

# Improving the way we price our services

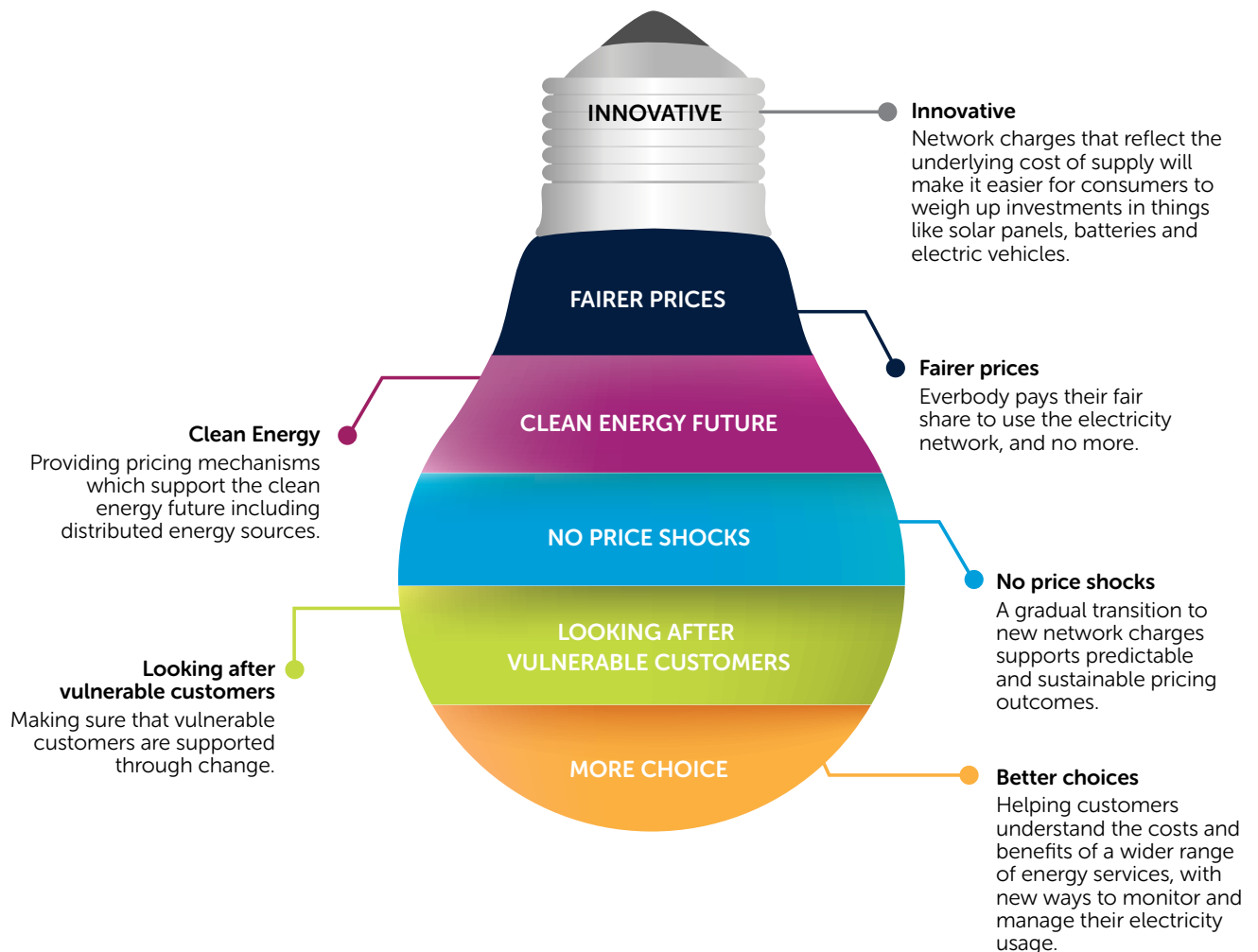
Tariff Structure Statement for  
Regulatory Control Period  
1 July 2017 – 30 June 2019

## Overview



# Benefits of network tariff reform

The following illustration highlights some of the key benefits of network tariff reform for our customers.



Most customers should face network charges that are lower, or about the same, in the next regulatory control period, when compared to current charging levels.



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# Creating value for our customers, our owners and our community



TasNetworks was created on 1 July 2014 by bringing Tasmania's electricity distribution and transmission networks into one network business. We are a State Owned Corporation with total assets of over \$3 billion and our purpose is to create value for our customers, our owners and our community. Our vision is to be trusted by our customers to deliver today and create a better tomorrow.

**We are working hard to keep our costs and our prices as low as we sustainably can,** while delivering safe and reliable services.

Network costs presently make up around half of the typical Tasmanian residential electricity bill. As part of our journey to a better tomorrow, we are changing the way we charge for the delivery of electricity and access to the distribution network.

Many of our charges take the form of network 'tariffs', which we charge to electricity retailers. This document, which provides an overview of our Tariff Structure Statement, outlines key changes we are making to network tariffs and explains why these changes will result in better outcomes for our customers.

At the heart of our tariff changes is the need to send our customers network price signals that better match the demands customers place on the network (and the benefits they derive) with the cost of providing the network. The consumption based network tariffs we have traditionally used to recover the cost of providing and running the electricity network are no longer fit for purpose.

The present prices do not send the right network price signals for customers to understand how their energy use affects network costs, or to support technological and customer driven changes in the electricity market, like the widespread uptake of solar panels and emerging battery technology. Recent changes to the National Electricity Rules also require us to apply a more cost reflective approach to determining our tariffs.

The move towards fairer, more cost reflective network prices has already begun. It will continue over the upcoming two year regulatory period which commences on 1 July 2017. For most customers the transition will involve only small changes. Over a number of years, the changes made to existing network tariffs, plus the introduction of some new demand based network tariffs for residential and small business connections, will see customers pay charges that better reflect their contribution to network costs.

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**We will not recover any additional revenue as a result of changes to our network tariffs. In fact, in the long term, our revenues may fall as we support a more efficient network.**

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Prices that better reflect the demands that customers make on the network, particularly at peak times when the network is already working hard, may reduce the need to renew the network in some areas, or upgrade the capacity in other areas. The need to spend less on building, operating and maintaining the network, and a better utilised network, support lower average network charges.

This is good news for customers.

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The process of tariff reform is challenging. To be successful, we will need to gain customers' trust, and foster understanding and acceptance of any new or modified network tariffs. To that end, we have already consulted extensively with customers, electricity retailers and the wider community about improving our network tariffs.

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The customers and stakeholders that we have engaged with have been broadly supportive of the changes we've proposed to our network tariffs. They've also told us that we need to put a lot of effort into explaining network tariff reform, to ensure that customers understand the potential benefits of network tariff reform, and how the new time of use demand based network tariffs will work. Customers are also keen to see the results of our tariff trial, which will help us gain more information about customer demand, the effectiveness of our communication with customers and customers' responses to new price signals.

Our Tariff Structure Statement is the next step in the tariff reform conversation with our customers. The Tariff Structure Statement should be read in conjunction with our *Indicative Pricing Schedule*, which sets out indicative price levels for each tariff for 1 July 2017 to 30 June 2019.

We will continue to seek feedback on how we can improve our customer communications and we welcome your feedback on this document.

**Lance Balcombe**  
Chief Executive Officer

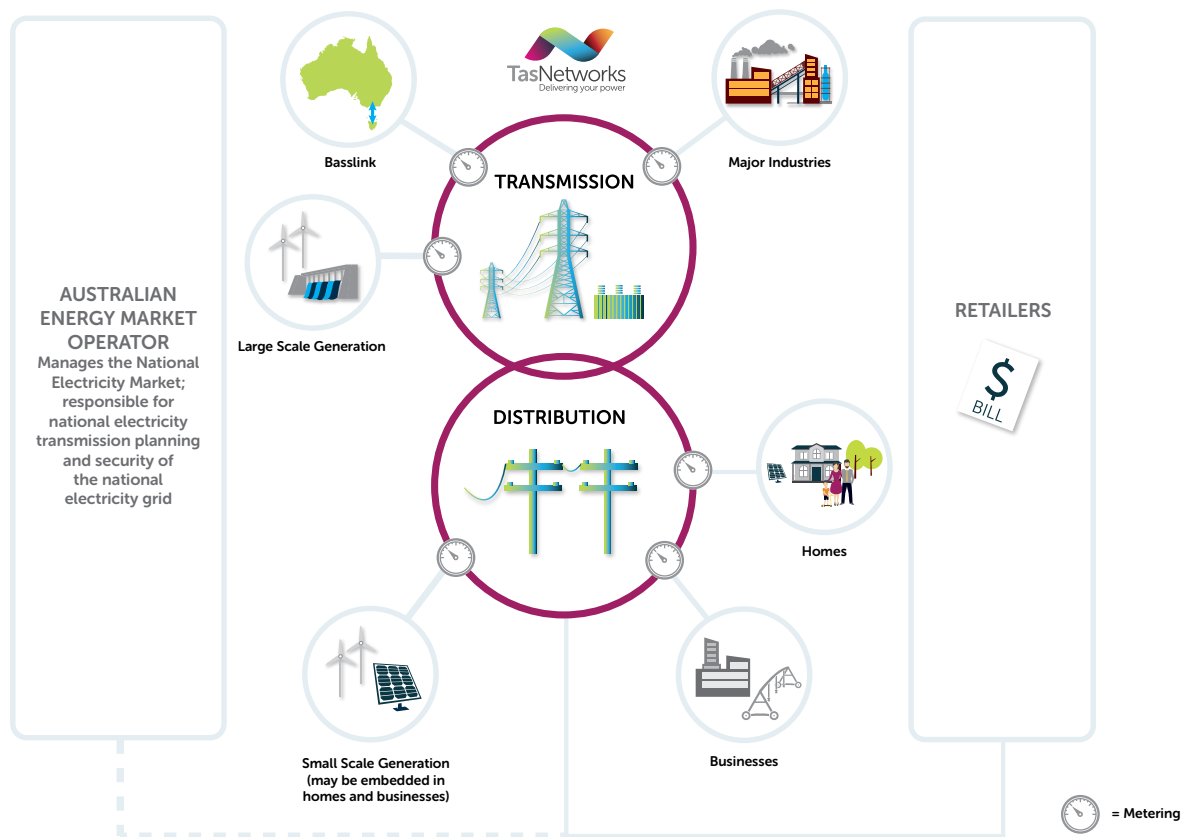
# Who we are

TasNetworks owns, operates and maintains an electricity grid, or network, that delivers electricity to more than 280,000 households, businesses and organisations on mainland Tasmania.

The Tasmanian power system and our role in it is shown pictorially in the following diagram.

## TasNetworks' customer service relationships

TasNetworks provides a variety of electricity network services for the transmission and distribution of electricity in Tasmania.



Our network supports a relatively small but highly dispersed population, and the network is characterised by comparatively low levels of customer and energy density, even in the State's major regional population centres.

Our distribution network is a largely rural overhead network, with the use of low voltage underground cables generally restricted to central business districts, newer subdivisions and commercial centres in urban and suburban areas. This document principally relates to our role as the operator of the electricity distribution network on mainland Tasmania.

# What are network tariffs?

Network tariffs are used by TasNetworks to determine the cost of network services for each household, business and organisation that takes their supply of electricity from the poles, wires and underground cables which make up the electricity distribution network.

Rather than bill customers directly for their use of the network, we charge electricity retailers for each of their customers' connections to the network and the delivery of energy. The retailer then passes those costs on to their customers, through the retail tariffs that appear on electricity bills. Retail tariffs reflect how each retailer packages its input costs for particular customers, including network costs, energy costs, renewable energy target costs, the cost of providing retail services. The majority of retail tariffs are approved by the Office of the Tasmanian Economic Regulator, and it is these retail tariffs that customers see on their electricity bills.

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Every household, business and organisation connected to the network makes a contribution towards the cost of the network through the bills they receive from their electricity retailer.

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The network tariffs which currently apply to residential connections and most small businesses are made up of two parts: a daily service charge and a charge for each unit of energy that the customer consumes. Network operators in Australia have commonly used this type of network tariff to recover the cost of building, running and maintaining their networks.

Our network tariffs, which are just one component of a typical customer's electricity bill, are subject to regulation by the Australian Energy Regulator. For each regulatory period (usually five years), the Australian Energy Regulator determines our allowable revenue for the distribution network services we provide, setting an allowance for each year. The regulator then approves the network tariffs we use to recover that revenue on an annual basis.

The Australian Energy Regulator also approves the tariffs or prices that we may charge for a range of other regulated services, such as metering and public lighting.

TasNetworks' next regulatory period is for two years, so that we can align the regulatory periods for both our distribution and transmission networks from 2019 onwards.

# Purpose of this document



This document provides an overview of our proposed Tariff Structure Statement for the two years from 1 July 2017 to 30 June 2019. It outlines how our network tariffs have been developed and how they will apply during the period from 1 July 2017 to 30 June 2019.

Specifically, the objectives of this Tariff Structure Statement overview are to:

- outline how we propose to move to pricing which is fairer for all our customers;
- facilitate understanding of our pricing by providing an overview of network pricing and its associated concepts;
- set out our proposed tariff structures and charging parameters; and
- explain how we arrived at our proposed tariffs and our future plans for tariffs.

This Customer Overview Tariff Structure Statement should be read in conjunction with our *Indicative Pricing Schedule*, which provides customers and retailers with more information about likely network tariffs over the next regulatory period.

It is noted that our actual prices will continue to be approved annually by the Australian Energy Regulator and that there will be variations from the prices included in the *Indicative Pricing Schedule*. Variations may arise for a number of reasons, including incentive scheme payments and penalties, as well as differences between the forecasts of our revenue, electricity consumption and demand that are used to predict indicative prices and the forecasts used to develop final pricing for a given year.



# Our Tariff Strategy



TasNetworks is committed to delivering the lowest sustainable network prices. In line with the requirements of the National Electricity Rules, our overarching Tariff Strategy is to move towards more cost reflective network tariff structures. In developing our Tariff Strategy we have also taken into account the National Electricity Rules' requirement to consider customer impacts.

We are changing our Tariff Strategy to make greater use of time of use demand charges in future network tariffs.

We will retain our current consumption based network tariff structures during the transition to demand based network tariffs. However, we will be adjusting those tariffs, so that they better reflect the underlying costs of supplying the customers on those network tariffs.

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In the longer term, our aim is to incentivise a customer led shift to demand based network tariffs, with our customers understanding and recognising the value and benefits associated with the new network tariffs.

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To guide the development of our Tariff Strategy, in consultation with our customers we developed a set of pricing principles against which any new or revised tariffs must be assessed. Those principles include:

**Efficiency:** Our network tariffs should facilitate the efficient recovery of revenue (as determined by the Australian Energy Regulator), with cost reflective tariffs for customers

**Simplicity:** Our network tariffs should be as simple as possible and developed in consultation with stakeholders

**Efficient price signals:** Our network tariffs should clearly signal to customers that the cost of using the network varies at different times

**Clearly explained:** our network tariffs should be calculated using a well-defined and clearly explained methodology

**Customer impact:** the impacts on customers of any tariff changes must be taken into consideration, and changes introduced over a period of time to manage the impacts on particular customers

**Compliant:** our tariffs must comply with the national and local rules and regulations applying to network price setting

There are trade offs between some of the guiding principles, such as simplicity versus cost reflectivity and cost reflectivity versus customer impact. But taking into consideration the guiding principles and customer feedback, we believe our plan to move customers towards demand, rather than consumption, based pricing represents the best response to the changing electricity market and delivers the best overall outcomes for customers.

# The need for change



Technological and customer driven changes in the electricity market, such as the widespread uptake of solar panels, mean that the current charges used to recover the cost of the network are no longer fit for purpose. For example, the current reliance on consumption based network charges means that some customers are paying less for their use of the network than others, even though they place the same demands on the network at peak times.

This is an issue because electrical demand is not the same as consumption. Consumption refers to the amount of energy used over a period of time. Demand refers to the rate at which energy is being drawn from the network at any given point in time. Generally, the more electrical appliances you have operating at once, the higher your demand.

Our current consumption based network tariffs charge customers for the delivery of electricity based on how much electricity they use over the course of a billing period. Demand based network tariffs, on the other hand, reflect how (and when) you use that energy, and the demands you place on the network.

The following diagrams show how it's possible to use the same amount of energy over the same period but record very different peak demands.

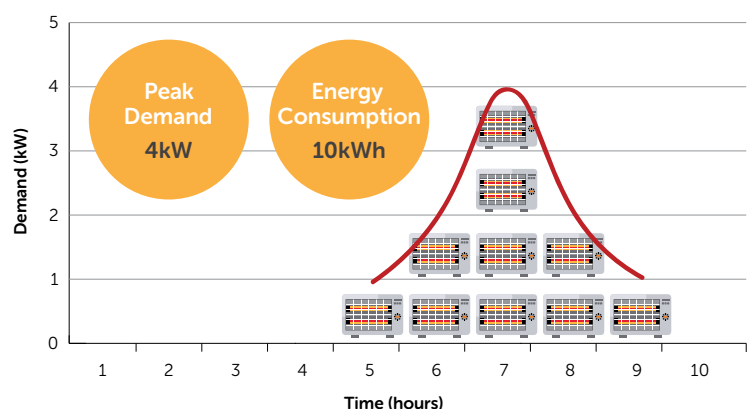
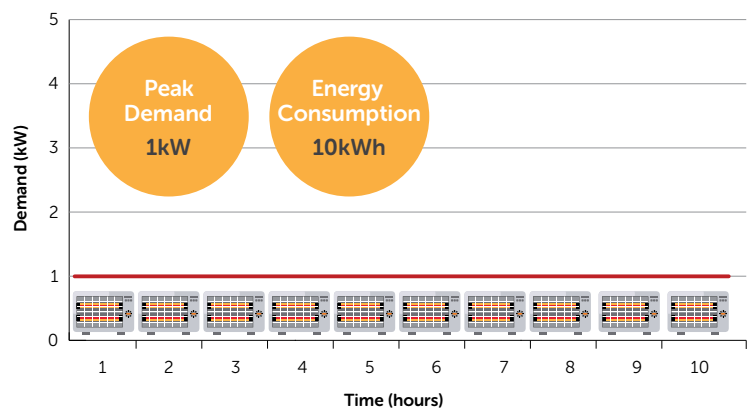
- In the first example, a single portable heater is run constantly for 10 hours.
- In the second example, up to four heaters are used, including all being used at once, but for shorter bursts.

Even though the total amount of energy used is the same, the peak demand recorded in the second scenario is four times higher than when only one heater was run constantly.

Our current network tariffs' emphasis on energy consumption encourage customers to reduce energy consumption to save money, even at off-peak times. However, this may not result in any reduction in our network costs. These costs must still be recovered, which means some customers are subsidising others.

Further, significant numbers of customers are responding to the 'incorrect' consumption based price signal by installing new technology to reduce overall consumption, but without reducing demand or the cost of providing the network.

There are a number of network tariffs which are evolutions of the discounted electricity prices introduced many years ago by the Hydro Electric Corporation to increase the use of electricity for water and space heating. Those discounts encourage the use of high load appliances, often at times when our network is most heavily loaded.



Over time, the present network pricing has increased the cost of providing the network for everyone, because the main cost driver for networks is not the amount of energy delivered, but providing the capacity to cater for peak times. Customers who are supplied under the discounted tariffs are also not making their full contribution towards the cost of the network. The shortfall is being recovered from other customers and through other network tariffs.

There have also been recent changes to the National Electricity Rules that require us to apply a more cost reflective approach to determining our tariffs. As a result, the charges for each customer must reflect the efficient cost of providing network services to that customer.

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To ensure that that customers pay only to the extent that they use the network, TasNetworks—like network companies across Australia—is looking to change the way we charge for the delivery of electricity and access to the network.

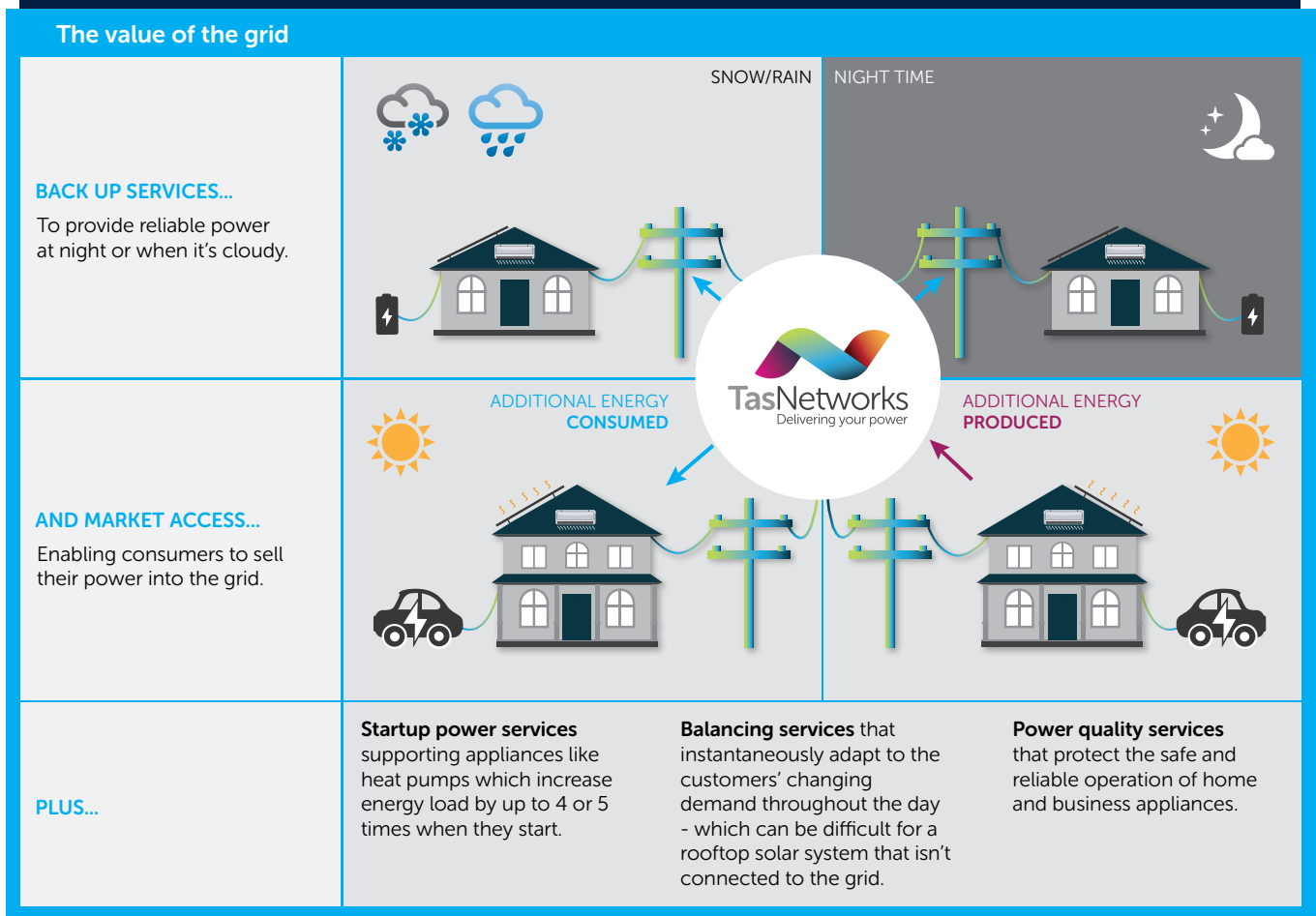
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Our view is that **time of use demand based network tariffs** are the best tariff structure for providing a clear and effective price signal to our customers about the impact that their use of electricity has on the cost of delivering that energy. We think this is not only fairer than the current consumption based network tariffs, but will give customers greater control over their network related costs.

# The changing energy market

The electricity supply industry in Australia is continuing to evolve in response to a changing energy market, driven by changes in customer behaviour and new technologies. Already, around 25,000 customers in Tasmania have put solar panels on their homes and business premises since 2001, and over 10,000 have installed solar hot water systems. In coming years, falling costs and advances in battery technology are likely to see battery storage cause another major shift in the electricity market and network operation.

For customers, the decision to invest in new energy technologies has costs which need to be balanced against the benefits of that investment. Our network will continue to provide benefits to customers who choose to invest in these new energy technologies. This is illustrated in the figure below which shows the ongoing value of the grid.



In the context of network tariff reform, we understand the importance of providing clear and predictable price signals for customers who may be considering these types of investments. That's why our Tariff Strategy aims to provide predictable, cost reflective network pricing so that customers can understand the true costs and benefits of investment in a range of energy-related services, such as electric vehicles, solar panels, battery storage and energy efficiency measures.

# Our tariff reform plan



From 1 July 2017, TasNetworks will begin a gradual process of adjustment to its existing network tariffs for residential and small business customers. The changes will involve **rebalancing most of our existing network tariffs, by increasing the emphasis on service charges and reducing the variable consumption based component.**

The prices of **some network tariffs will also be realigned, as we begin to unwind some long-standing cross subsidies** between different tariffs and different customer groups.

With an eye to the future, TasNetworks will also start offering **new time of use demand based network tariffs** to electricity retailers as a choice for their residential and low voltage business customers. We will offer a demand based network tariff for residential customers, for business customers connected at low voltage and for business customers connected at low voltage with multi-phase supply.

Demand based network tariffs will initially be made available only as a choice for our customers through their retailer. In time, we expect that all small business and residential customers will move over to demand based network tariffs rather than the current consumption based network tariffs.

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**TasNetworks will not recover any additional revenue as a result of changes to its network tariffs.**

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More cost reflective network prices will allow customers to make informed choices about when, where and how they use electricity. For example, if customers choose to use electricity in ways that reduce network costs (such as by reducing demand at peak periods), they should be rewarded through lower network charges.

# How will demand based network tariffs work?

TasNetworks' preferred demand based network tariff structure consists of a daily service charge and two time of use demand charges – one demand charge for demand in peak periods and the other for demand in off-peak periods.



Demand will be measured as an average over 30 minute intervals.

Customers will be charged for the highest daily demand recorded by their meter in a 30 minute interval over the course of their billing period in each of the designated peak and off-peak periods.

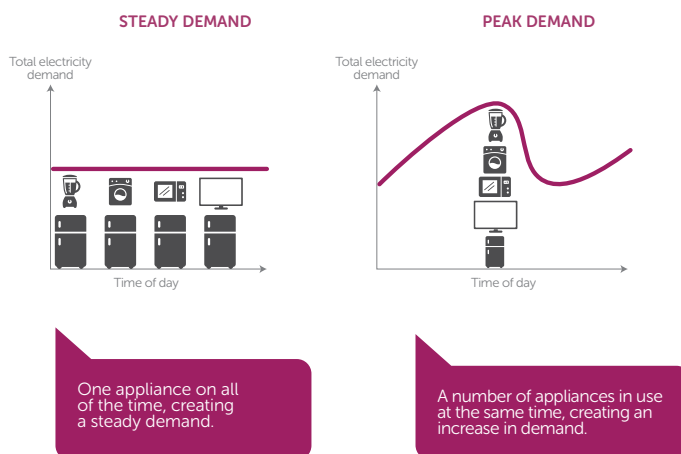
The majority of customers are billed on the basis of a quarterly billing cycle. In the medium term we anticipate this to continue.

# Impact on customer bills

Network costs currently make up around half the delivered cost of electricity for typical Tasmanian households and small businesses. We are conscious of the fact that electricity prices have increased over the past decade. Since TasNetworks commenced operations in July 2014, we have been vigorously pursuing ongoing cost savings in order to help drive sustainably lower electricity prices in the future.

While the total amount of revenue that we recover from our customers won't increase because of network tariff reforms, the network costs paid by individual customers may change.

The new time of use demand based network tariffs will provide a financial incentive for customers to reduce their maximum demand and/or move some of their demand away from the designated peak periods for the network. The impact that demand based network tariffs have on individual customers' electricity costs will, therefore, depend on their ability and desire to respond to the price signals sent by the new demand based network tariffs. The following diagrams illustrate the difference in maximum demand associated with household appliance use.



It is not yet possible to say whether an individual customer will pay more or less for their use of the network under a demand based network tariff.

That's partly because the current accumulation meters used for residential and small business customers don't collect the metering data needed to do the necessary calculations.

It's also because people are likely to use electricity differently if they're being charged more for the delivery of that energy at peak times of the day than if they pay for the use of the network based on how much electricity they consume.

To help our customers better understand the impacts of a move to a demand based network tariff, between now and 2017 we will be **conducting a trial of the new demand based network tariffs**.

Through this trial we will be collecting metering data, including electricity consumption, demand and time of use data for a sample of customers whose retail electricity tariff will include time of use demand based network charges. This will provide insights into how typical customers in a range of different circumstances are likely to respond to the new demand based network tariffs in terms of their energy use, and the impacts that this will have on their total electricity bill.

The trial will also help us test how we can most effectively communicate with customers to help them respond to demand based pricing.

# Customer, retailer and stakeholder engagement

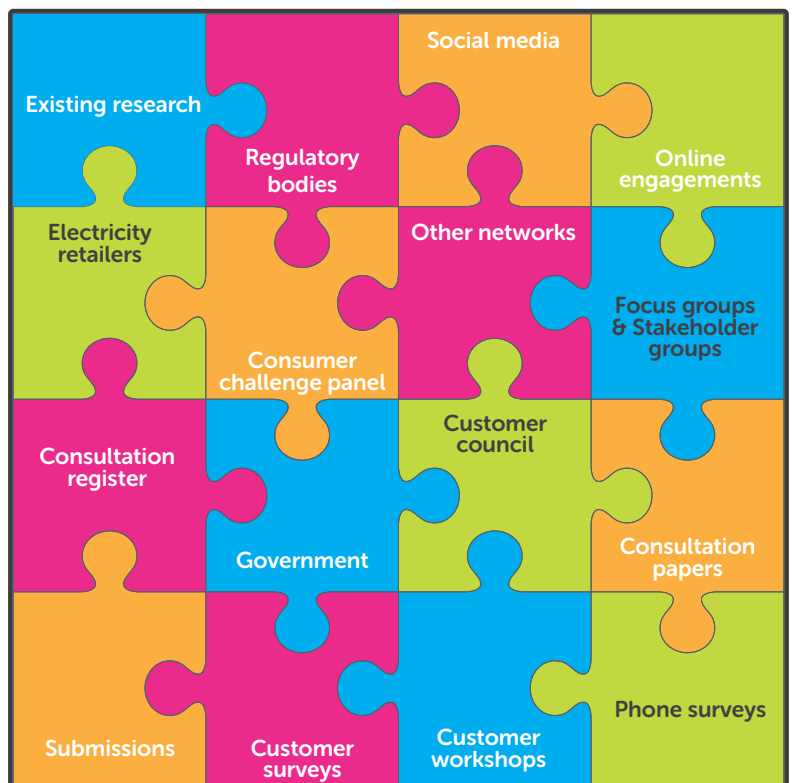
Customers are central to everything we do at TasNetworks and our success is anchored to the prosperity and well-being of our customers. As part of the process of improving our tariffs we have engaged extensively with customers, retailers and stakeholders with the purpose of obtaining their guidance on the development of our approach to tariff reform.

We have employed a variety of consultation methodologies and engagement activities. This provided us with a range of both quantitative and qualitative data that has informed our regulatory proposal, as well as our Tariff Strategy. A key consultative initiative was the creation of the TasNetworks Tariff Reform Working Group in late 2014, to provide us with advice on customer needs and issues in respect to our Tariff Strategy.

TasNetworks' Tariff Reform Working Group includes electricity retailers, customer advocacy groups, representatives of the business community and independent energy advisors. The Tariff Reform Working Group provides a forum where members can contribute to the direction of our Tariff Strategy, provide feedback and air their views on tariff reform.

The wide range of customer and stakeholder groups we engaged with and the forms of engagement activities undertaken by TasNetworks are summarised in the diagram (right).

We are constantly improving our engagement processes, refining our messages and responding to our customers' and stakeholders' feedback. We will continue to communicate with our customers about tariff reform. In doing so we will work to improve the effectiveness of our engagement.





## Energy literacy and engagement levels

Gaining customers' understanding and acceptance of any new or modified tariffs is critically important if the process of network tariff reform is to deliver the intended benefits to customers. Informing customers and encouraging them to embrace change is made more difficult by the broad spectrum of energy literacy within the community, as well as varying degrees of interest amongst customers in managing their use of energy. As reforms and new technologies give customers more choices in the way they use electricity, the ability of customers to take advantage of the opportunities available to them will differ depending on their circumstances.

Without the appropriate information and support, there is a risk that some customers are likely to benefit less than others – or maybe not at all – when it comes to tariff reform. While some customers will have both the desire and the capacity to actively manage their energy supply, in Tasmania a significant proportion of customers are likely to be considered vulnerable or passive without the capacity or desire to actively manage their usage to maximise benefit.

This diversity in customer expectations and priorities means that communicating (and realising) the potential benefits of network tariff reform to a wide range of customers is likely to require higher levels of cooperation between TasNetworks, retailers and consumer advocates than elsewhere in Australia.

# Key findings from our customer consultation

Through our consultation activities we have sought feedback and input on a wide range of matters, including tariff design, transition paths for tariff reform, and whether our proposed tariffs are implementable and easily understood. The feedback we have received from customers has been very consistent.

## COMMUNICATION WITH CUSTOMERS ABOUT TARIFF REFORM IS VITAL.

Customers want to better understand how network tariffs work and the impacts the new network tariffs will have on them.

## THE NEW DEMAND BASED NETWORK TARIFFS MUST BE SIMPLE ENOUGH FOR CUSTOMERS TO UNDERSTAND.

Our customers have told us that the new demand based network tariffs have to be easy for people to understand, to help them choose between different tariffs and manage their electricity costs.

## WE WOULD PREFER A LONG TRANSITION TO FULLY COST REFLECTIVE NETWORK TARIFFS.

Many of our customers and their advocates expressed a clear preference for a transition to cost reflective prices over a number of years.

## LOOKING AFTER VULNERABLE CUSTOMERS IS IMPORTANT.

Our customers want to be sure that vulnerable customers will not be disadvantaged by network tariff reform or exposed to further financial hardship.

## WE DON'T WANT TO PAY HIGHER NETWORK TARIFFS IN RETURN FOR BETTER RELIABILITY.

The majority of our customers are happy with the reliability of the electricity network and don't think it's necessary to put up network prices to fund across the board improvements in reliability.

## WE WANT TO BE ABLE TO CONTROL OUR ENERGY COSTS.

Our customers told us that they want to be able to control their energy costs and are willing to make practical changes to when and how they use electricity if it makes worthwhile savings on their electricity bill.

## INTRODUCING DEMAND BASED NETWORK TARIFFS ON AN OPT-IN BASIS IS A GOOD IDEA.

TasNetworks' Tariff Reform Working Group was particularly supportive of the proposal for demand based network tariffs to be offered on an opt-in basis.

## NETWORK TARIFFS NEED TO BE REFLECTED IN RETAIL BILLS.

Our customers have told us they want to see network tariffs reflected in the electricity bill they get from their retailer.

A more detailed discussion of the key issues and questions raised during the course of our consultation can be found in our complete Tariff Structure Statement, along with our responses to that feedback. This includes explanations of how we have sought to address concerns raised during the engagement process.

While the tariffs set out in this paper reflect the feedback gathered to date, we are committed to continuing the conversation with our customers on the subject of tariff reform, as we move towards fairer, cost-reflective pricing for customers.

# New network tariffs for the 2017-2019 regulatory period



Consistent with our longer term transition to cost reflective tariffs, our focus in the 2017-2019 regulatory period is the introduction of new time of use demand based network tariffs for residential and low voltage business customers, and beginning the transition of our existing suite of network tariffs towards greater cost reflectivity.

From 1 July 2017 we will introduce new demand based network tariffs for residential and low voltage business customers which will be available on an opt-in basis through electricity retailers.

Network tariff	Description
<b>Residential time of use demand tariff</b>	<p><b>This network tariff is for low voltage installations at premises used wholly or principally as Private Residential Dwellings.</b></p> <p>There are no restrictions on the use of the supply (for example, supply may be used for general power, heating or water heating).</p> <p>This network tariff may not be used in conjunction with any other tariffs.</p> <p>An electronic meter capable of recording interval data is the minimum required for installations on this network tariff.</p>
<b>Low Voltage commercial time of use demand tariff</b>	<p><b>This network tariff is for low voltage installations at premises that are not used wholly or principally as Private Residential Dwellings.</b></p> <p>There are no restrictions on the use of the supply (for example, supply may be used for general power, heating or water heating).</p> <p>This network tariff may not be used in conjunction with any other tariff.</p> <p>An electronic meter capable of recording interval data is the minimum required for installations on this network tariff.</p>
<b>Large Low Voltage commercial time of use demand tariff</b>	<p><b>This network tariff is for installations taking low voltage multi phase supply at premises that are not Private Residential Dwellings.</b></p> <p>There are no restrictions on the use of the supply (for example, supply may be used for general power, heating or water heating).</p> <p>This network tariff may not be used in conjunction with any other tariff.</p> <p>An electronic meter capable of recording interval data is the minimum required for installations on this network tariff.</p>

Like our existing network tariffs, the new demand based network tariffs will include a service charge. However, instead of a variable component which is based on the amount of energy a customer uses during the billing period, the variable component of the new network tariffs will be based on a customer's maximum demand recorded during the billing period. There will be a maximum demand charge for peak and off-peak periods.



## Time of use periods for the new demand based network tariffs

Having decided to offer demand based time of use network tariffs to residential and low voltage business customers, we consulted with our customers and stakeholders on the time of use periods that should apply to the new network demand based tariffs.

We elected to use the load profile of the system as a whole to identify when the network is most heavily loaded.

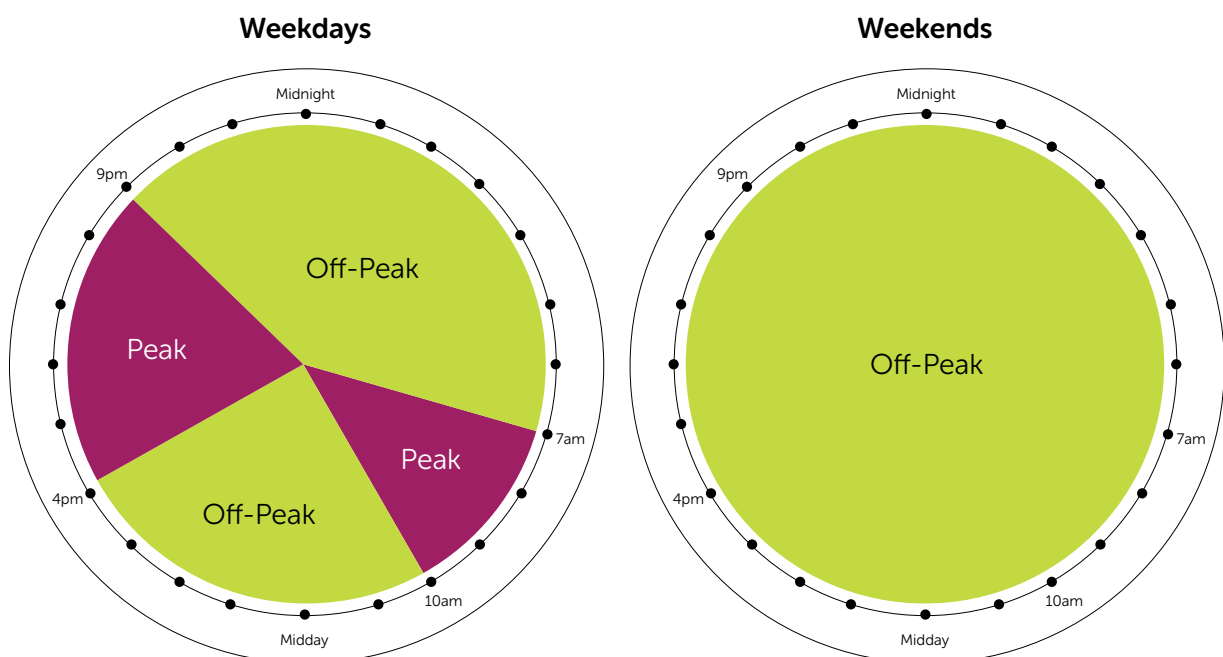
In the interests of simplicity for our customers, we decided to distinguish only between peak and off-peak periods.

Further, in the interests of simplicity and in recognition of the reduced demands that customers place on the network at weekends, the peak time of use periods chosen for the new network tariffs will only apply on weekdays.

This means that 16 hours of every weekday and all weekends will be treated as off-peak.

The peak periods that have been chosen:

- are considered long enough to encourage customers to shift demand without creating new peaks immediately on either side of the existing peaks in the network's load.
- should allow customers to shift some demand away from system peaks and into off-peak periods.



# Revised network tariffs for the 2017-2019 regulatory period



In the coming two year regulatory period we are introducing a new time of use, demand based network tariffs for residential and small business customers, and we will continue revising our existing suite of network tariffs, to make them more cost reflective. This will involve two separate but complementary reforms:

1. realigning the relative prices of a number of existing tariffs as we begin to eliminate some long standing cross-subsidies between different tariffs and customer groups; and
2. rebalancing the service and variable charging parameters of many of our existing network tariffs, by increasing the emphasis on service charges and reducing our reliance on variable, consumption based charges to recover the cost of providing network capacity.

As part of the process of removing cross subsidies between different classes of customers we will also adjust the amount of revenue we seek to recover from some network tariff classes. The revenue we recover from each class of customer through network tariffs will be adjusted so that, over time, it comes to more closely reflect the underlying costs of supplying each customer class.

In response to representations from our customers and their advocates, we are going to transition our existing tariffs towards full cost reflectivity over a long period, which could be up to 15 years<sup>1</sup>.

For most customers, the transition phase is expected to involve only incremental changes between years, in terms of the network charges applying to their connection.

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**Due to forecast declining revenue, our analysis indicates that most customers should face network charges that are lower, or about the same in the next regulatory control period, when compared to current charging levels.**

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For example, we anticipate approximately 80 per cent of our residential customers on network tariffs Residential Low Voltage General (TAS31) and Uncontrolled Low Voltage Heating (TAS41) should experience lower network charges.

Further, some customers, in particular business customers, should experience significant reductions in network charges. Where customers are forecast to experience an increase in network charges, the change is generally predicted to be small.

We will not recover any additional revenue as a result of changes to network tariffs, but the proportion of our network costs which is recovered from particular network tariff classes will change over time.

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<sup>1</sup> Note: the transition period is based on a 2014-15 commencement date.

# Providing feedback



TasNetworks is committed to educating, informing and engaging with consumers about our activities and plans for the future.

We would like to encourage our customers, retailers and stakeholders to take part in the Australian Energy Regulator's Tariff Structure Statement consultation and determination process.

Following submission of TasNetworks' proposed Tariff Structure Statement and this *Overview* to the Australian Energy Regulator, the Australian Energy Regulator's consultation process begins. Broadly, the process involves:

- a review of the proposed Tariff Structure Statement's content by the Australian Energy Regulator for its compliance with the National Electricity Rules;
- publication of the proposed Tariff Structure Statement on the Australian Energy Regulator's website and an invitation for written submissions from customers and stakeholders;
- publication of an Issues Paper by the Australian Energy Regulator, which will discuss key themes and issues arising from TasNetworks' proposed Tariff Structure Statement and call for further written submissions from stakeholders;
- a public forum which will canvass key themes highlighted in the issues paper and provide members of the public with an opportunity to comment;
- publication of a draft determination of the proposed Tariff Structure Statement; and
- approval of the Tariff Structure Statement by the Australian Energy Regulator.

To keep up to date with network tariff reform and key TasNetworks initiatives visit our website:

**[www.tasnetworks.com.au/customer-engagement](http://www.tasnetworks.com.au/customer-engagement)**

For details of the Australian Energy Regulator's network pricing determinations visit:

**[www.aer.gov.au/networks-pipelines/determinations-access-arrangements/pricing-proposals-tariffs](http://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/pricing-proposals-tariffs)**

For more information about distribution network tariff reform requirements refer to:

**[www.aemc.gov.au/Rule-Changes/Distribution-Network-Pricing-Arrangements](http://www.aemc.gov.au/Rule-Changes/Distribution-Network-Pricing-Arrangements)**

# Like to know more?



A number of documents are available which support this TasNetworks' *Tariff Structure Statement Overview*. These documents are listed below and are available on our website at: [www.tasnetworks.com.au](http://www.tasnetworks.com.au)

## Tariff Strategy

We have published a number of information and consultation documents as part of the development of our Tariff Strategy and Tariff Structure Statement. These documents include:

- Improving the way we price our services (March 2015)
- Directions and Priorities Consultation Paper (August 2015)
- Demand based network tariffs – offering a new choice (September 2015)
- Improving the way we price our network services (October 2015)

## Indicative Pricing Schedule

This Customer Overview of our Tariff Structure Statement should be read in conjunction with our Indicative Pricing Schedule which sets out indicative price levels for each tariff for 1 July 2017 to 30 June 2019.

# Talk to us today



We welcome your feedback.

If you have any questions about the network pricing arrangements that may be applicable to your particular circumstances, or want to provide us with feedback about this Customer Overview of our Tariff Structure Statement or tariff reform in general, you can contact us in the following ways:

-  [dd17@tasnetworks.com.au](mailto:dd17@tasnetworks.com.au)
-  [tasnetworks.com.au](http://tasnetworks.com.au)
-  Customer Service Centre: 1300 361 811





Tasmanian Networks Pty Ltd