

Attachment F: Procedure on assignment and re-assignment of customers to network tariffs

This document demonstrates Ausgrid’s approach for assigning a new network connection to a tariff and re-assigning an existing network connection from one tariff to another and where an assignment or re-assignment is between tariff classes, this will occur in accordance with the Determination.

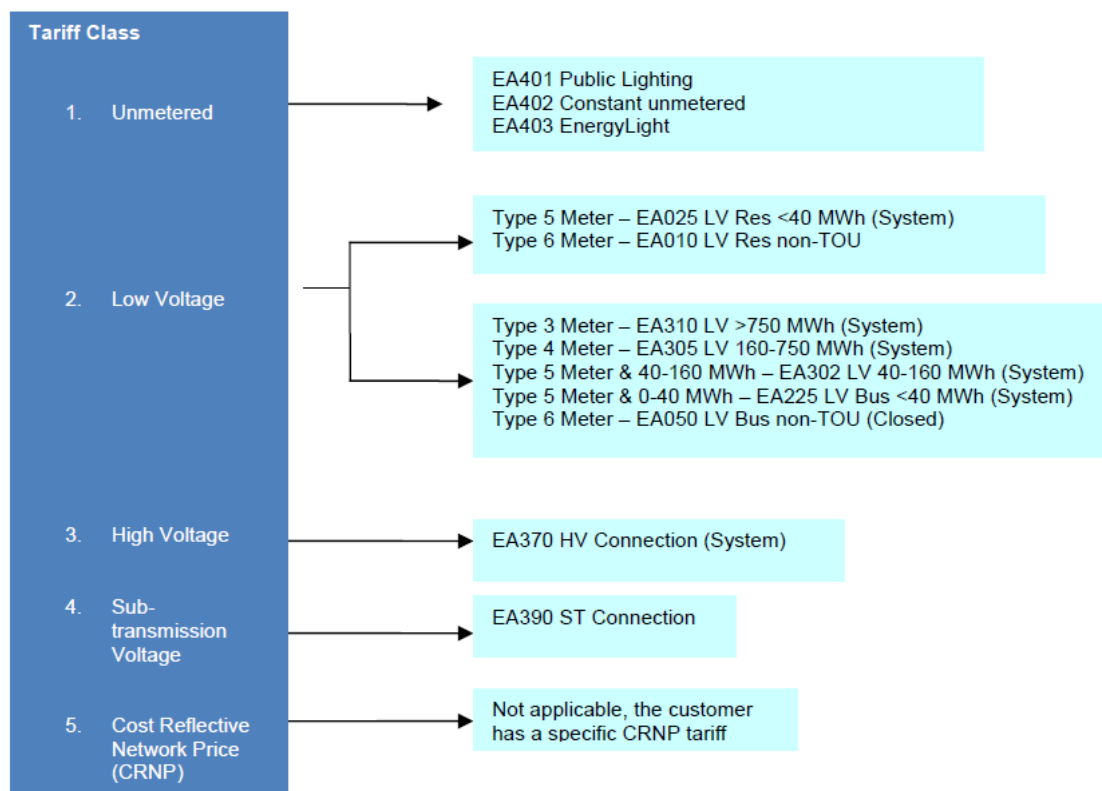
Default Tariffs and Tariff Transfers

A default tariff is the network tariff to which Ausgrid assigns a customer based on its tariff assignment and re-assignment policies. A customer may move away from its assigned default tariff after 12 months of load history has been accumulated. The customer, or their retailer, can then apply to transfer to an alternative network price using the Network Price Application Form available in the ES7 “Application of Network Use of System Charges” document. Applications for tariff transfers are usually the result of annual consumption changes, or requests for a substation tariff (discussed below). Backdating of new network prices is not permitted and customers may only have their prices changed once in a 12 month period.

Tariff Assignment and Re-assignment for Existing Customers

Ausgrid’s default tariff allocation procedure for existing customers is shown in Figure 1. In terms of a tariff class assignment or re-assignment, Ausgrid will comply with the requirements of Appendix A of the Determination¹ in providing affected customers with the appropriate notification.

Figure 1: Decision Tree of Assigning Existing Customers to Default Tariffs



Cost Reflective Network Price (CRNP) customers are defined as customers with a demand in excess of 10 MW on at least three half hour periods within a 12 month period or consumption that exceeds 40 GWh over a continuous 12 month historical period. Site specific prices are calculated each year for these customers. If a customer falls below this threshold, then a default network is applied, consistent with the decision tree above.

¹ Please refer to Chapter 2 of Part 2 of this document for a discussion on the proposed tariff classes in FY12.

It can be seen from figure 1 that the tariffs applicable to Type 6 metering installations are no longer available. It is Ausgrid's policy that all new and upgraded connections (eg single phase to multiple phase connections) must install a Type 5 or better (Types 1 to 4) meter.

Tariff Assignment for New Customers

New connections (where there is no previous load history) are assigned to a default tariff which is based on tariff class², metering installation type and metering phase. Table 1 shows the way in which new customers are allocated to default tariffs. Please note that this should be read in conjunction with Ausgrid's procedure for assigning customers to tariff classes, as explained in the main Pricing Proposal.

Table 1: The assignment of New Customers to Default Tariffs

Tariff Class	Metering Installation Type (if applicable)	Connection phase (if applicable)	Default Principal Network Price Code	Default Principal Network Price Name	
Low Voltage	3		EA025	LV Res < 40 MWh (System)	
			EA310	LV >750 MWh (System)	
	4		EA305	LV 160-750 MWh (System)	
			5	EA302	LV 40-160 MWh (System)
				EA225*	LV Bus <40 MWh (System)*
HV Business		EA370	HV Connection (System)		
Sub-transmission		EA390	ST Connection		
Unmetered	7		EA401	Public Lighting	
			EA402	Constant Unmetered	

It is important to note that new residential connections (where there is no load history) will be assigned to the default tariff (EA25), but may at their discretion elect to be re-assigned to the inclining block tariff (EA10) if they satisfy the criteria for Ausgrid's opt-out policy. Similarly, existing residential connections on the default tariff (EA25) can apply to be re-assigned to the inclining block tariff (EA10).

System of Assessment and Review

A review of a customer's network tariff is carried out annually to assess if the tariff is still correct given potential changes in annual usage and meter type. A change in voltage is treated as a new connection. Ausgrid's network tariff policy is generally aligned to consumption bands. For example, network tariff EA225 LV <40 MWh (System) applies to 0 to 40 MWh pa business customers. Above this tariff EA302 LV 40-160 MWh (System) applies to customers using 40 to 160 MWh pa.

Ausgrid applies a tolerance of ± 20 percent around tariff thresholds. If a customer on EA225 LV <40 MWh (System) were to consume 49 MWh pa, they would be reassigned immediately to the new tariff, being more than 20 percent above the 40 MWh threshold. However, if they are using 43 MWh pa, the customer falls within the band tolerance of $40 \text{ MWh} \pm 8 \text{ MWh}$ so their tariff re-assignment is deferred. If the same customer is then found to still consume more than 40 MWh after two years, the threshold bands do not apply, and the customer will be reassigned from network tariff EA225 to EA302. The relevant retailer is notified of the impending change, and the customer is re-assigned to the new network tariff.

The assessment of the customer's usage is based on the most recent 12 months of history. However if a customer's consumption has fallen because of vacancy of one month or more during the previous 12 months, the

² As defined in section II of the Pricing Proposal

customer is excluded from a potential tariff re-assignment. This is to avoid making tariff transfers based on load data that is not fairly represent a customer's annual usage.

HV Substation Tariff

A substation price will be applied to high voltage supplies, which satisfy the following criteria:

- (a) A single customer's mains are directly connected to the Ausgrid zone substation HV busbar;
- (b) The customer owns, operates and maintains these mains;
- (c) The customer can demonstrate that they have capitally contributed to the construction of the substation.

If approved, the price change will apply from the start of the next billing period (typically monthly) following the date of receipt of the price change application.

Standby rates

The LV and HV standby tariffs (with codes EA325 and EA360 respectively) are applied to customers who have a stand-by connection at their premises. The two standby tariffs consist of a large fixed charge and standard energy rates. The fixed charge is designed to recover the cost of the feeder, even while no capacity is being used. Whether or not the customer uses the supply, the customer will be charged a fixed daily charge for the provision of the supply. This will simplify billing for these supplies. It will also act as a clear signal of the cost to EnergyAustralia of providing the standby supply capacity. This is consistent with our strategy to keep tariffs simple and cost reflective where possible, and to send appropriate pricing signals to our customers.

No DUOS charges for the export of energy

Where a customer with distributed generation facilities is able to supply their own load and also generate energy into the network, no charges are applied to the energy exported. If the customer is purely a generating source (with no local load) then no network tariff applies. Network tariffs are only applied where load is present.

Public lighting

Ausgrid's public lighting network use of system tariff (EA401) consists of an energy rate, but does not have a fixed charge. This tariff is available for metered and unmetered connections for a public lighting service.