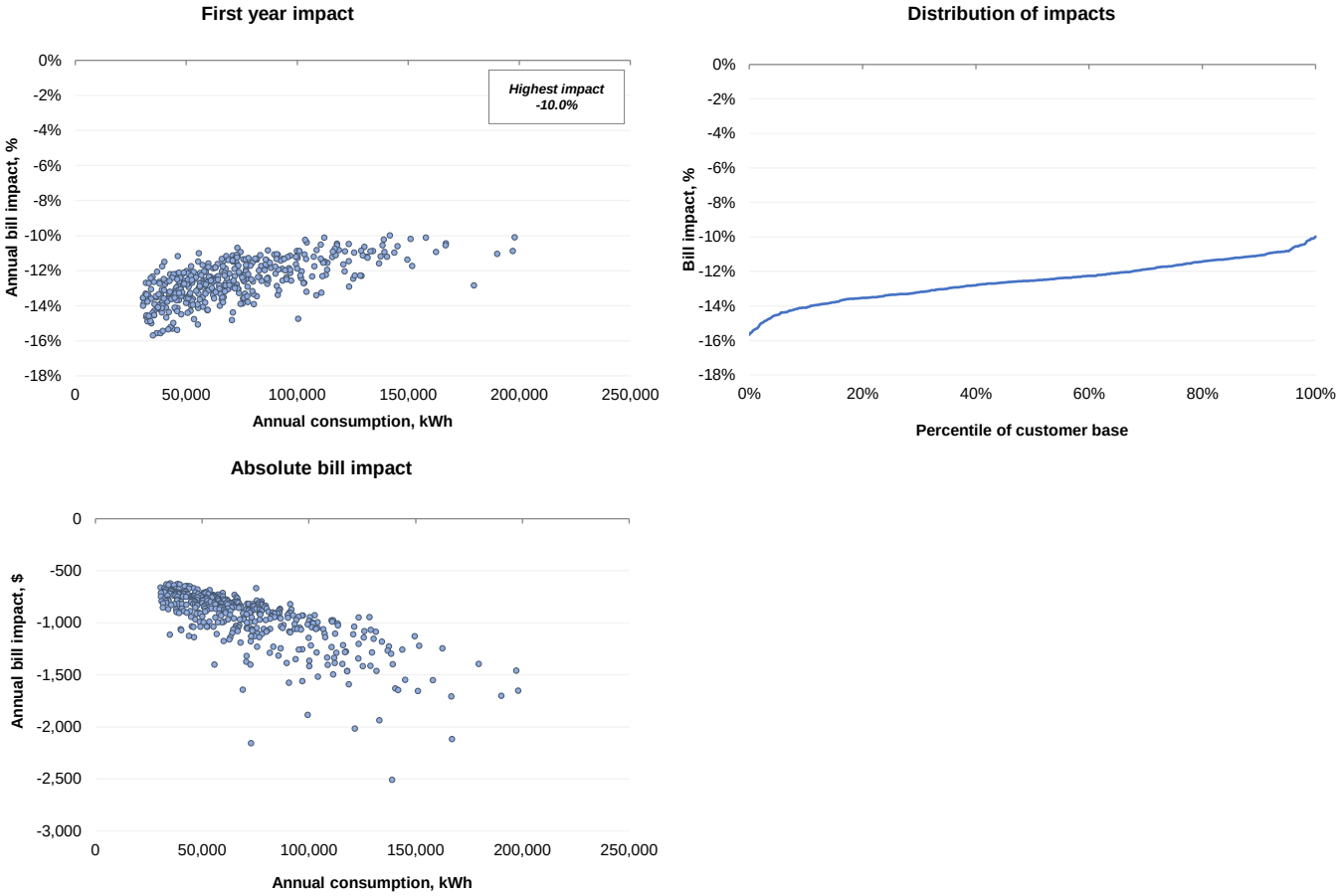
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0 %	16.2%	0.0%	0.0%
Average cumulative bill impact, %	-5.8%	2.3%	-	-
Average cumulative bill impact, $	($131)	$11	-	-
Average annual consumption, kWh	13,105	915	-	-
Average maximum demand, kW	8.0	1.9	-	-
Average load factor, %	19.7%	11.2%	-	-

Medium and large business low voltage customer impacts

The following six figures show the impact on customers on three tariffs moving from prices in 2018-19 to new prices in 2019-20 and at the end of the regulatory period in 2023-24.

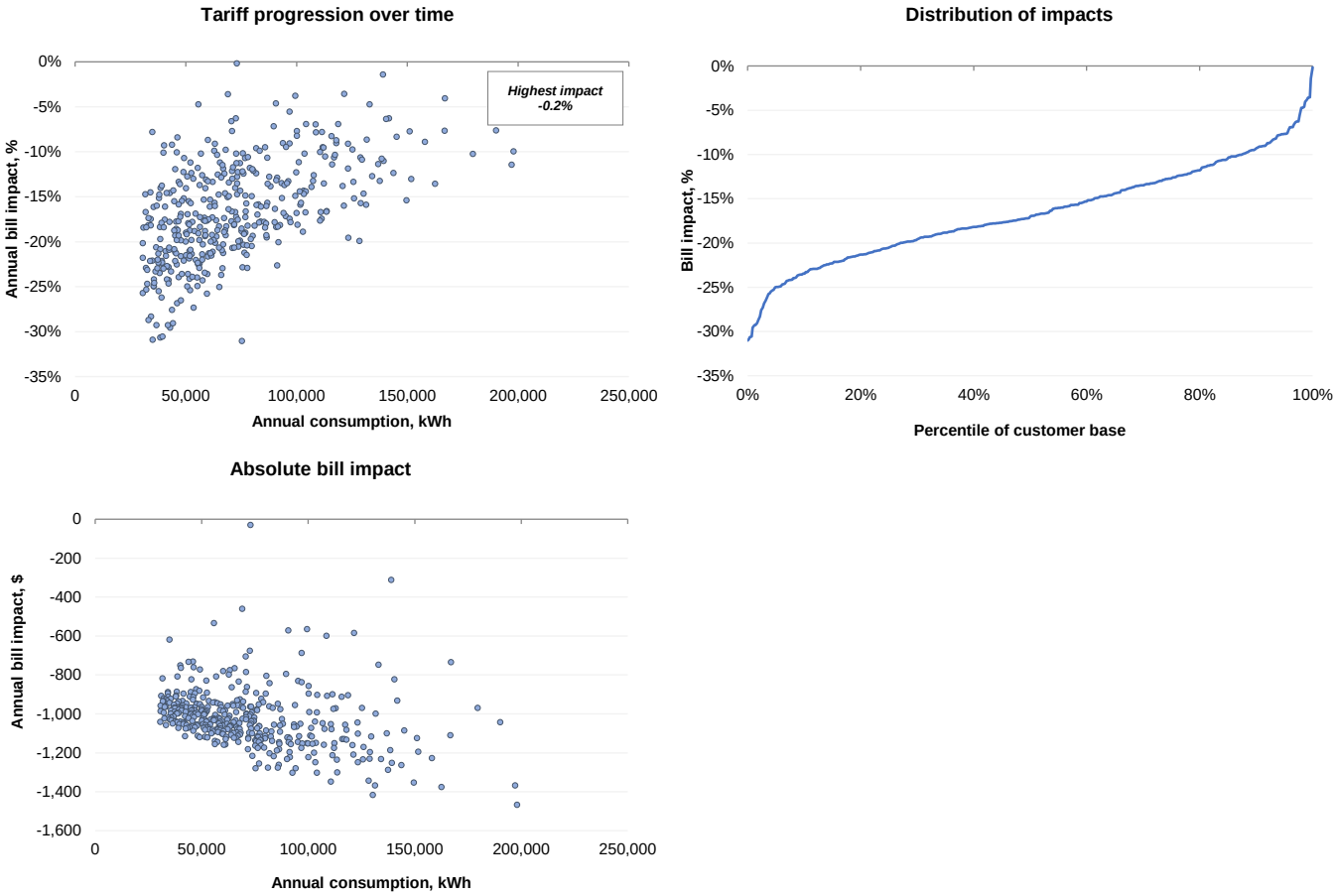
- Figures A2.27 and A2.28: the impact on customers on EA302 40-160 MWh a year of new prices in 2019-20 and at the end of the regulatory period
- Figures A2.29 and A2.30: the impact on customers on EA305 160-750 MWh a year of new prices in 2019-20 and at the end of the regulatory period
- Figures A2.31 and A2.32: the impact on customers on EA310 > 750 MWh a year of new prices in 2019-20 and at the end of the regulatory period.

Figure A2.27. First year impact: EA302 (40-160 MWh pa) from 2018-19 to 2019-20



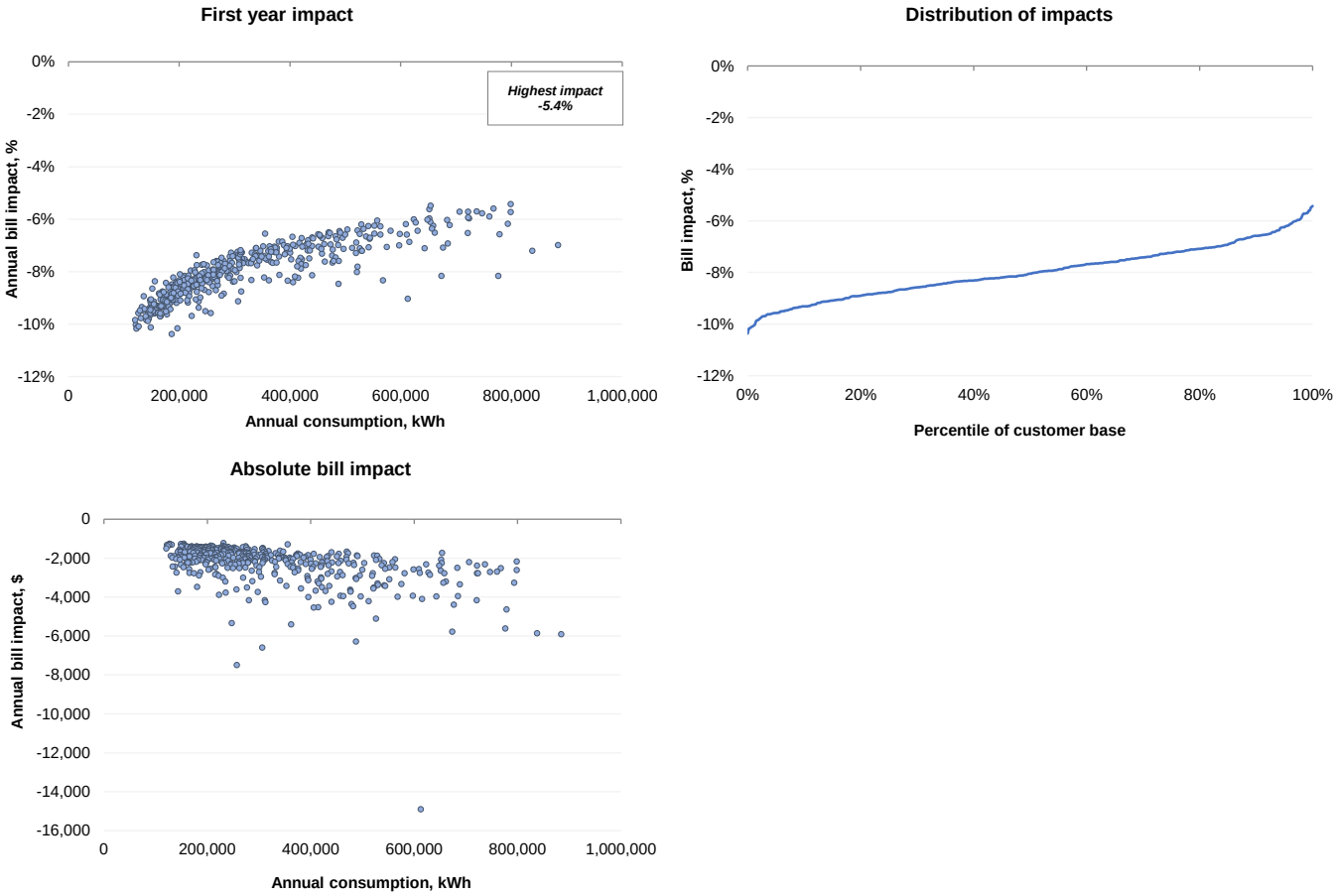
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average annual bill impact, %	-12.5%	-	-	-
Average annual bill impact, $	($966)	-	-	-
Average annual consumption, kWh	72,391	-	-	-
Average maximum demand, kW	27.4	-	-	-
Average load factor, %	35.7%	-	-	-

Figure A2.28. Tariff progression over time: EA302 (40-160 MWh pa) from 2019-20 to 2023-24



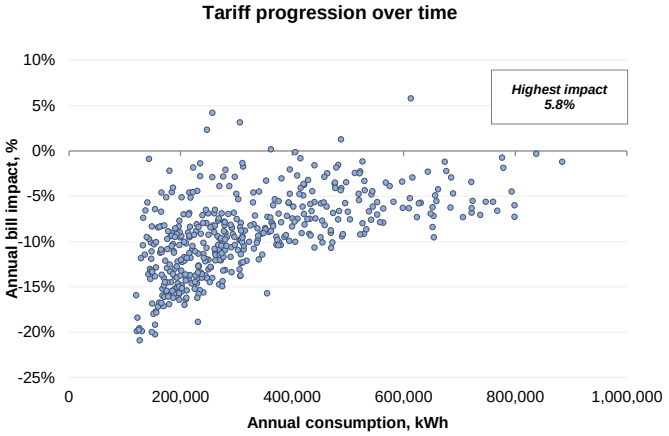
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-16.6%	-	-	-
Average cumulative bill impact, $	($1,025)	-	-	-
Average annual consumption, kWh	72,391	-	-	-
Average maximum demand, kW	27.4	-	-	-
Average load factor, %	35.7%	-	-	-

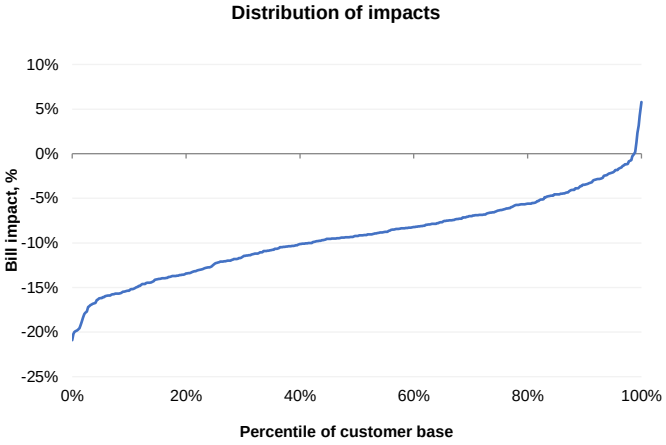
Figure A2.29. First year impact: EA305 (160-750 MWh pa) from 2018-19 to 2019-20

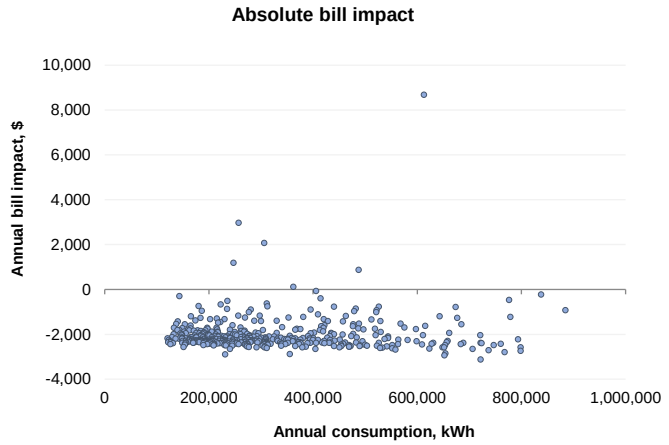


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average annual bill impact, %	-8.0%	-	-	-
Average annual bill impact, $	($2,293)	-	-	-
Average annual consumption, kWh	322,616	-	-	-
Average maximum demand, kW	102.8	-	-	-
Average load factor, %	42.7%	-	-	-

Figure A2.30. Tariff progression over time: EA305 (160-750 MWh pa) from 2019-20 to 2023-24

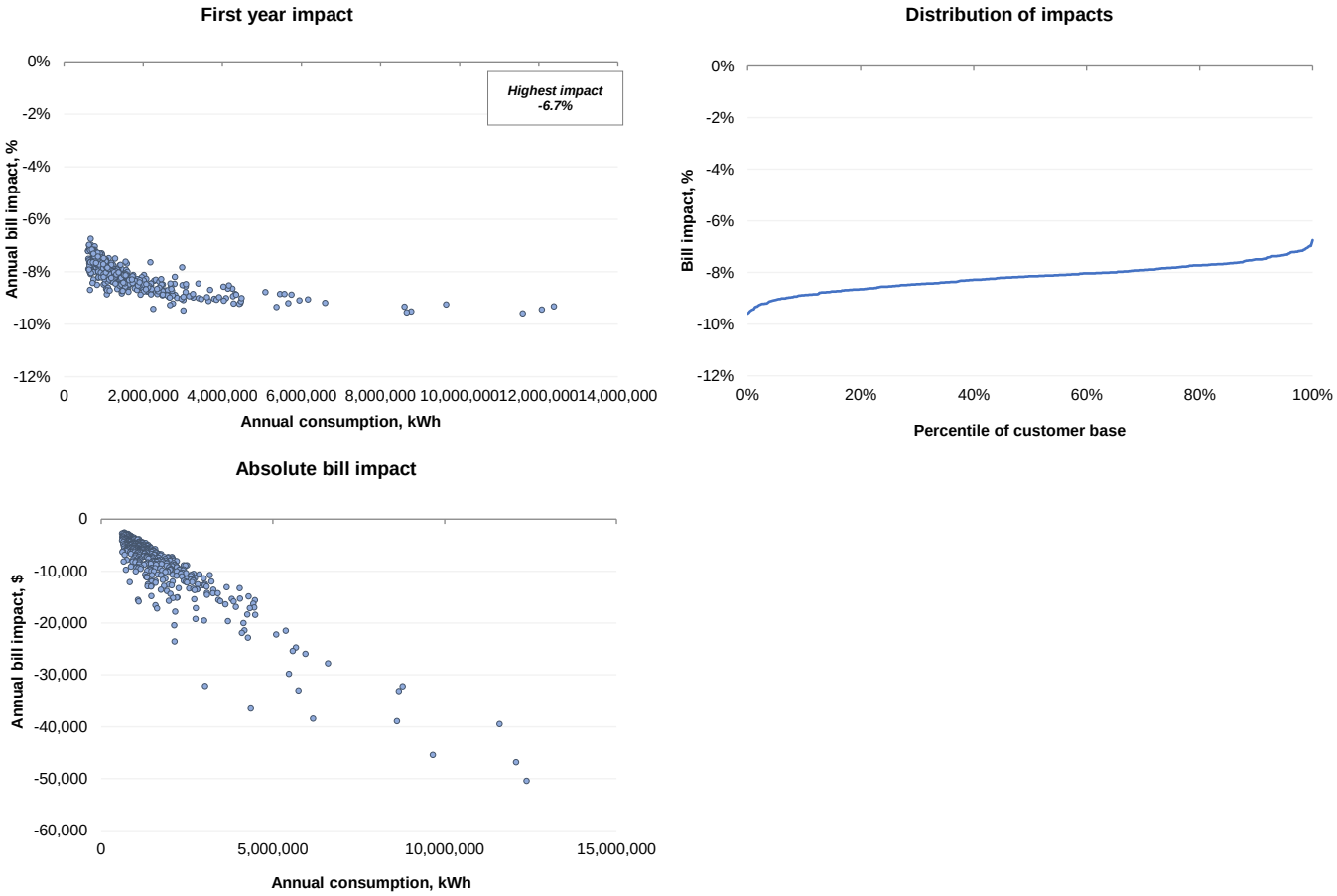






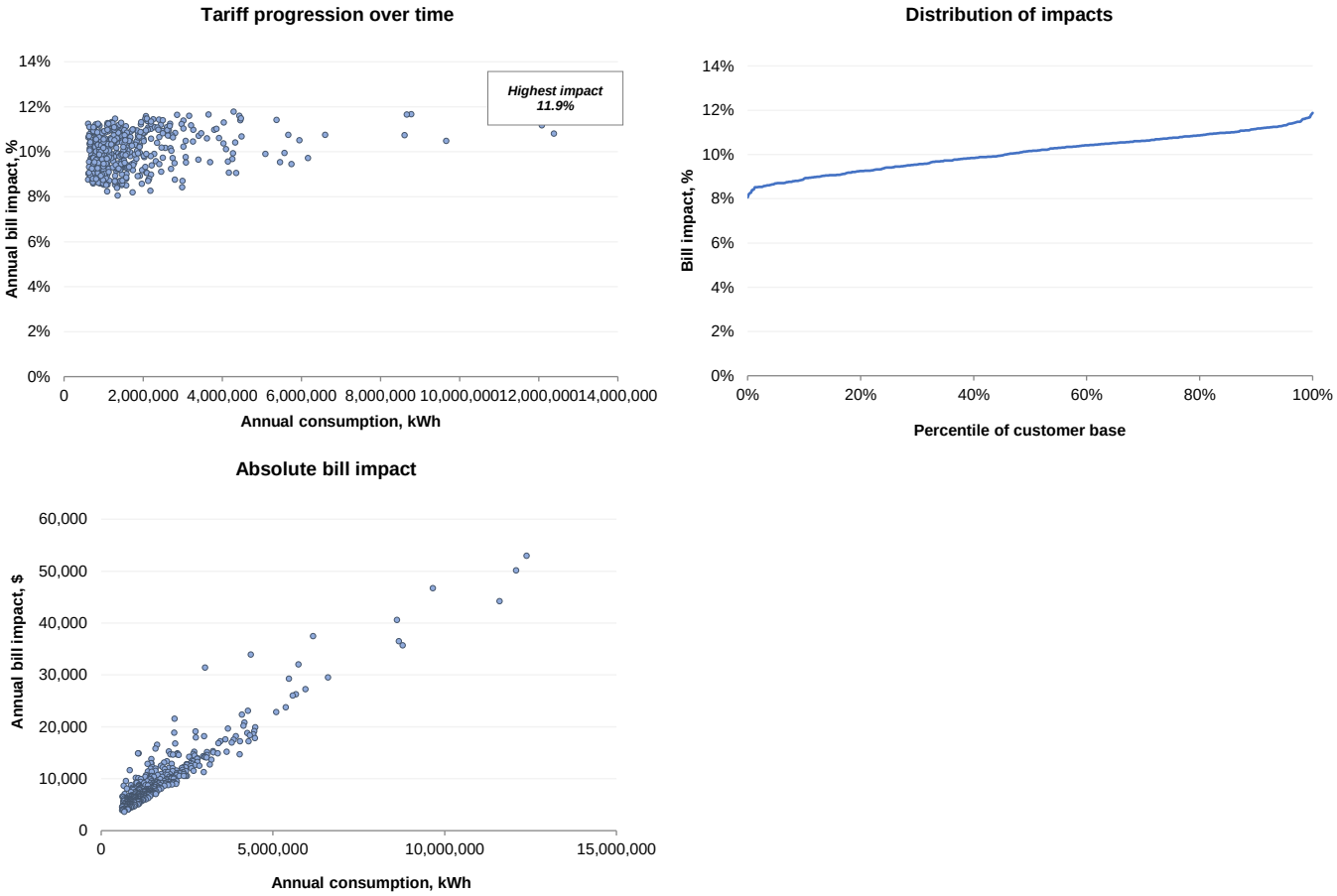
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	1.3%	0.0%	0.0%
Average cumulative bill impact, %	-9.3%	2.8%	-	-
Average cumulative bill impact, $	($2,031)	$2,654	-	-
Average annual consumption, kWh	322,616	378,530	-	-
Average maximum demand, kW	102.8	371.6	-	-
Average load factor, %	42.7%	12.4%	-	-

Figure A2.31. First year impact: EA310 (>750 MWh pa) from 2018-19 to 2019-20



Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average annual bill impact, %	-8.2%	-	-	-
Average annual bill impact, $	($9,064)	-	-	-
Average annual consumption, kWh	1,760,094	-	-	-
Average maximum demand, kW	466.6	-	-	-
Average load factor, %	46.0%	-	-	-

Figure A2.32. Tariff progression over time: EA310 (>750 MWh pa) from 2019-20 to 2023-24

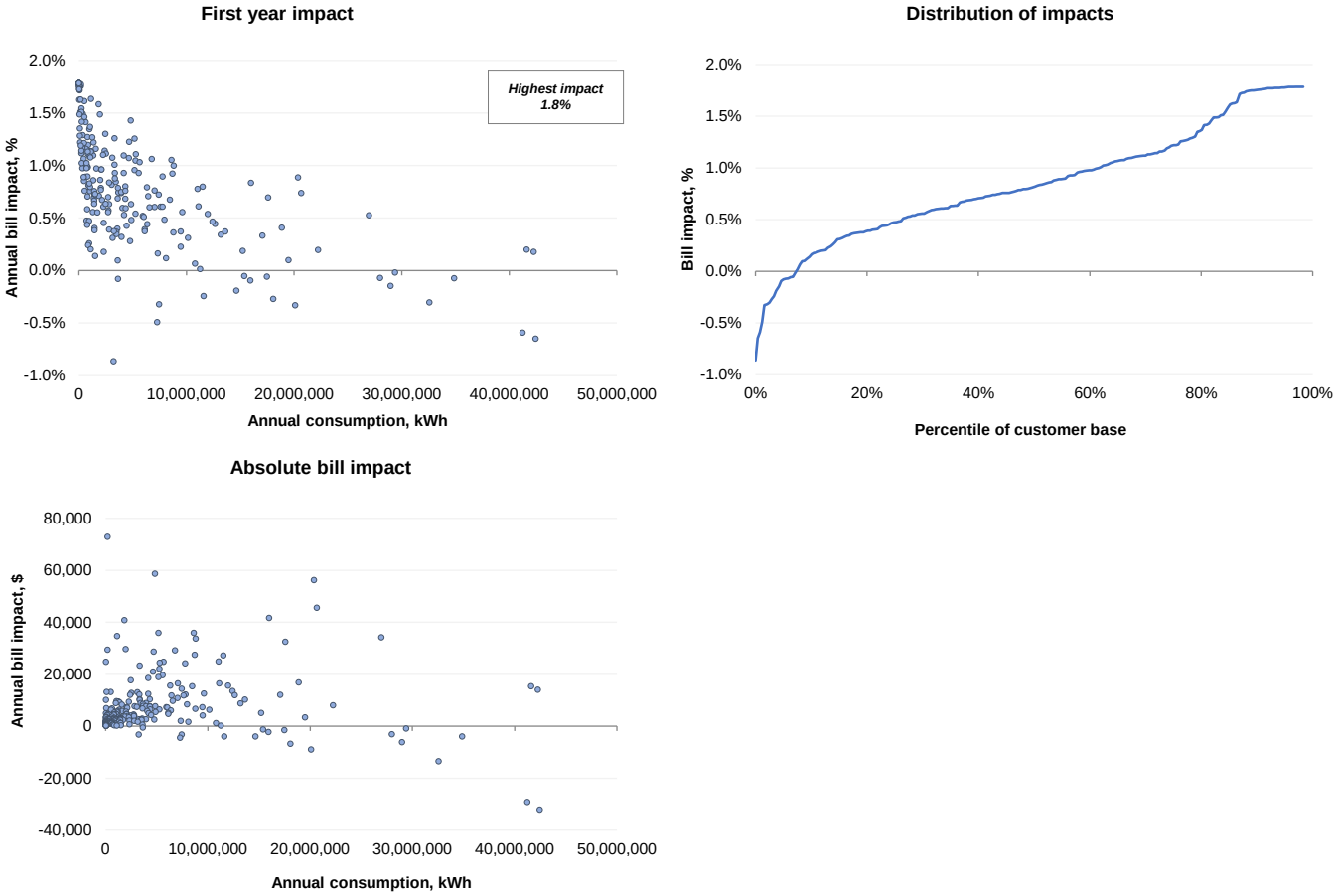


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	54.2%	0.0%
Average cumulative bill impact, %	10.1%	10.1%	10.7%	-
Average cumulative bill impact, $	$9,885	$9,885	$9,901	-
Average annual consumption, kWh	1,760,094	1,760,094	1,963,116	-
Average maximum demand, kW	466.6	466.6	399.5	-
Average load factor, %	46.0%	46.0%	56.3%	-

High Voltage customer impacts

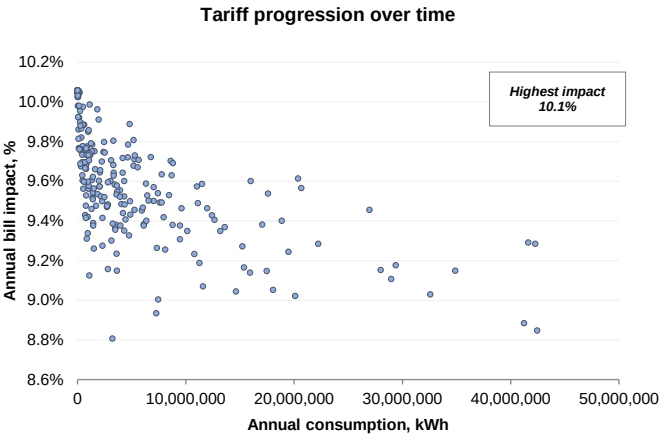
Figures A2.33 and A2.34 show the impact on customers on EA370 High Voltage Connection (system) of new prices in 2019-20 and at the end of the regulatory period in 2023-24. Impacts are based on all customers, not a sample.

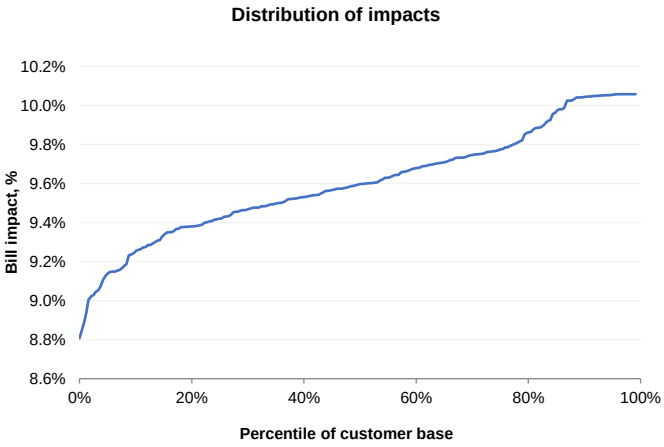
Figure A2.33. First year impact: EA370 (HV Connection System) from 2018-19 to 2019-20

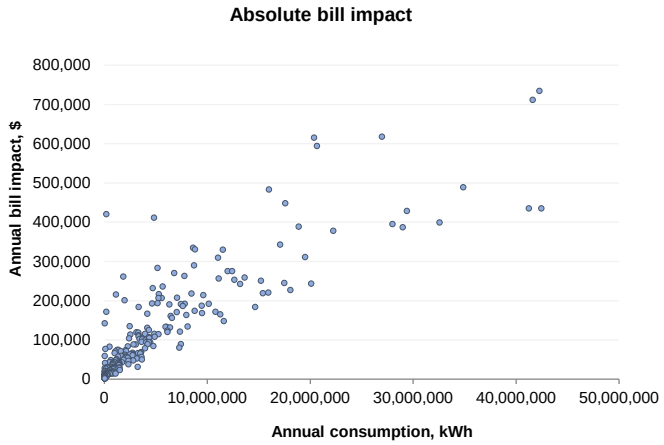


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	92.4%	0.0%	0.0%
Average annual bill impact, %	0.9%	0.9%	-	-
Average annual bill impact, $	$7,568	$8,769	-	-
Average annual consumption, kWh	5,289,204	4,031,577	-	-
Average maximum demand, kW	1,336.8	1,174.5	-	-
Average load factor, %	38.2%	35.4%	-	-

Figure A2.34. Tariff progression over time: EA370 (HV Connection System) from 2019-20 to 2023-24





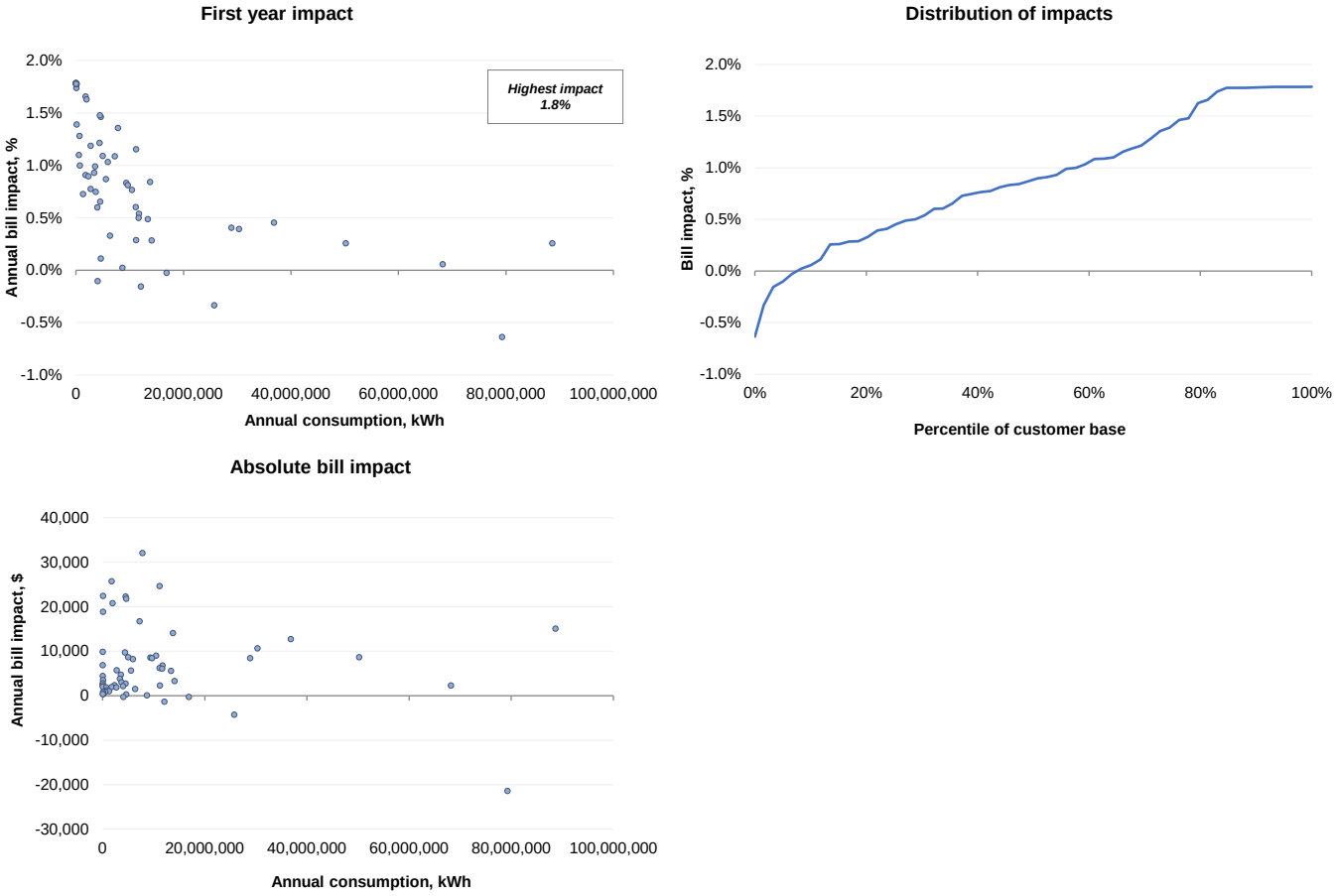


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	13.4%	0.0%
Average cumulative bill impact, %	9.6%	9.6%	10.0%	-
Average cumulative bill impact, $	$122,969	$122,969	$35,598	-
Average annual consumption, kWh	5,289,204	5,289,204	20,236	-
Average maximum demand, kW	1,336.8	1,336.8	236.5	-
Average load factor, %	38.2%	38.2%	5.5%	-

Subtransmission customer impacts

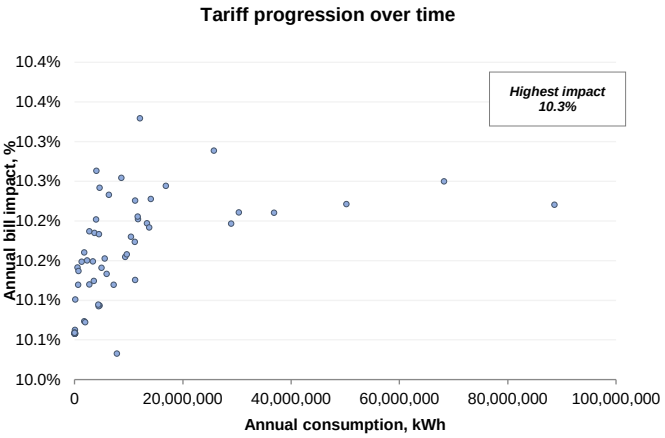
Figures A2.35 and A2.36 show the impact on customers on EA390 ST Connection (system) of new prices in 2019-20 and at the end of the regulatory period in 2023-24. Impacts are based on all customers, not a sample.

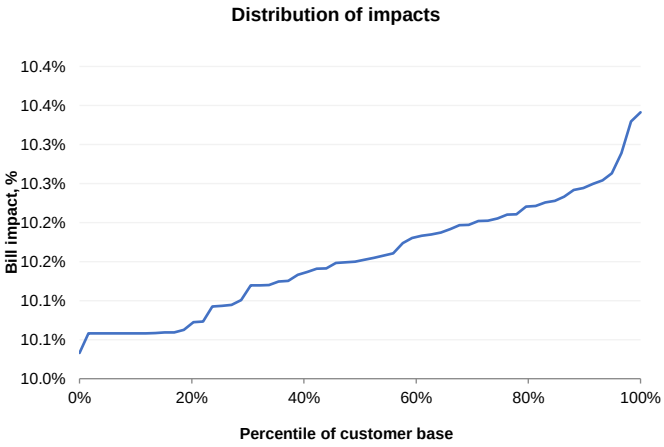
Figure A2.35. First year impact: EA390 (ST Connection) from 2018-19 to 2019-20

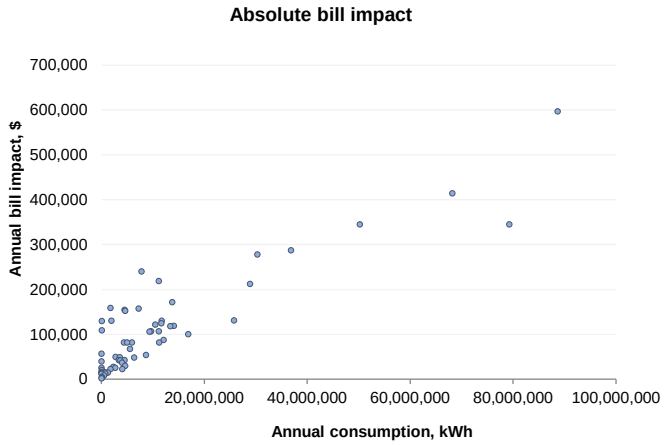


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	91.7%	0.0%	0.0%
Average annual bill impact, %	0.9%	1.0%	-	-
Average annual bill impact, $	$6,817	$7,934	-	-
Average annual consumption, kWh	11,133,069	9,638,548	-	-
Average maximum demand, kW	2,889.0	2,715.6	-	-
Average load factor, %	37.6%	34.2%	-	-

Figure A2.36. Tariff progression over time: EA390 (ST Connection) from 2019-20 to 2023-24







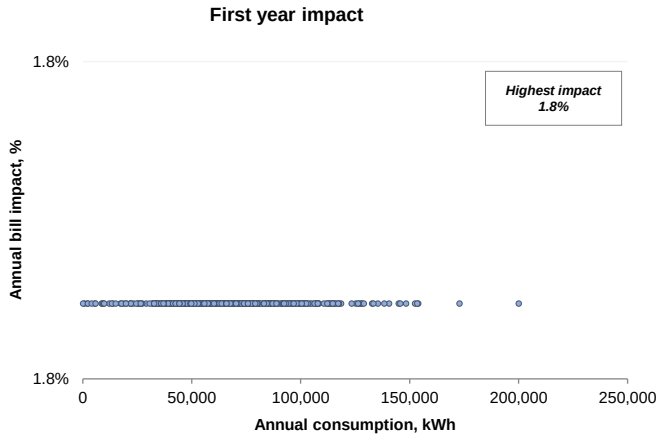
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	100.0%	0.0%
Average cumulative bill impact, %	10.2%	10.2%	10.2%	-
Average cumulative bill impact, $	$108,209	$108,209	$108,209	-
Average annual consumption, kWh	11,133,069	11,133,069	11,133,069	-
Average maximum demand, kW	2,889.0	2,889.0	2,889.0	-
Average load factor, %	37.6%	37.6%	37.6%	-

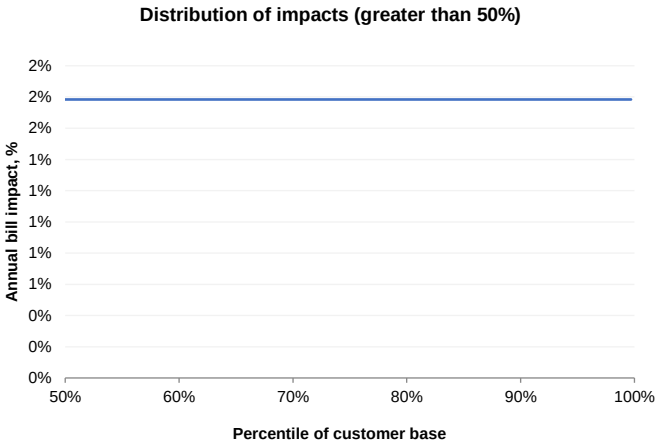
Transitional customer impacts

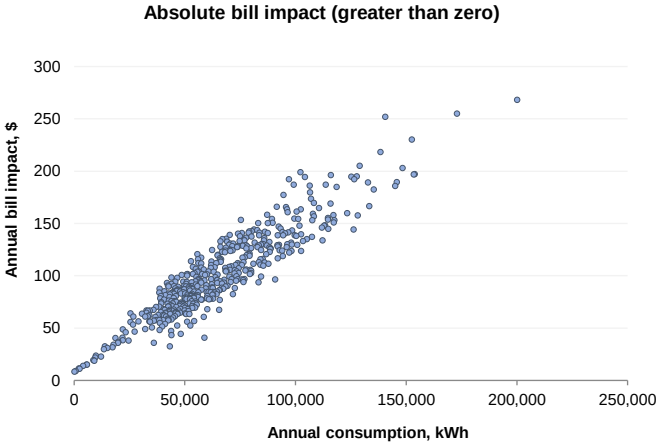
The following four figures show the impact on customers on two tariffs moving from prices in 2018-19 to new prices in 2019-20 and at the end of the regulatory period in 2023-24.

- Figures A2.37 and A2.38: the impact on customers on EA316 Transitional 40-160 MWh a year of new prices in 2019-20 and at the end of the regulatory period
- Figures A2.39 and A2.40: the impact on customers on EA317 Transitional 160-750 MWh a year of new prices in 2019-20 and at the end of the regulatory period

Figure A2.37. First year impact: EA316 (Transitional 40-160 MWh pa) from 2018-19 to 2019-20

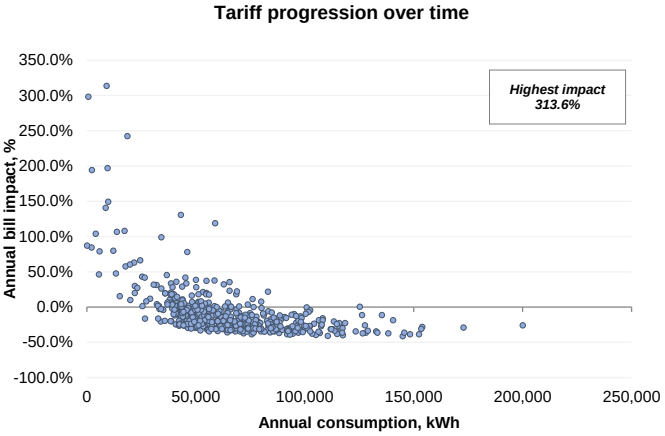


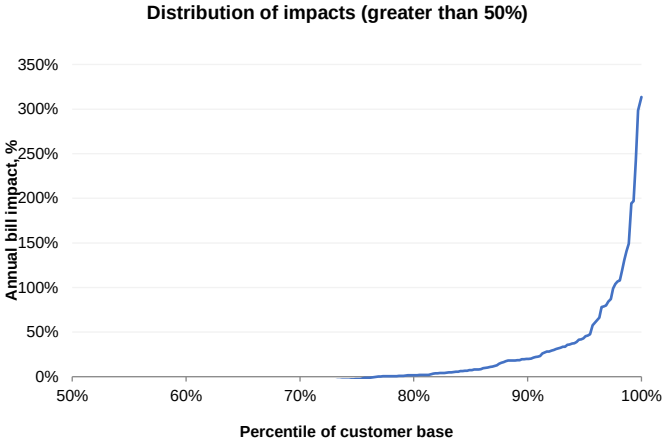


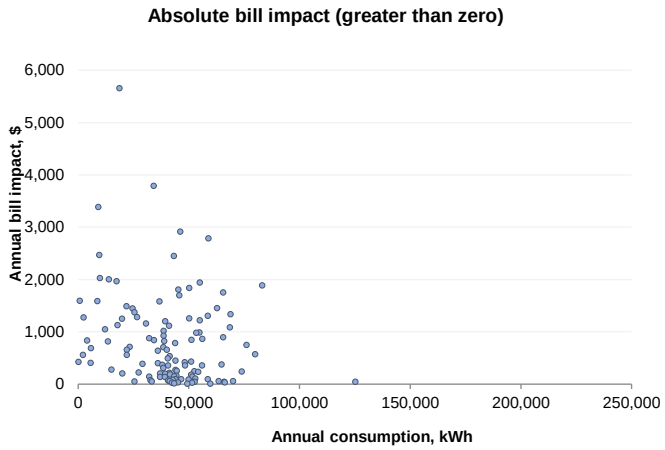


Summary Results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average annual bill impact, %	1.8%	1.8%	N/A	N/A
Average annual bill impact, $	$101	$101	N/A	N/A
Average annual consumption, kWh	65,204	65,204	N/A	N/A
Average maximum demand, kW	22.4	22.4	N/A	N/A
Average load factor, %	37.3%	37.3%	N/A	N/A

Figure A2.38. Tariff progression over time: EA316 (Transitional 40-160 MWh pa) from 2019-20 to 2023-24







Summary Results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	28.6%	16.7%	12.6%
Average cumulative bill impact, %	-8.1%	36.5%	59.7%	74.3%
Average cumulative bill impact, $	($927)	$827	$1,295	$18,247
Average annual consumption, kWh	65,204	40,609	34,688	31,533
Average maximum demand, kW	22.4	25.4	25.1	25.6
Average load factor, %	37.3%	19.4%	17.0%	14.2%

Figure A2.39. First year impact: EA317 (Transitional 160-750 MWh pa) from 2018-19 to 2019-20

[supressed due to the small sample size]

Summary Results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	1.7%	0.0%	0.0%
Average annual bill impact, %	1.8%	1.8%	N/A	N/A
Average annual bill impact, $	$278	$278	N/A	N/A
Average annual consumption, kWh	200,749	200,749	N/A	N/A
Average maximum demand, kW	37.8	37.8	N/A	N/A
Average load factor, %	54.2%	54.2%	N/A	N/A

Figure A2.40. Tariff progression over time: EA317 (Transitional 160-750 MWh pa) from 2019-20 to 2023-24

[supressed due to the small sample size]

Summary Results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.2%	0.2%	0.2%
Average cumulative impact, %	45.8%	460.5%	460.5%	460.5%
Average cumulative bill impact, $	($3,306)	$3,690	$3,690	$44,277
Average annual consumption, kWh	200,749	3,777	3,777	3,777
Average maximum demand, kW	37.8	5.6	5.6	5.6
Average load factor, %	54.2%	7.7%	7.7%	7.7%

A.3 Completed compliance spreadsheet (CONFIDENTIAL)

A.4 Notification of Climate Change Fund contribution

From: Phoebe Colman <Phoebe.Colman@environment.nsw.gov.au>
Sent: Monday, 29 April 2019 1:37 PM
To: Garry Foo <gfoo@Ausgrid.com.au>
Cc: Bronwyn Isaac <Bronwyn.Isaac@environment.nsw.gov.au>; Pricing <pricing@ausgrid.com.au>
Subject: CCF Forward Estimates - Ausgrid

Hi Garry,

Please see below Ausgrid's estimated contribution for 2019-20 and forward estimates for future years.

Climate Change Fund Contributions	Actual 2018-19	Budget Year 2019-20	Forward estimate 2020-21	Forward estimate 2021-22
Climate Change Fund	**$281,154,194**	**$275,580,621**	**$275,738,304**	**$278,236,522**
Ausgrid	$135,587,381	$133,812,268	$133,474,553	$134,683,846

Please note these figures are nominal and subject to change and confirmation on an annual basis.

The figure for 2019-20 includes an adjustment to the 2018-19 contribution. The adjustment is to account for an update to the estimated share of population applicable to the calculation of 2018-19 contributions.

As discussed on the phone recently, the Community Resilience and Energy Savings Policy branch within OEH has recently assumed responsibility for the CCF contributions. The Principal Policy Officer currently responsible for this is Bronwyn Isaac (copied), and the Director of the Branch is Cristien Hickey.

Regards,
Phoebe.

Phoebe Colman
Project Coordinator
Community Resilience and Energy Savings
Policy Division
Office of Environment & Heritage

59-61 Goulburn Street, Sydney 2000
PO Box A290, Sydney South 2000
T 02 8275 1425

A.5 TransGrid's transmission charges for 2019-20

TransGrid

NSW Electricity Networks Operations Pty Limited
ACN 609 169 959
180 Thomas Street, Sydney
PO Box A1000 Sydney South
NSW 1235 Australia
T (02) 9284 3000
F (02) 9284 3456

15/03/2019

Matt Cooper
Manager Network Risk and Planning
Ausgrid
GPO Box 4009
Sydney NSW 2001

Dear Matt

2019-20 Prescribed Transmission Service Prices

Please find attached a schedule of Ausgrid's 2019/20 prescribed Transmission Service Prices applicable from 1 July 2019. These prices have been set by TransGrid as the co-ordinating Transmission Network Service Provider (TNSP) for the NSW and ACT market region.

At the time of publication of 2019/20 transmission prices, the AER's Final Decision for TransGrid's 2018-2023 revenue determination and Pricing Methodology was available and prices are calculated using this determination, the National Electricity Rule requirements, and in accordance with the approved Pricing Methodology.

The previous financial year's transmission prices (2018/19) were calculated using TransGrid's Draft Decision, hence a true-up of the revenue differences between the AER's draft and final decisions has been made with calculating the 2019/20 transmission prices.

The total forecast revenue to be collected through transmission charges for NSW and ACT in 2019/20 is $742.45 million, a 4% decrease from 2018/19. This is primarily due to the following effects:

- A decrease in 2019-20 NSW and ACT transmission forecast revenue compared to 2019/20. This has the effect of decreasing the 2019/20 transmission charges by 14.3%
- 2018/19 adjustments primarily driven by higher residues, partially offset by a forecast increase in 2019/20 residues and SRA proceeds. This has the effect of increasing the 2019/20 transmission charges by 10%
- An increase in the net inter-regional transmission charges (modified load export charges) payable to Powerlink Queensland and AEMO-Victoria as required under Clause 6A.29A of the National Electricity Rules (NER). This has the effect of increasing the 2019/20 transmission charges by 0.3%.

Ausgrid Distribution's forecast charges for transmission services provided by TransGrid

The following table summarises the forecast revenue by service category across Ausgrid's transmission connection points billable by TransGrid. It excludes the TNSP to TNSP net transfer payment amount.

Ausgrid's Connection Points Billable by TransGrid ($) - GST Excluded					
Forecast	Connection	Locational	Common Service	Non-locational	Total
2018/19	6,391,956	56,218,809	39,870,641	25,985,668	128,467,075
2019/20	8,218,524	59,186,324	50,575,033	23,851,038	141,830,919
$ change	1,826,568	2,967,515	10,704,391	- 2,134,630	13,363,845
% change	29%	5%	27%	-8%	10%

The total transmission charge forecast as payable to TransGrid in 2019/20 represents a 10% increase compared to the charge forecasted in 2018/19. This increase is due to increased network utilisation, and additional connection points due to Ausgrid delisting dual function assets.

Transfer payments

The transfer payments for Ausgrid are shown in the following table.

Ausgrid - 2019/20 Financial Transfer ($ GST excluded)	
TransGrid to Ausgrid	$ 18,606,229.21
Ausgrid to TransGrid	$ 118,137,040.18
Ausgrid to Directlink	$ 1,257,397.97
Ausgrid to Evoenergy	$ 185,208.28
Evoenergy to Ausgrid	$ 151,786.80
Net transfer from Ausgrid	**$ 100,821,630.42**

Ausgrid Distribution forecast charges for transmission services provided by Ausgrid Transmission

The forecast revenue charges at the connection points between Ausgrid transmission and Ausgrid distribution using the forecast revenue at the time of transmission price publication are included in the following table. The table also includes a comparison in revenue from all transmission service categories between the 2018/19 and 2019/20 financial years.

Ausgrid's Transmission ($ GST excluded)						
	Connection	Locational	Non-locational	Common Service	Net Financial Transfer	AARR
2018/19	37,616,683	109,100,805	28,715,233	44,058,700	- 28,533,611	190,957,810
2019/20	10,434,826	87,760,576	21,973,061	46,592,869	- 100,821,630	65,939,701
$ change	- 27,181,857	- 21,340,229	- 6,742,172	2,534,168	- 72,288,019	- 125,018,109
% change	-72.3%	-19.6%	-23.5%	5.8%	253.3%	-65.5%

The net financial transfer is the payment from Ausgrid to other NSW and ACT TNSPs. For 2019/20 the net payment has decreased by 65.5% as a result of a reduction in dual function assets.

Should you wish to discuss any aspect of the 2019/20 transmission prices please contact David Conroy, Pricing Strategy Manager on 02 9284 3081 or via email David.Conroy@TransGrid.com.au

Yours sincerely

Boon Thiow
Financial Controller

TransGrid

NSW and ACT Transmission Prices

1 July 2019 to 30 June 2020

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

Ausgrid

Customer Prices

Common service and non locational prices

These prices apply at all connection points

	($/MW/month)
Common Service Prices	1,4045
Non Locational Prices	0.6624

Locational and exit prices

TNSP	Customer	Connection Point	Exit ($/day)	Locational ($/kW/month)
Ausgrid	Ausgrid	Alexandria 33	1545.07	4.35
Ausgrid	Ausgrid	Belmore Park 11	2644.88	4.30
Ausgrid	Ausgrid	Belmore Park 132	546.52	3.77
Ausgrid	Ausgrid	Brandy Hill 11	605.66	2.92
Ausgrid	Ausgrid	Bunnerong 33	2168.82	4.61
Ausgrid	Ausgrid	Campbell Street 11	654.07	5.25
Ausgrid	Ausgrid	Campbell Street 132	449.64	5.68
Ausgrid	Ausgrid	Canterbury 33	2154.20	3.50
Ausgrid	Ausgrid	Charm Haven 11	586.62	1.55
Ausgrid	Ausgrid	Cronulla 132	0.00	3.41
Ausgrid	Ausgrid	Gosford 33kV	442.80	2.48
Ausgrid	Ausgrid	Gosford 66kV	1078.41	2.32
Ausgrid	Ausgrid	Green Square 11kV	898.18	3.58
Ausgrid	Ausgrid	Gwawley Bay 11	0.00	3.00
Ausgrid	Ausgrid	Homebush Bay 11	721.47	2.83
Ausgrid	Ausgrid	Hurstville North 11	825.20	3.91
Ausgrid	Ausgrid	Kingsford 11	862.85	5.18
Ausgrid	Ausgrid	Kogarah 11	868.04	5.02
Ausgrid	Ausgrid	Kurnell South 11	446.37	5.60
Ausgrid	Ausgrid	Kurnell South 132	186.85	3.04
Ausgrid	Ausgrid	Lane Cove 132	1050.06	3.77
Ausgrid	Ausgrid	Macquarie Park 11	0.00	5.94
Ausgrid	Ausgrid	Maroubra 11	898.54	7.73
Ausgrid	Ausgrid	Marrickville 11	890.21	3.79
Ausgrid	Ausgrid	Mason Park 132	456.00	2.97
Ausgrid	Ausgrid	Meadowbank 11	796.99	3.90
Ausgrid	Ausgrid	Mummorah 33	437.46	1.30
Ausgrid	Ausgrid	Ourimbah 132	396.78	2.50
Ausgrid	Ausgrid	Ourimbah 33	522.61	2.22
Ausgrid	Ausgrid	Ourimbah 66	793.56	2.26
Ausgrid	Ausgrid	Peakhurst 33	1089.91	2.53
Ausgrid	Ausgrid	Potts Hill 132	0.00	4.05
Ausgrid	Ausgrid	Rockdale 11	750.47	5.07
Ausgrid	Ausgrid	Rose Bay 11	754.17	12.84
Ausgrid	Ausgrid	Somersby 11	653.48	2.28
Ausgrid	Ausgrid	St Peters 11	1534.83	3.86
Ausgrid	Ausgrid	Top Ryde 11	710.91	4.45
Ausgrid	Ausgrid	Waverley 11	721.11	10.56
Ausgrid	Ausgrid	West Gosford 11	543.84	2.07
Ausgrid	Ausgrid	Wyong 11	654.82	1.73

TNSP	Customer	Connection Point	Exit ($/day)	Locational ($/kW/month)
TransGrid	Ausgrid	Beaconsfield W 132	473.41	3.37
TransGrid	Ausgrid	Haymarket 132	3484.91	3.69
TransGrid	Ausgrid	Liddell 330	0.00	0.68
TransGrid	Ausgrid	Muswellbrook 132	523.66	0.99
TransGrid	Ausgrid	Newcastle 132	3427.63	1.22
TransGrid	Ausgrid	Rookwood Rd 132	220.24	3.04
TransGrid	Ausgrid	Sydney East 132	5848.93	1.84
TransGrid	Ausgrid	Sydney North 132	1368.34	2.42
TransGrid	Ausgrid	Sydney South 132	665.23	2.13
TransGrid	Ausgrid	Tomago 132	424.70	1.58
TransGrid	Ausgrid	Tuggerah 132	196.49	2.21
TransGrid	Ausgrid	Vales Point 132	2612.75	1.30
TransGrid	Ausgrid	Vales Point 132 - 957/3	0.00	0.94
TransGrid	Ausgrid	Waratah West 132	5848.21	1.37

Appendix B. Alternative Control Services Fee Schedule