



Ref: 20220331:CW:JC

31 March 2022

Mrs Kami Kaur
Acting General Manager Distribution
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mrs Kaur

Essential Energy's 2022-23 Pricing Proposal

I am pleased to provide Essential Energy's 2022-23 Pricing Proposal (Pricing Proposal) to the Australian Energy Regulator (AER) and advise that it complies with the terms of the AER's 2019-24 Final Determination for Essential Energy ("the Determination").

The Pricing Proposal has been prepared in accordance with the requirements of Chapter 6 of the National Electricity Rules (the Rules) which establishes a process of price notification and review by the AER for annual price changes. The Pricing Proposal also follows the structures detailed in the Determination – Tariff Structure Statement (TSS). The Pricing Proposal adheres to the Indicative Pricing Schedule contained in the TSS for 2022-23 and has only been updated for:

- > CPI;
- > Cost of Debt and resulting change to Weighted Average Cost of Capital and X factor;
- > Pass through of Transmission Use of System charges advised by TransGrid, Powerlink and various distributors;
- > Pass through of jurisdictional scheme amounts; and
- > Adjustments to revenue as required under the Rules.

In preparing this Pricing Proposal, Essential Energy has utilised a customer, consumption and demand forecast developed for our upcoming regulatory proposal. This forecast methodology has been outlined in the attached Pricing Report for 2022-23 and in more detail as an attachment to this pricing proposal.

In addition, the Pricing Proposal provides more detail on our proposed tariff trials. As indicated in a letter to AER dated 28 February 2022, Essential Energy intend to conduct tariff trials during the 2022-23 year and the proposed tariff structures for trial have, indicatively, been included.

The table below contains a list of the required documents as part of this Pricing Proposal. We have also indicated which of these items are confidential.

Attachment	Description	Public/Confidential
1	Essential Energy pricing model for 2022-23	Confidential – this includes cost reflective network prices for individual large customers

Attachment	Description	Public/Confidential
1a	2022-23 Pricelist and explanatory notes for distribution charges, TUoS, CCF and Queensland Solar Scheme – a similar pricelist for total network charges will be notified to retailers and customers once approved	Public
2	Essential Energy ACS pricing model for 2022-23	Public
2a	Proposed Public Lighting prices for 2022-23	Public
2b	Proposed schedule of Ancillary Network Services for 2022-23	Public
2c	Proposed schedule of Metering Services for 2020-24	Public
3	2022-23 Annual Network Pricing Report	Public
4	Indicative Pricing Schedule for 2023-24	Public
5	Stand alone and avoidable cost model	Confidential – this includes cost reflective network prices for individual large customers
6	Letter to AER outlining intention to introduce sub-threshold tariffs	Public
7	Forecasting details	for AER staff information only

We would be pleased to meet with the AER to discuss any aspect of this Pricing Proposal if more detail is required. If you require any further information, please contact Natalie Lindsay on [REDACTED] or Catherine Waddell on [REDACTED]. Alternatively, please do not hesitate to contact me on [REDACTED]

Yours sincerely



John Cleland
Chief Executive Officer