



Jemena Electricity  
Networks (Vic) Ltd  
ABN 82 064 651 083

12 November 2021

Warwick Anderson  
General Manager, Pricing  
Australian Energy Regulator  
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Dear Mr. Anderson,

### **Annual pricing process review - Standardised model templates**

Jemena Electricity Networks' (**JEN**) appreciates the opportunity to respond to the Australian Energy Regulator's (**AER**) standardised model templates on the annual pricing process. We appreciate the continued collaborative approach the AER has taken to improve the annual process.

Our submission covers two areas:

- The use of historical prices and quantities
- Comments on points of detail in the spreadsheet (see **Appendix A**)

We do not have any comments with regards to the price capped ACS model, which appears suitable.

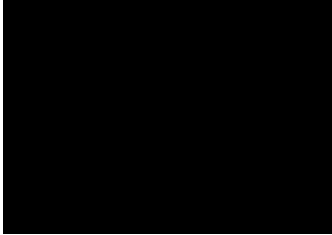
### **The use of historical prices and quantities**

JEN supports the AER decoupling revenue derived from historical prices multiplied by quantities for that revenue used for the unders and overs account. This would address the concern we outlined in our 24 September 2021 submission that these will often not reconcile and might require explanations that are not relevant to whether the pricing proposal is compliant.

If you have any questions regarding this letter, please contact Ju-Ai Ng on

[REDACTED] or [REDACTED]

Kind regards,



Chris Stewart  
Group Network Pricing & Compliance Manager  
Jemena Electricity Networks

## Appendix A. Comments on standardised model template

Location	Cell/column	Potential issue
Compliance tab	Cell S93	<p>Appears to be an incorrect compliance check formula. The correct formula should read:</p> <p>Calculated revenue (cell J93 to cell J103) &gt;= than avoidable cost (cell N93 to cell N103) and &lt;= standalone cost (cell L93 to cell L103)</p> <p><i>=IF(C93=0,0,IF(J93="", "", IF(N93&lt;=J93,IF(J93&lt;=L93,"COMPLIANT","NON-COMPLIANT"),"NON-COMPLIANT")))</i></p> <p>The same comment applies to the remaining compliance checks for the stand alone and avoidable cost table 6.</p>
Total qty tab	Calculated fields in columns J to N and P in Calculation table 17 Demand – SCS tariffs	<p>Appears to be referencing the incorrect cells from the Qty tab. The cell references should be Qty!\$1\$7:\$AQ\$7 instead of Qty!\$1\$9:\$AQ\$9.</p>
Accounts tab	Cell J55 to Q55	<p>Appears to be referencing the incorrect cells from the Financial tab. The correct cell references for “Del berate under-recoveries” is cell J102 to cell Q102 instead of cell J102 to cell Q103 (referring to Allowed revenue instead)</p>
Tariffs tab	Calculated fields in columns K and L in the Input table 22 charging components	<p>JEN would like to request to have built in calculations in the “Conversion” and “Multiplier” columns (K and L) that allows the calculation of JEN’s 4 month SDIC window (taking into account that in a leap year the days will be 122 instead of 121):</p> <p><i>IF(C33=0,0,IF(I33=day,daysperyear/(365/121),IF(I33=month,12,IF(I33=highsn,daysperhighsn,IF(I33=lowsn,daysperlowsn,1))))))</i></p>
Lookup Tables tab	Column G	<p>The lookup table requires a kVA reference to be added to the list.</p>