

31 March 2023

Mr Warwick Anderson
General Manager – Network Pricing
Australian Energy Regulator
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Dear Warwick

Re: 2023-24 Annual pricing proposal submission

Please find enclosed the annual pricing proposal submission for AusNet Electricity Services Pty Ltd (AusNet) electricity distribution network customers for the period from 1 July 2023 to 30 June 2024.

AusNet's tariffs and charges reflect the AER Final Determination and Tariff Structure Statement for AusNet Services' 1 July 2021 – 30 June 2026 regulatory period, which was published on 30 April 2021.

Distribution charges from 1 July 2023 are estimated to increase by an average of 6.21%, while overall network charges (incorporating distribution, transmission and jurisdictional schemes) are expected to increase by an average of 5.12% compared to the 2022-23 financial year. This increase is lower than the relevant rate of inflation, of 7.83%.

The change in distribution charges from 1 July 2023 are largely driven by an adjustment for inflation of \$55.13m, offset by \$21.42m to account for an over recovery of revenue in FY2022-23.

Revenue adjustments for strong service performance have also been incorporated, including:

- Strong reliability performance in FY2021-22 resulting in a recovery of \$22.32m;
- Lower number of fire starts resulting in a revenue adjustment of \$1.19m; and
- Strong customer service performance in FY2020-21 resulting in an incentive reward of \$0.78m.

Attachments which accompany this submission are listed in the Appendix. Should you have any queries on the attached material, please do not hesitate to contact [REDACTED]

Sincerely,

[REDACTED]

Charlotte Eddy
GM Regulation (Distribution)
AusNet Services

Appendix: Attachments to the Proposal

The components that accompany this letter include:

- Annual pricing proposal 2023-24;
- 2023-24 annual SCS pricing model (confidential and public versions);
- 2023-24 annual ACS pricing model
- Schedule of tariffs;
- Alternative control service charges;
- Prescribed metering charges;
- Public lighting charges;
- Confidentiality template;
- Statement of compliance (confidential and public versions); and
- Supporting information.