

28 September 2018



Mr Chris Pattas
General Manager, Distribution
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

By email to: NSW2019-24@aer.gov.au

Dear Mr Pattas,

Ausgrid – 2019-24 Tariff Structure Statement proposal

PIAC writes regarding correspondence from Ausgrid to the AER dated 26 September 2018. Ausgrid notified the AER of its intention for its revised tariff structure statement (TSS) proposal to be materially different to that submitted on 30 April 2018.

While PIAC cannot support or oppose the contents of the revised proposal until it is finalised, we welcome the commitment from Ausgrid to work with stakeholders to ensure it is of a higher quality than the original proposal. To best serve the long-term interests of consumers in this process, PIAC supports Ausgrid's request that the AER not accept the original proposal and be willing to assess the revised proposal on its merits.

Ausgrid's stakeholder engagement

In the correspondence, Ausgrid notes that it has briefed key consumer stakeholders about its intention to materially revise its TSS proposal, and of the nature of those revisions. PIAC confirms that this has been the case. We support this approach to stakeholder engagement.

Ausgrid's TSS

As noted in our submission to the AER's issues paper, PIAC does not consider Ausgrid's original TSS proposal capable of acceptance by consumers or the AER because it:

- Does not include demand tariffs for residential consumers; and
- Significantly increases fixed charges, reducing the ability of consumers to control their electricity bills.

However, based on recent discussions, it appears that Ausgrid will attempt to address both these issues in its revised TSS proposal. Therefore, PIAC reiterates its recommendation that the AER not accept the original TSS proposal in its draft decision. Further, we recommend that the AER considers Ausgrid's materially revised TSS proposal and stakeholder submissions when making its final decision.

Level 5, 175 Liverpool St
Sydney NSW 2000
Phone: 61 2 8898 6500
Fax: 61 2 8898 6555
www.piac.asn.au

Continued engagement

We look forward to continued engagement with the AER, Ausgrid and other stakeholders. Please contact Tim Harrison should you wish to discuss any of these matters further.

Yours sincerely,

Tim Harrison

Policy Officer, Energy and Water
Public Interest Advocacy Centre

Direct phone: +61 2 8898 6518

E-mail: tharrison@piac.asn.au

Craig Memery

Policy Team Leader, Energy and Water
Public Interest Advocacy Centre

Direct phone: +61 2 8898 6522

E-mail: cmemery@piac.asn.au