

19 November 2021

Attn: Warwick Anderson  
General Manager – Network Pricing  
Australian Energy Regulator  
Level 27, 135 King Street  
SYDNEY NSW 2000

By email: [AERPricing@aer.gov.au](mailto:AERPricing@aer.gov.au)



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Dear Mr Anderson,

Ausgrid is pleased to provide this submission to the Australian Energy Regulator's (AER) consultation paper on Standardised Models for Regulated Metering Services.

Ausgrid owns and operates an electricity distribution grid that is shared by approximately 4 million Australians living and working across southern Sydney to the Upper Hunter Valley. We provide metering services to more than a million customers throughout our network.

We support the introduction of standardised models that provide greater transparency in the development of metering revenues and prices. While supportive of a standardised approach, the model functionality could be amended as follows to improve transparency and functionality:

- Clarifying the purpose of the 'Output | RFM' worksheet in the model, noting that this worksheet draws in the same forecast capex data populated into 'Output | PTRM';
- Clarifying how diseconomies of scale factors will be applied, noting that the AER applied this factor by reference to changes in meter volume in Ausgrid's 2019-24 decision,<sup>1</sup> while the standardised model applies diseconomies at the total opex level.
- Revising the Standardised Metering Capex and Opex Model to provide an input tab that allows networks to enter capex classifications that reflect Post Tax Revenue Model (PTRM) asset classes;
- Allowing networks to define asset classes in the 'General | Inputs' tab, in order to provide clarity concerning the scope and substance of capex;
- Checking the model for circular references;<sup>2</sup>
- Editing or removing dropdown input boxes where these are ostensibly formula-driven and should be outputs.<sup>3</sup>

Should you wish to discuss our submission, please contact Gareth Downing, Senior Regulatory Economist at [REDACTED].

Regards,

[REDACTED]  
Alex McPherson  
Head of Regulation

<sup>1</sup> <https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%202019-24%20-%20Metering%20PTRM%20and%20pricing%20model%20-%20Public%20-%20April%202019.XLSM>

<sup>2</sup> For example, when you input Current Period and Base Year Capex dates in the Input | General tab.

<sup>3</sup> For example, when you input Current Period and Base Year Capex dates in the Input | General tab.

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