Pricing Proposal

For the financial year ending June 2021 (revised)

May 2020

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1 ABOUT THIS PRICING PROPOSAL

1.1 Introduction

We submit this Pricing Proposal for 2020-21, the second regulatory year of the 2019-24 regulatory control period, to the Australian Energy Regulator (AER) in accordance with the requirements of the National Electricity Rules (NER clause 6.18.2(a)(2)).

On 30 April 2019, the AER released its final decision on Ausgrid's electricity distribution determination for the 2019-24 regulatory control period (referred to as 'the AER's final determination' or 'the AER's final decision').[1] This includes the AER's decision on our Tariff Structure Statement (TSS) for the 2019-24 control period.[2] Our approved TSS (referred to as 'the TSS', 'Ausgrid's TSS' or 'our TSS') is published on the AER's website[3] and is also available on our website.[4]

On 30 September 2019, Ausgrid submitted a proposal to the AER to approve an amendment to our TSS to include new network tariffs to apply to certain embedded network customers.[5] We lodged this request in accordance with clause 6.18.1B of the NER.

On 28 February 2020, the AER released its decision to not approve our proposal to amend the TSS. The AER was not satisfied that the threshold to amend the TSS under clause 6.18.1B of the NER had been met.[6]

As a result of the AER's decision, our current TSS released on 30 April 2019 ('the TSS') continues to apply.

Our Pricing Proposal for standard control services is based on the TSS. It also provides schedule of charges for alternative control services (public lighting, ancillary network services and metering services) based on the AER's final determination.

1.2 Structure of this Pricing Proposal

This Pricing Proposal has the following structure:

- Chapter 2 presents an overview of our pricing proposal
- Chapter 3 presents our tariff classes
- Chapter 4 presents our tariffs and charging parameters

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1 AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024*, April 2019. Available at https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausgrid-determination-2019-24/final-decision.

2 AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

3 AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Amended Tariff Structure Statement*, April 2019 – Clean. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20Decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Amended%20Tariff%20Structure%20Statement%20-%20April%202019%20-%20Clean.pdf.

4 Ausgrid, *Attachment 10.1 – Tariff Structure Statement*, April 2019. Available at https://www.ausgrid.com.au/-/media/Documents/Regulation/Reports-plans/Ausgrid-approved-TSS-2019-24.pdf.

5 Ausgrid, *Tariff Structure Statement Amendment*, September 2019. Available at https://www.aer.gov.au/system/files/Ausgrid%20-%20Clean%20version%20-%20Tariff%20Structure%20Statement%20amendment%20-%2030%20September%202019_0.pdf.

6 AER Determination *Ausgrid Tariff Structure Statement 2019-24 Amendment Proposal*, February 2020. Available at https://www.aer.gov.au/system/files/AER%20decision%20-%20Ausgrid%20TSS%20amendment%20proposal%20-%2028%20February%202020.pdf.

- Chapter 5 summarises the weighted average revenue
- Chapter 6 summarises variations to tariffs
- Chapter 7 summarises designated pricing proposal charges
- Chapter 8 summarises Climate Change Fund charges
- Chapter 9 summarises the distribution use of system unders and overs account
- Chapter 10 summarises changes from the previous regulatory year
- Chapter 11 summarises customer impacts
- Chapter 12 demonstrates consistency with the Tariff Structure Statement
- Chapter 13 demonstrates compliance with National Electricity Rules
- Chapter 14 summarises the annual system of assessment and review of tariffs
- Chapter 15 covers public lighting services
- Chapter 16 covers ancillary network services
- Chapter 17 covers metering services.

The accompanying Explanatory Notes in Appendix A provide more detail on this Pricing Proposal including indicative prices for the remaining regulatory years of the 2019-24 regulatory control period (Appendix A.1), our customer impacts analysis (Appendix A.2) and supporting information. Appendix B provides a schedule of charges for alternative control services.

1.3 Feedback

We welcome feedback from our customers and stakeholders. Please provide feedback to:

pricing@ausgrid.com.au or

Network Pricing Manager
Ausgrid
GPO Box 4009
Sydney NSW 2001

Customers may also comment via Ausgrid's Facebook page at www.facebook.com/Ausgrid or via twitter.com/Ausgrid.

2 OVERVIEW

This document is our Pricing Proposal for the second year of the 2019-24 regulatory control period. We submit it for review and approval by the AER as required by clause 6.18.2(a)(2) of Chapter 6 in the National Electricity Rules (NER). It is structured to allow ready assessment of compliance by the AER.

2.1 Key reforms

The proposal is based on our Tariff Structure Statement (April 2019) approved by the AER on 30 April 2019. The key pricing reforms proposed for the 2019-24 regulatory period and approved by the AER are:

- Introduction of demand tariffs as the default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice, from 1 July 2019.
- Our new TOU-demand and existing TOU tariffs are opt-out options for all customers assigned to a demand tariff.
- Transitional TOU tariffs for residential and small business customers are set to the legacy flat tariffs for the 2019-24 regulatory period. Together they are referred to as 'flat tariffs'.
- Non-cost reflective flat tariffs are closed to new customers.
- Customers on flat tariffs replacing faulty meters are assigned to the introductory demand tariff for 12 months, and then reassigned to a demand tariff.
- TOU customers replacing a meter for any reason remain on TOU tariffs and can opt-in to demand tariffs.
- Transitional tariffs for medium and large business customers will transition to an appropriate capacity-based tariff over the 2019-24 regulatory period.
- No change to the seasonal TOU charging windows for energy for residential and small business customers.
- Alignment of seasonal charging windows for peak energy with summer and winter seasonal demand charges. Residential and small business charging windows for 'low season' maximum demand are aligned with the capacity charging windows for larger businesses (2-8 pm working weekdays).

Our tariff classes are presented in Chapter 3. Proposed tariffs and charging parameters are presented in Chapter 4.

Our Pricing Proposal also includes assessment and reassignment of existing customers to an appropriate tariff based on the consumption threshold (see Chapter 14).

2.2 Target revenue

The AER's 2019-24 Determination for Ausgrid established our revenue target for 2020-21. Table 2.1 below shows the revenue targets for DUOS, TUOS, CCF, and the resulting target NUOS. We have set our proposed network tariffs for 2020-21 to recover these revenue targets.

The target revenue includes the AER's decision on revenue adjustments from the capital expenditure sharing scheme (CESS), Demand Management Innovation Mechanism, the

amount resulting from the remittal decision for the 2014-19 regulatory control period, the Service Target Performance Incentive Scheme (STPIS) and the cost of pass-through events (i.e. storm damage and Retailer of Last Resort events). These entitlements have been included in the AER's determination for the 2019-24 period.[7]

Table 2.1. Ausgrid's target revenues for 2020-21 ($m, $2020-21)

Revenue component	Target revenue for 2020-21 ($m)
Distribution use of system (DUOS)	1,455.99
Transmission use of system (TUOS)	331.25
Climate Change Fund (CCF)	135.09
Total Network use of system (NUOS)	1,922.32

Weighted average revenue for DUOS is discussed in Chapter 5.

2.3 Customer impacts

Our 'typical' customer bills increase by less than 2.3% from 2019-20 to 2020-21 (see Chapter 11).

2.4 Consistency with the approved TSS

Our Pricing Proposal is based on our approved Tariff Structure Statement for the 2019-24 regulatory control period. There are no departures in proposed tariff classes, tariffs and charging parameters. Differences in indicative prices are explained by our update of forecasts of customer numbers, energy consumption and demand, as well as an updated estimate of the 2020-21 designated pricing proposal charges including TransGrid's charges, and the Climate Change Fund contributions (see Chapter 12).

We propose to delay by one year the transition and rebalancing of certain tariffs envisaged in our TSS, due to uncertainties associated with the current COVID-19 pandemic. Within the wide range of plausible forecasts available to reflect the uncertainty, we have chosen a forecast that we consider to be reasonable, and which allows us to keep NUOS prices increasing by less than 2.3% from 2019-20 to 2020-21. We have maintained the forecasts for the remainder of the regulatory period to keep indicative prices for 2021-22 to 2023-24 unchanged. These forecasts will be updated in the subsequent pricing proposals when the uncertainty about COVID-19 is resolved.

2.5 Compliance with the NER

Our Pricing Proposal complies with the AER's determination and the National Energy Rules (see Chapter 13).

[7] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 1 – Annual revenue requirement*, April 2019, p 1-8. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%201%20-%20Annual%20revenue%20requirement%20-%20April%202019.pdf.

2.6 Annual tariff review outcomes

Our Pricing Proposal includes reassignment of about 3,000 non-residential customers to an appropriate tariff based on their average consumption profiles supported by 24 months of historical data, subject to customer impacts assessment (see Chapter 14).

However, due to uncertainties associated with the current COVID-19 pandemic, we now propose to postpone the above reassignments for one year if they result in an increase in a customer's bill following the reassignment. For customers that benefit from the reassignment, we propose to accelerate their tariff reassignment as part of the COVID-19 response package.

2.7 Alternative control services

Our Pricing Proposal provides a schedule of charges for alternative control services: public lighting (Chapter 15), ancillary network services (Chapter 16) and metering services (Chapter 17).

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3 TARIFF CLASSES

This section sets out the tariff classes for standard control services that are specified in our approved TSS for 2019-24 (NER clause 6.18.2(b)(2)). Our TSS contains policies and procedures we will apply to assign customers to tariff classes. It also sets out the policies and procedures for assigning customers to tariffs within each class. Additional explanation is provided in our ES7 Network Price Guide.

Table 3.1 below summarises our five network tariff classes, and the individual tariffs in each tariff class, including a set of demand tariffs for residential customers and for non-residential customers with less than 40 MWh energy consumption a year, introduced on 1 July 2019 (see Section 2.1 of the TSS).

Assignment of customers to tariff classes are presented in Section 2.2 of the TSS.

Assignment of customers to a tariff within the tariff class are presented in Section 2.3 of the TSS.

Table 3.1. Ausgrid's tariff class descriptions from 1 July 2020

Tariff Class	Definition	Primary Network Tariffs	Other Network Tariffs
Low Voltage	Applicable to separately metered low voltage (400V or 230V) connections, as measured at the metering point.	EA025 – Residential TOU EA111 – Residential demand (introductory) EA115 – Residential TOU demand EA116 – Residential demand EA225 – Small business TOU EA251 – Small business demand (introductory) EA255 – Small business TOU demand EA256 – Small business demand EA302 – LV 40-160 MWh EA305 – LV 160-750 MWh EA310 – LV >750 MWh	*Secondary* EA030 – Controlled load 1 EA040 – Controlled load 2 *Closed** EA010 – Residential non-TOU *closed* EA011 – Residential transitional TOU *closed* EA050 – Small business non-TOU *closed* EA051 – Small business transitional TOU *closed* EA316 – Transitional 40-160 MWh *closed* EA317 – Transitional 160-750 MWh *closed* EA325 – LV Connection (standby) *closed*
High Voltage	Applicable to any connection at high voltage (11kV) level, as measured at the metering point.	EA370 – HV Connection (system) EA380 – HV Connection (substation)	EA360 – HV Connection (standby) *closed* Individually calculated tariffs
Sub-transmission	Applicable to any connection at a sub-transmission voltage (132/66/33kV), as measured at the metering point.	EA390 – ST Connection (system) EA391 – ST Connection (substation)	Individually calculated tariffs
Unmetered	Applicable to any LV connection that is defined as an unmetered supply by Ausgrid in consultation with AEMO as per clause S7.2.3 (Item 5) of the Rules.	EA401 – Public lighting EA402 – Constant unmetered EA403 – EnergyLight	
Transmission	Applicable to any site that is connected to the electricity transmission network.	EA501 – Transmission tariff	Individually calculated tariffs

Note: * *Closed* means only available for customers already assigned to the tariff. Transitional tariffs EA316 and EA317 closed during 2019-20 after the reassignments of existing customers reviewed for consumption thresholds was completed, to mitigate customer impacts. Once there are no more customers assigned to the closed tariff, we may remove this tariff from the pricing table at the annual pricing proposal. If there are no customers assigned to a tariff, we may also exclude it from the tariff table for the annual pricing proposal.

4 PROPOSED TARIFFS AND CHARGING PARAMETERS

This section sets out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates (NER clause 6.18.2(b)(3)).

Tables 4.1 – 4.4 below set out our proposed prices for NUOS and its components (DUOS, TUOS and CCF) for 2020-21. Indicative NUOS prices for each remaining year of the 2019-24 regulatory period are provided in Appendix A.1 (NER clause 6.18.2(d)).

The four types of charging parameters are:

- network access charge
- energy consumption charge
- demand charge
- capacity charge.[8]

The energy consumption and demand charges may vary by time of day and/or by season, with different time periods applied to residential and non-residential customers.

Seasonal definitions of time periods used in the charging parameters for the Time of Use (TOU) energy consumption charge, demand charge and capacity charge for different customer categories are provided in our TSS[9] and are further explained in our ES7 Network Price Guide.[10]

8 Ausgrid's TSS, Section 3.1, p 15.
9 Ausgrid's TSS, Section 3.1, pp 16-24.
10 Ausgrid, *ES7 - Network Price Guide*, December 2019. Available at https://www.ausgrid.com.au/Industry/Regulation/Network-prices.

Table 4.1. Ausgrid's network use of system (NUOS) tariffs by charging parameter from 1 July 2020 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.9368	8.3947							
	EA011	Residential transitional TOU *closed*	37.9368		8.3947	8.3947	8.3947				
	EA025	Residential TOU	47.0765		24.0261	5.6096	3.5844				
	EA111	Residential demand (introductory)	37.9368		8.0645	8.0645	8.0645	1.0407	1.0407		
	EA115	Residential TOU demand	47.0765		24.0261	3.8583	2.7944	4.1629	4.1629		
	EA116	Residential demand	37.9368		2.7981	2.7981	2.7981	20.8146	10.4073		
	EA030	Controlled load 1	0.1542	1.7564							
	EA040	Controlled load 2	11.2965	4.6301							
	EA050	Small business non-TOU *closed*	126.3910	8.0877							
	EA051	Small business transitional TOU *closed*	126.3910		8.0877	8.0877	8.0877				
	EA225	Small business TOU	124.6137		21.9981	7.4279	2.9395				
	EA251	Small business demand (introductory)	124.6137		7.7664	7.7664	7.7664	1.0407	1.0407		
	EA255	Small business TOU demand	124.6137		19.1422	6.8247	2.2573	4.1629	4.1629		
	EA256	Small business demand	124.6137		3.0771	3.0771	3.0771	20.8146	15.6110		
	EA302	LV 40-160 MWh	522.9526		6.6381	2.3986	1.1261			33.5489	
	EA305	LV 160-750 MWh	1689.5293		6.3317	2.3217	1.1388				33.5489
	EA310	LV >750 MWh	2551.0350		4.7561	1.8300	0.8729				33.5489
	EA316	Transitional 40-160 MWh *closed*	136.7751		24.3142	8.7980	1.9711				
	EA317	Transitional 160-750 MWh *closed*	136.7751		24.3142	8.7980	1.9711				
	EA325	LV Connection (standby) *closed*	2435.6495		9.4523	7.7461	2.2795				0.3731
High Voltage	EA360	HV Connection (standby) *closed*	2121.4307		7.6481	3.4847	2.0891				0.6550
	EA370	HV Connection (system)	5042.3261		2.8009	1.8142	1.1734				20.3734
	EA380	HV Connection (substation)	5042.3261		2.4947	1.5775	1.0415				17.4794
Sub-transmission	EA390	ST Connection (system)	6317.2311		2.1552	1.7433	1.1620				6.4962
	EA391	ST Connection (substation)	6317.2311		1.9999	1.5114	1.0531				5.7263
Unmetered	EA401	Public lighting		7.3436							
	EA402	Constant unmetered		8.8152							
	EA403	EnergyLight		6.7388							
Transmission	EA501	Transmission-connected	28623.1365								0.9193

Table 4.2. Ausgrid's distribution use of system (DUOS) tariffs by charging parameter from 1 July 2020 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.9368	4.7708							
	EA011	Residential transitional TOU *closed*	37.9368		4.7708	4.7708	4.7708				
	EA025	Residential TOU	47.0765		16.5760	4.9511	2.9465				
	EA111	Residential demand (introductory)	33.0084		6.5002	6.5002	6.5002	1.0407	1.0407		
	EA115	Residential TOU demand	42.1481		16.5760	2.4308	1.4467	4.1629	4.1629		
	EA116	Residential demand	33.0084		0.7009	0.7009	0.7009	20.8146	10.4073		
	EA030	Controlled load 1	0.1542	0.0000							
	EA040	Controlled load 2	11.2965	0.0000							
	EA050	Small business non-TOU *closed*	126.3910	4.6360							
	EA051	Small business transitional TOU *closed*	126.3910		4.6360	4.6360	4.6360				
	EA225	Small business TOU	124.6137		15.0624	6.2859	1.9991				
	EA251	Small business demand (introductory)	108.7976		4.9988	4.9988	4.9988	1.0407	1.0407		
	EA255	Small business TOU demand	108.7976		12.2649	5.9483	1.5134	4.1629	4.1629		
	EA256	Small business demand	108.7976		1.1160	1.1160	1.1160	20.8146	15.6110		
	EA302	LV 40-160 MWh	522.9526		4.2808	1.1979	0.1512			33.5489	
	EA305	LV 160-750 MWh	1689.5293		4.1025	1.0980	0.1386				33.5489
	EA310	LV >750 MWh	2551.0350		3.5674	0.9982	0.1260				33.5489
	EA316	Transitional 40-160 MWh *closed*	136.7751		10.6922	6.8840	0.9422			0.0000	
	EA317	Transitional 160-750 MWh *closed*	136.7751		10.6922	6.8840	0.9422				0.0000
	EA325	LV Connection (standby) *closed*	2435.6495		8.2182	6.6302	1.1757				0.3731
High Voltage	EA360	HV Connection (standby) *closed*	2121.4307		4.6443	0.4930	0.3572				0.1094
	EA370	HV Connection (system)	5042.3261		1.8737	1.0261	0.3903				18.9213
	EA380	HV Connection (substation)	5042.3261		1.5778	0.8640	0.3287				16.0831
Sub-transmission	EA390	ST Connection (system)	6317.2311		1.3581	0.9590	0.3778				5.4695
	EA391	ST Connection (substation)	6317.2311		1.2522	0.7765	0.3183				4.7510
Unmetered	EA401	Public lighting		5.0497							
	EA402	Constant unmetered		6.1479							
	EA403	EnergyLight		4.2725							
Transmission	EA501	Transmission-connected	0.0000								0.0000

Table 4.3. Ausgrid's transmission use of system (TUOS) tariffs by charging parameter from 1 July 2020 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	0.0000	3.2380							
	EA011	Residential transitional TOU *closed*	0.0000		3.2380	3.2380	3.2380				
	EA025	Residential TOU	0.0000		7.0594	0.2677	0.2471				
	EA111	Residential demand (introductory)	4.9284		1.1746	1.1746	1.1746	0.0000	0.0000		
	EA115	Residential TOU demand	4.9284		7.0594	1.0367	0.9570	0.0000	0.0000		
	EA116	Residential demand	4.9284		1.7085	1.7085	1.7085	0.0000	0.0000		
	EA030	Controlled load 1	0.0000	1.4622							
	EA040	Controlled load 2	0.0000	4.3866							
	EA050	Small business non-TOU *closed*	0.0000	2.9149							
	EA051	Small business transitional TOU *closed*	0.0000		2.9149	2.9149	2.9149				
	EA225	Small business TOU	0.0000		6.3984	0.6046	0.4031				
	EA251	Small business demand (introductory)	15.8161		2.2791	2.2791	2.2791	0.0000	0.0000		
	EA255	Small business TOU demand	15.8161		6.3984	0.3976	0.2650	0.0000	0.0000		
	EA256	Small business demand	15.8161		1.4730	1.4730	1.4730	0.0000	0.0000		
	EA302	LV 40-160 MWh	0.0000		1.7727	0.6162	0.3903			0.0000	
	EA305	LV 160-750 MWh	0.0000		1.6447	0.6391	0.4156				0.0000
	EA310	LV >750 MWh	0.0000		0.6042	0.2472	0.1624				0.0000
	EA316	Transitional 40-160 MWh *closed*	0.0000		13.1811	1.4731	0.5881			0.0000	
	EA317	Transitional 160-750 MWh *closed*	0.0000		13.1811	1.4731	0.5881				0.0000
	EA325	LV Connection (standby) *closed*	0.0000		0.7933	0.6750	0.6629				0.0000
High Voltage	EA360	HV Connection (standby) *closed*	0.0000		2.3879	2.3758	1.1160				0.5456
	EA370	HV Connection (system)	0.0000		0.1898	0.0507	0.0456				1.4521
	EA380	HV Connection (substation)	0.0000		0.2698	0.0663	0.0656				1.3963
Sub-transmission	EA390	ST Connection (system)	0.0000		0.0221	0.0093	0.0092				1.0267
	EA391	ST Connection (substation)	0.0000		0.0221	0.0093	0.0092				0.9753
Unmetered	EA401	Public lighting		1.2319							
	EA402	Constant unmetered		1.6053							
	EA403	EnergyLight		1.4043							
Transmission	EA501	Transmission-connected	28623.1365								0.9193

Table 4.4. Ausgrid's Climate Change Fund (CCF) tariffs by charging parameter from 1 July 2020 (exclusive of GST)

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	0.0000	0.3858							
	EA011	Residential transitional TOU *closed*	0.0000		0.3858	0.3858	0.3858				
	EA025	Residential TOU	0.0000		0.3908	0.3908	0.3908				
	EA111	Residential demand (introductory)	0.0000		0.3896	0.3896	0.3896	0.0000	0.0000		
	EA115	Residential TOU demand	0.0000		0.3908	0.3908	0.3908	0.0000	0.0000		
	EA116	Residential demand	0.0000		0.3888	0.3888	0.3888	0.0000	0.0000		
	EA030	Controlled load 1	0.0000	0.2942							
	EA040	Controlled load 2	0.0000	0.2434							
	EA050	Small business non-TOU *closed*	0.0000	0.5367							
	EA051	Small business transitional TOU *closed*	0.0000		0.5367	0.5367	0.5367				
	EA225	Small business TOU	0.0000		0.5373	0.5373	0.5373				
	EA251	Small business demand (introductory)	0.0000		0.4884	0.4884	0.4884	0.0000	0.0000		
	EA255	Small business TOU demand	0.0000		0.4789	0.4789	0.4789	0.0000	0.0000		
	EA256	Small business demand	0.0000		0.4882	0.4882	0.4882	0.0000	0.0000		
	EA302	LV 40-160 MWh	0.0000		0.5846	0.5846	0.5846			0.0000	
	EA305	LV 160-750 MWh	0.0000		0.5846	0.5846	0.5846				0.0000
	EA310	LV >750 MWh	0.0000		0.5846	0.5846	0.5846				0.0000
	EA316	Transitional 40-160 MWh *closed*	0.0000		0.4409	0.4409	0.4409			0.0000	
	EA317	Transitional 160-750 MWh *closed*	0.0000		0.4409	0.4409	0.4409				0.0000
	EA325	LV Connection (standby) *closed*	0.0000		0.4409	0.4409	0.4409				0.0000
High Voltage	EA360	HV Connection (standby) *closed*	0.0000		0.6159	0.6159	0.6159				0.0000
	EA370	HV Connection (system)	0.0000		0.7374	0.7374	0.7374				0.0000
	EA380	HV Connection (substation)	0.0000		0.6471	0.6471	0.6471				0.0000
Sub-transmission	EA390	ST Connection (system)	0.0000		0.7749	0.7749	0.7749				0.0000
	EA391	ST Connection (substation)	0.0000		0.7256	0.7256	0.7256				0.0000
Unmetered	EA401	Public lighting		1.0620							
	EA402	Constant unmetered		1.0620							
	EA403	EnergyLight		1.0620							
Transmission	EA501	Transmission-connected	0.0000								0.0000

5 WEIGHTED AVERAGE REVENUE

This chapter sets out the weighted average revenue from tariffs within each tariff class for standard control services proposed for the second year of the 2019-24 regulatory control period (NER clause 6.18.2(b)(4)).

Table 5.1 below demonstrates that there is no economic cross-subsidy between tariff classes, consistent with the requirements of clause 6.18.5(e)(1) of the NER.

Table 5.1. Comparison of 2020-21 DUOS tariffs vs standalone and avoidable costs ($m)

Regulatory year		2020-21, $m	
Tariff Class	**Avoidable costs**	**Expected DUOS revenue**	**Standalone costs**
Low Voltage	288.27	1,355.56	1,393.59
High Voltage	17.35	52.22	852.25
Subtransmission	31.57	38.04	325.60
Unmetered	1.57	10.17	1,106.90

Note: Excludes GST.

6 VARIATIONS TO TARIFFS

Clause 6.18.2(b)(5) of the NER requires that a pricing proposal set out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur.

We do not propose to vary or adjust our network tariffs during 2020-21.

7 DESIGNATED PRICING PROPOSAL CHARGES

Clause 6.18.2(b)(6) of the NER requires that a pricing proposal must set out how charges for designated pricing proposal charges (previously known as transmission use of system services and related charges) are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year.

In addition, clause 6.18.7(b) states that recovery of designated pricing proposal charges should not exceed the estimated amount of these charges for the relevant regulatory year, once the overs and unders account has been taken into account.

Ausgrid's Transmission Use of System (TUOS) tariffs[11] are designed to recover the allowed revenue for our electricity transmission (dual-function) network, to pass through the prescribed transmission costs of TransGrid, inter-distributor transfers and avoided TUOS, and to recover/return any under/over recovery of designated transmission revenues in the previous period.

The AER's final decision of Ausgrid's transmission revenue included a revenue adjustment from the remittal decision for the 2014-19 regulatory control period. The opening TUOS unders and overs account for 2019-20 was set to zero under the AER's final decision. The allowed designated pricing proposal charges for 2020-21 include revenue variance (RV) component of -$23.99m.[12]

In our Pricing Proposal, we have updated the forecast of TransGrid charges for 2020-21, as well as the estimate of inter-distributor transfers and avoided TUOS, to calculate the 2020-21 prices. We set TUOS prices that satisfy the revenue cap compliance formula.[13]

Table 7.1. Unders and overs account forecast closing balance – TUOS ($'000)

Financial Year	Units	2018-19 (actual)	2019-20 (estimate)	2020-21 (forecast)
Interest rate applicable to balance	%	6.40%	5.06%	4.90%
Opening balance	$'000	210,216	0	-3,230
Interest on opening balance	$'000	13,447	0	-158
Under/over recovery for regulatory year	$'000	155,741	-3,151	3,308
Interest on under/over recovery for regulatory year	$'000	4,904	-79	80
Closing balance of TUOS unders and overs account	$'000	384,308	-3,230	0

[11] This document uses the terms Transmission Use of System (TUOS) and Designated pricing proposal charges interchangeably.

[12] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 1 – Annual revenue requirement – April 2019.*, p 10. Available at https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausgrid-determination-2019-24/final-decision.

[13] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, p 13-8. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2013%20-%20Control%20mechanisms%20-%20April%202019.pdf.

8 CLIMATE CHANGE FUND

Clause 6.18.2(b)(6A) of the NER requires that a pricing proposal must set out how the jurisdictional scheme amounts (in NSW, the Climate Change Fund, or the CCF) are to be passed on to customers, including any adjustments for over or under recovery of these amounts in any previous regulatory year.

We have updated the forecast CCF contributions for 2020-21 (see Appendix A.4). We also updated interest rate applicable to the balance using the AER's final decision.

We set CCF prices for 2020-21 to target a zero balance for the CCF unders and overs account.

Table 8.1. Unders and overs account forecast closing balance – CCF ($'000)

Financial Year	Units	2018-19 (actual)	2019-20 (estimate)	2020-21 (forecast)
Interest rate applicable to balance	%	6.40%	5.06%	4.90%
Opening balance	$'000	35,353	242	-1,574
Interest on opening balance	$'000	2,261	12	-77
Under/over recovery for regulatory year	$'000	-36,231	-1,783	1,612
Interest on under/over recovery for regulatory year	$'000	-1,141	-45	39
Closing balance of CCF unders and overs account	$'000	242	-1,574	0

9 DISTRIBUTION USE OF SYSTEM UNDERS AND OVERS ACCOUNT

Ausgrid must maintain a DUOS unders and overs account in its annual pricing proposal under clause 6.18.2(b)(7) of the NER.

The AER's final decision on revenues for 2019-24 incorporates a revenue adjustment to reflect the outcomes of the remittal decision for the 2014-19 regulatory control period. This remittal adjustment targeted a zero balance for our DUOS unders and overs account in 2020-21 taking into account estimated revenue for 2019-20 (see Table 9.1).

The target revenue under the final decision was used to set DUOS prices for 2020-21. We set the DUOS prices to satisfy the revenue cap formula which includes the approved S-factor for 2020-21.[14]

The true-up of the 2019-20 revenue forecast is implemented in 2020-21 prices, through the revenue variance adjustment (RV) component of -$2.94m (see Table 9.2).[15]

To verify compliance, we applied the AER's decision on the side constraint which includes factors related to the incentive schemes (see Table 9.3).[16]

Compliance with the side constraint by each tariff class is demonstrated in Table 9.4.

Table 9.1. Unders and overs account forecast closing balance – DUOS ($'000)

Financial Year	Units	2018-19 (actual)	2019-20 (estimate)	2020-21 (forecast)
Interest rate applicable to balance	%	6.40%	5.19%	4.90%
Opening balance	$'000	229,813	0	-15,389
Interest on opening balance	$'000	14,701	0	-754
Under/over recovery for regulatory year	$'000	-275,869	-15,004	15,761
Interest on under/over recovery for regulatory year	$'000	-8,687	-385	382
Closing balance of DUOS unders and overs account	$'000	-40,041	-15,389	0

[14] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, p 13-6.
[15] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, pp 13-5 – 13-6.
[16] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 13 – Control mechanisms*, April 2019, p 13-9.

Table 9.2. DUOS control mechanism – compliance with revenue cap ($'000)

Control Mechanism	Formula	Value
Adjusted annual smoothed revenue requirement (t-1)	ARR_{t-1}	1,460,485
CPI	ΔCPI_t	1.84%
X-factor	X_t	2.67%
S-factor	S_t	-0.18%
Adjusted annual smoothed revenue requirement (t)	$ARR_t = ARR_{t-1} \times (1+\Delta CPI_t) \times (1-X_t) \times (1+S_t)$	1,445,060
DMIS and DMIA adjustments	I_t	-1,890
Annual adjustment factors	B_t	15,761
Cost pass-through amounts	C_t	0
FY19 true-up (applicable to FY21 only)	RV_t	-2,945
Total allowable revenue	$TAR_t = ARR_t + I_t + B_t + C_t + RV_t$	1,455, 987
Proposed revenue	PR_t	1,455, 987
Revenue cap compliance	**$TAR_t >= PR_t$**	**Yes**

Table 9.3. DUOS - compliance with side constraint

Side constraint	Formula	Value
CPI	ΔCPI_t	1.84%
X-factor	X_t	2.67%
S-factor	S_t	-0.18%
DMIS and DMIA adjustments	I_t	-0.13%
Annual adjustment factors	B_t	1.09%
Cost pass through amounts	C_t	0.00%
Side Constraint Limit	$(1+\Delta CPI_t) \times (1-X_t) \times (1+2\%) \times (1+S_t) + I_t' + B_t' + C_t'$	4.65%

Note: If $X_t > 0$ then X_t will be set equal to zero.

Table 9.4. DUOS – average tariff class price change

Tariff class	Weighted Average revenue 2019-20 ($'000)	Weighted Average revenue 2020-21 ($'000)	% change
Low Voltage	1,344,756	1,355,556	0.80%
High Voltage	51,075	52,224	2.25%
Subtransmission	37,206	38,042	2.25%
Unmetered	9,942	10,165	2.25%

10 CHANGES FROM THE PREVIOUS REGULATORY YEAR

Clause 6.18.2(b)(8) of the NER requires that a pricing proposal must describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.

Our approved TSS for the 2019-24 regulatory control period further advances our tariff reform towards cost reflective tariffs.

There are no changes from the previous regulatory year in any key aspect of our proposal as outlined below. The only exception is the speed of transition for medium and large low voltage customers on transitional tariffs, where we propose to delay the transition by one year due to uncertainties associated with the current COVID-19 pandemic.

10.1 Demand tariffs for residential and small business customers

From 1 July 2019, we introduced demand tariffs for residential and small business customers.

Each demand tariff consists of a fixed daily charge (in cents per day), an energy consumption charge (in cents per kWh) with a seasonal TOU structure, and a seasonal demand charge (in cents per kW per day). The demand measure is the maximum energy consumption recorded over any 30-minute period within the defined seasonal demand window on a working weekday in each month (measured in kW). The resulting demand charge applies for each day in the month (before being reset for the next month) (see TSS Section 3.2).

The demand window for measuring the maximum demand is aligned with a corresponding TOU peak energy window. In seasons where there is no peak energy on working weekdays, a summer window of 2-8 pm applies (see TSS Section 3.1 and ES7 Network Price Guide for detail).

We do not propose any changes in our tariffs or tariff structures from the previous regulatory year (2019-20).

10.2 Tariff assignment policy

From 1 July 2019, demand tariffs became a default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.

Tariff assignment policy and tariffs include a demand (introductory) tariff for 12 months for existing residential and small business customers on a flat tariff when they replace their meter due to meter failure. The demand (introductory) tariffs give customers an opportunity to understand their patterns of usage for 12 months before being automatically reassigned to the default demand tariff. Customers assigned to the demand (introductory) tariff have the option to be reassigned to another demand tariff, or to a TOU tariff (see TSS Section 2.3). After 12 months on a demand (introductory) tariff, customers are automatically re-assigned to a demand tariff.

TOU-demand and TOU tariffs are opt-out options for all customers assigned to a demand tariff.

TOU customers replacing meter for any reason remain on TOU tariffs and can opt-in to demand tariffs (see ES7 Network Price Guide for detail).

We do not propose any changes in our tariffs assignment policy from the previous regulatory year (2019-20).

10.3 Closure of non-cost reflective tariffs

In line with the AER's final decision on our TSS, our transitional TOU tariffs for residential (EA011) and small business (EA051) customers introduced during 2018-19 were set to the legacy flat tariff in NUOS charges in 2019-20.[17] Note that EA010 and EA011 customers might be subject to different metering service charges depending on the meter type and the connection history (see Chapter 17).

Existing flat (non-cost reflective) residential and small business tariffs (EA010/EA011 and EA050/EA051) were closed in 2019-20 to new customers (see ES7 Network Price Guide for detail).

We do not propose any changes in policy regarding closure of non-cost reflective tariffs from the previous regulatory year (2019-20).

10.4 Transitional tariffs for medium to large customers

Transitional tariffs for medium and large business customers will transition to an appropriate capacity-based tariff over the 2019-24 period.[18] Transitional tariff EA316 (40-160 MWh) will converge with EA302 (40-160 MWh). Transitional tariff EA317 (160-750 MWh) will converge with EA305 (160-750 MWh).

We had planned to introduce capacity charges for the transitional tariffs EA316 (in kW) and EA317 (in kVA) effective from 1 July 2020. We have sent communication to the retailers outlining the approved changes and a list of their impacted customers, in order for the retailers to inform customers. We have also advised retailers that customers on tariff EA316 with MRIM meters that are currently being read on a quarterly cycle will be transitioned to a monthly read schedule from 1 April 2020 to ensure the 12-month rolling capacity is applied.

However, due to uncertainties associated with the current COVID-19 pandemic, we now propose to postpone the above transition for one year.

10.5 Demand windows are aligned with TOU peak

Our Pricing Proposal, in line with the TSS, maintains current seasonal TOU charging windows for energy for residential and small business customers. The summer and winter seasonal demand windows are aligned with corresponding peak energy windows. In other months ('low season') where the peak energy price does not apply, residential and small business charging windows are aligned with the capacity charging windows for larger businesses (2-8 pm working weekdays).

We do not propose any changes in our charging windows from the previous regulatory year (2019-20).

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[17] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, p 18-15. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

[18] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, p 18-16. Available at https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20-%20Ausgrid%20distribution%20determination%202019-24%20-%20Attachment%2018%20-%20Tariff%20structure%20statement%20-%20April%202019.pdf.

11 CUSTOMER IMPACTS

In setting our tariffs we apply pricing principles under clause 6.18.5 of the NER which include considering customer impacts (NER section 6.18.5(h)). We have supported our approved TSS with extensive customer impact analysis (see TSS Section 4.4). We replicate this analysis in Appendix A.2.

Our annual pricing proposal for 2020-21 has been developed when the full degree of COVID-19 pandemic has not yet been realised, with the degree of its impact on Australian people and business remaining highly uncertain.

Within the wide range of plausible forecasts available to reflect this uncertainty, we have chosen a forecast that we consider to be reasonable, and which allows us to keep NUOS prices increasing by less than 2.3% from 2019-20 to 2020-21. We have also maintained our forecasts underpinning the 2019-20 pricing proposal, for the remainder of the regulatory period (2021-2024).

Our 'typical' customer bills increase by less than 2.3% from 2019-20 to 2020-21

11.1 Impact on residential customers

From 1 July 2019, demand tariffs became the default assignment for residential and small business new connections and customers on flat tariffs upgrading their meter by customer choice.

A network component of the annual bill for our 'typical' residential customer on a legacy flat energy residential tariff with energy consumption of 5 MWh per year, is proposed to increase by less than 2.3% from 2019-20 to 2020-21 (see Table 11.1).

Table 11.1. Impacts on typical residential customer bills in 2020-21

Tariff	Usage MWh pa	Network component of bill in 2020-21	Percentage and $ change from 2019-20	Bill with 10% reduction in demand
Existing: EA010 Non-Time of Use	5	$558	2.18% ($12)	
Existing: EA025 Time of Use	5	$556	2.22% ($12)	
New: EA116 Demand	5	$478	2.19% ($10)	$458
New: EA115 Time of Use demand	5	$536	2.22% ($12)	$530

Note: Excludes GST.

11.2 Impact on small business customers

A network component of the annual bill for our 'typical' small business customer on a legacy flat energy tariff with energy consumption of 10 MWh a year, is proposed to increase by less than 2.3% from 2019-20 to 2020-21 (see Table 11.2).

Table 11.2. Impacts on typical small business customer bills in 2020-21

Tariff	Usage MWh pa	Network component of bill in 2020-21	Percentage and $ change from 2019-20	Bill with 10% reduction in demand
Existing: EA050 Non-Time of Use	10	$1,270	2.26% ($28)	
Existing: EA225 Time of Use	10	$1,251	2.24% ($27)	
New: EA256 Demand	10	$1,270	2.22% ($28)	$1,220
New: EA255 Time of Use demand	10	$1,096	2.23% ($24)	$1,093

Note: Excludes GST.

11.3 Impact on medium and large business customers

Our Pricing Proposal results in network bills for medium and large business customers increasing by less than 2.3% from 2019-20 to 2020-21 (see Table 11.3).

Table 11.3. Impacts on typical medium and large business customer bills in 2020-21

Tariff	Usage MWh pa	Network component of bill in 2020-21	Percentage and $ change from 2019-20
Existing: EA302 40-160 MWh pa	70	$6,937	2.21% ($150)
Existing: EA305 160-750 MWh pa	300	$26,627	2.20% ($574)
Existing: EA310 >750 MWh pa	1000	$60,322	2.18% ($1,285)

Note: Excludes GST. Usage is for a 'typical' customer on each tariff.

Detailed analysis of customer impacts is presented in Appendix A.2.

12 CONSISTENCY WITH THE TARIFF STRUCTURE STATEMENT

Clause 6.18.2(b)(7A) of the NER requires that a pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them.

This Pricing Proposal is based on the approved TSS, with the proposed one year delay in transition and rebalancing of tariffs due to uncertainties associated with the current COVID-19 pandemic. Our approved 2019-24 TSS proposed rebalancing across customer classes to deliver more efficient pricing. However, there was no knowledge at the time of developing the revised TSS in January 2019, of the COVID-19 pandemic to occur in 2020. Therefore, no consideration could have been given as to the combined impact of the pandemic and the approved TSS changes.

Within the wide range of plausible forecasts available to reflect the uncertainty, we have chosen a forecast that we consider to be reasonable, and which allows us to keep NUOS prices increasing by less than 2.3% from 2019-20 to 2020-21. We have maintained the forecasts for the remainder of the regulatory period to keep indicative prices for 2021-22 to 2023-24 unchanged from those submitted in our 2019-20 initial pricing proposal. These forecasts will be updated in the subsequent pricing proposals when the uncertainty about COVID-19 is resolved.

Any deviations from the indicative prices for 2020-21 are due to the updates to:

- allowed revenues
- forecast customer numbers
- energy and demand forecasts including those resulting from the proposed reassignment of customers as part of the annual review of tariff thresholds
- prescribed services (TransGrid TUOS)
- approved jurisdictional schemes (Climate Change Fund) contributions, and
- the proposed deferral by one year of the tariff transition and tariff rebalancing under our TSS, due to uncertainty associated with COVID-19.

Our indicative prices for the remaining years of the regulatory period reflect our tariff reform which includes:

- ensuring that the disparity between small business and residential demand tariffs is progressively removed
- rebalancing our small to medium business tariffs to maintain the reduction in fixed charges as indicated in our approved TSS. The rebalancing is within the long-term view of simplifying our tariff structures flagged in our Revised Proposal.[19]
- offsetting any increases in peak energy charges by decreases in shoulder or off-peak charges to remove incentive for inefficient investment in distributed energy resources (DER) by businesses.

[19] Ausgrid, Revised Proposal – Attachment 10.1 *Tariff Structure Statement*, January 2019, p 48. Available at https://www.aer.gov.au/system/files/Ausgrid%20-%20Revised%20Proposal%20-%20Attachment%2010.01%20Tariff%20Structure%20Statement%20-%20January%202019.pdf.

Table 12.1 provides a comparison of network tariff prices by charging parameter (prices proposed for 2020-21 in this Pricing Proposal vs indicative prices for 2020-21 based on the initial pricing proposal 2019-20).

Table 12.1. Comparison of Ausgrid's 2020-21 network tariffs by charging parameter (exclusive of GST) – proposed vs indicative – Low Voltage tariff class

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA010	Residential non-TOU *closed*	Proposal	37.9368	8.3947							
		Indicative	38.0021	8.3538							
		% difference	-0.2%	0.5%							
EA011	Residential transitional TOU *closed*	Proposal	37.9368		8.3947	8.3947	8.3947				
		Indicative	38.0021		8.3538	8.3538	8.3538				
		% difference	-0.2%		0.5%	0.5%	0.5%				
EA025	Residential TOU	Proposal	47.0765		24.0261	5.6096	3.5844				
		Indicative	47.1575		24.0545	5.5512	3.5783				
		% difference	-0.2%		-0.1%	1.1%	0.2%				
EA030	Controlled load 1	Proposal	0.1542	1.7564							
		Indicative	0.1545	1.8407							
		% difference	-0.2%	-4.6%							
EA040	Controlled load 2	Proposal	11.2965	4.6301							
		Indicative	11.3159	4.7652							
		% difference	-0.2%	-2.8%							
EA111	Residential demand (introductory)	Proposal	37.9368		8.0645	8.0645	8.0645	1.0407	1.0407		
		Indicative	38.0021		8.0487	8.0487	8.0487	1.0425	1.0425		
		% difference	-0.2%		0.2%	0.2%	0.2%	-0.2%	-0.2%		
EA115	Residential TOU demand	Proposal	47.0765		24.0261	3.8583	2.7944	4.1629	4.1629		
		Indicative	47.1575		24.0545	3.7830	2.7571	4.1701	4.1701		
		% difference	-0.2%		-0.1%	2.0%	1.4%	-0.2%	-0.2%		
EA116	Residential demand	Proposal	37.9368		2.7981	2.7981	2.7981	20.8146	10.4073		
		Indicative	38.0021		2.4681	2.4681	2.4681	20.8505	10.4252		
		% difference	-0.2%		13.4%	13.4%	13.4%	-0.2%	-0.2%		

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA050	Small business non-TOU *closed*	Proposal	126.3910	8.0877							
		Indicative	124.8471	7.5991							
		% difference	1.2%	6.4%							
EA051	Small business transitional TOU *closed*	Proposal	126.3910		8.0877	8.0877	8.0877				
		Indicative	124.8471		7.5991	7.5991	7.5991				
		% difference	1.2%		6.4%	6.4%	6.4%				
EA225	Small business TOU	Proposal	124.6137		21.9981	7.4279	2.9395				
		Indicative	123.0915		22.0106	6.4978	2.6639				
		% difference	1.2%		-0.1%	14.3%	10.3%				
EA251	Small business demand (introductory)	Proposal	124.6137		7.7664	7.7664	7.7664	1.0407	1.0407		
		Indicative	123.0915		7.2790	7.2790	7.2790	1.0425	1.0425		
		% difference	1.2%		6.7%	6.7%	6.7%	-0.2%	-0.2%		
EA255	Small business TOU demand	Proposal	124.6137		19.1422	6.8247	2.2573	4.1629	4.1629		
		Indicative	123.0915		19.1973	5.7818	2.0342	4.1701	4.1701		
		% difference	1.2%		-0.3%	18.0%	11.0%	-0.2%	-0.2%		
EA256	Small business demand	Proposal	124.6137		3.0771	3.0771	3.0771	20.8146	15.6110		
		Indicative	123.0915		2.3302	2.3302	2.3302	20.8505	15.6378		
		% difference	1.2%		32.1%	32.1%	32.1%	-0.2%	-0.2%		

Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
EA302	LV 40-160 MWh	Proposal	522.9526		6.6381	2.3986	1.1261			33.5489	
		Indicative	409.1600		6.3061	2.2789	1.0985			33.6066	
		% difference	27.8%		5.3%	5.3%	2.5%			-0.2%	
EA305	LV 160-750 MWh	Proposal	1689.5293		6.3317	2.3217	1.1388				33.5489
		Indicative	1404.5124		6.0632	2.2842	1.1270				33.6066
		% difference	20.3%		4.4%	1.6%	1.0%				-0.2%
EA310	LV >750 MWh	Proposal	2551.0350		4.7561	1.8300	0.8729				33.5489
		Indicative	2555.4230		4.8818	1.9075	0.9651				33.6066
		% difference	-0.2%		-2.6%	-4.1%	-9.6%				-0.2%
EA316	Transitional 40-160 MWh *closed*	Proposal	136.7751		24.3142	8.7980	1.9711			0.0000	
		Indicative	194.6278		19.4443	7.2573	1.8289			7.4270	
		% difference	-29.7%		25.0%	21.2%	7.8%			-100.0%	
EA317	Transitional 160-750 MWh *closed*	Proposal	136.7751		24.3142	8.7980	1.9711				0.0000
		Indicative	474.8182		19.0353	6.9887	1.7991				9.0196
		% difference	-71.2%		27.7%	25.9%	9.6%				-100.0%
EA325	LV Connection (standby) *closed*	Proposal	2435.6495		9.4523	7.7461	2.2795				0.3731
		Indicative	2439.8389		9.4689	7.7604	2.2863				0.3738
		% difference	-0.2%		-0.2%	-0.2%	-0.3%				-0.2%

Table 12.2. Comparison of Ausgrid's 2020-21 network tariffs by charging parameter (exclusive of GST) – proposed vs indicative – other tariffs

Tariff Class	Tariff Code	Tariff Name		Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
					Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
				c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
High Voltage	EA360	HV Connection (standby) *closed*	Proposal	2121.4307		7.6481	3.4847	2.0891				0.6550
			Indicative	2125.0893		7.7671	3.5960	2.1423				0.6587
			% difference	-0.2%		-1.5%	-3.1%	-2.5%				-0.6%
	EA370	HV Connection (system)	Proposal	5042.3261		2.8009	1.8142	1.1734				20.3734
			Indicative	5051.0219		2.7662	1.7667	1.1449				20.4154
			% difference	-0.2%		1.3%	2.7%	2.5%				-0.2%
	EA380	HV Connection (substation)	Proposal	5042.3261		2.4947	1.5775	1.0415				17.4794
			Indicative	5051.0219		2.5961	1.6261	1.0777				17.5161
			% difference	-0.2%		-3.9%	-3.0%	-3.4%				-0.2%
Sub-transmission	EA390	ST Connection (system)	Proposal	6317.2311		2.1552	1.7433	1.1620				6.4962
			Indicative	6327.0696		2.2216	1.7500	1.1745				6.5114
			% difference	-0.2%		-3.0%	-0.4%	-1.1%				-0.2%
	EA391	ST Connection (substation)	Proposal	6317.2311		1.9999	1.5114	1.0531				5.7263
			Indicative	6327.0696		1.9416	1.5221	1.0735				5.7401
			% difference	-0.2%		3.0%	-0.7%	-1.9%				-0.2%
Unmetered	EA401	Public lighting	Proposal		7.3436							
			Indicative		7.2120							
			% difference		1.8%							
	EA402	Constant unmetered	Proposal		8.8152							
			Indicative		8.6794							
			% difference		1.6%							
	EA403	EnergyLight	Proposal		6.7388							
			Indicative		6.7013							
			% difference		0.6%							
Transmission	EA501	Transmission-connected	Proposal	28623.1365								0.9193
			Indicative	35156.2500								1.1291
			% difference	-18.6%								-18.6%

13 COMPLIANCE WITH NATIONAL ELECTRICITY RULES

Clause 6.18.2(b)(7) of the NER requires that a pricing proposal must demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's TSS for the relevant regulatory control period.

Our approved TSS has demonstrated compliance with the pricing principles (NER clause 6.18.5). Our Pricing Proposal remains consistent with the approved TSS, with the proposed one year delay in transition and rebalancing of tariffs due to uncertainties associated with the current COVID-19 pandemic and its social and economic costs.

Due to the profound impact of the COVID-19 pandemic on the people and businesses of NSW, we believe that it would be inconsistent with the customer impact principles in the NER, to make changes to the relative levels of revenue recovered from different network tariffs in 2020-21. Ausgrid therefore proposes to keep network use of system prices increasing by less than 2.3% from 2019-20 to 2020-21 and to transition to the approved 2019-24 TSS price paths over the remainder of the regulatory period. This approach is consistent with clause 6.18.5(h) of the NER, which provides for giving effect to the pricing principles over a reasonable period of transition.

Table 13.1 provides a compliance checklist.

Table 13.1. Compliance checklist of pricing proposal against key rule provisions

Rule provision	Requirement	Sections in Pricing Proposal	Other documents
6.18.2(b)(2)	A pricing proposal must set out the proposed tariffs for each tariff class that is specified in the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.	Chapter 3	
6.18.2(b)(3)	A pricing proposal must set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates.	Chapter 4	Explanatory Notes
6.18.2(b)(4)	A pricing proposal must set out, for each tariff class related to standard control services, the expected weighted average revenue for the relevant regulatory year and also for the current regulatory year.	Chapter 5	Explanatory Notes
6.18.2(b)(5)	A pricing proposal must set out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur.	Chapter 6	
6.18.2(b)(6)	A pricing proposal must set out how designated pricing proposal charges are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year.	Chapter 7	
6.18.2(b)(6A)	A pricing proposal must set out how jurisdictional scheme amounts for each approved jurisdictional scheme are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts.	Chapter 8	
6.18.2(b)(6B)	A pricing proposal must describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria.	n/a	
6.18.2(b)(7)	A pricing proposal must demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.	Chapter 12 Chapter 13	Compliance spreadsheets
6.18.2(b)(7A)	A pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material differences between them.	Chapter 12 Chapter 13	Compliance spreadsheets
6.18.2(b)(8)	A pricing proposal must describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.	Chapter 10	Explanatory Notes

Rule provision	Requirement	Sections in Pricing Proposal	Other documents
6.18.2(d)	At the same as a Distribution Network Service Provider submits a pricing proposal under paragraph (a), the Distribution Network Service Provider must submit to the AER a revised indicative pricing schedule which sets out, for each tariff and for each of the remaining regulatory years of the regulatory control period, the indicative price levels determined in accordance with the Distribution Network Service Provider's tariff structure statement for that regulatory control period and updated so as to take into account that pricing proposal.	Appendix A.1	Explanatory Notes

14 ANNUAL SYSTEM OF ASSESSMENT AND REVIEW OF TARIFFS

Consistent with the methodology for annual tariff assessment and review set out in our approved TSS[20] and with the AER's final decision,[21] this chapter discusses the outcomes of our annual reviews of network tariffs for existing retail customers. Our annual review is to ensure that the current tariff class and the tariff within the class remain appropriate for the customer. We reassign existing customers as part of the annual review if a different tariff is supported by 24 months of data.

Table 14.1: Proposed tariff reassignments for 2020-21

Current Network Tariff	Proposed Network Tariff	No. of Customers
Small business TOU (EA225)	LV 40-160 MWh (EA302)	480
	LV 160-750 MWh (EA305)	2
	LV >750 MWh (EA310)	1
LV 40-160 MWh (EA302)	Small business TOU (EA225)	979
	LV 160-750 MWh (EA305)	25
	LV >750 MWh (EA310)	4
LV 160-750 MWh (EA305)	Small business TOU (EA225)	21
	LV 40-160 MWh pa (EA302)	173
	LV TOU Capacity >750 MWh pa (EA310)	36
LV >750 MWh (EA310)	Small business TOU (EA225)	2
	LV 40-160 MWh pa (EA302)	3
	LV 160-750 MWh (EA305)	132
Transitional 40-160 MWh *closed* (EA316)	Small business TOU (EA225)	164
	LV 40-160 MWh pa (EA302)	936
Transitional 160-750 MWh *closed* (EA317)	LV 160-750 MWh (EA305)	2
Total number of customers		2960

Note: *Closed* means only available for customers already assigned to the tariff. Transitional tariffs EA316 and EA317 were closed during 2019-20 after the reassignments of existing customers reviewed for consumption thresholds was completed, to mitigate customer impacts. A new level of metering service charge might apply depending on the meter type and the connection history (see Chapter 17).

Based on customers' energy consumption history as at 31 December 2019, we propose to reassign about 3,000 customers during 2020-21 (see Table 14.1). We will notify customers' retailers before implementing tariff changes. We have considered customer impacts on

[20] Ausgrid's TSS, p 14.

[21] AER *Final Decision – Ausgrid Distribution Determination 2019 to 2024, Attachment 18 Tariff Structure Statement*, April 2019, pp 18-20 – 18-23.

customers subject to the reassignment and utilised transitional tariffs where the impact of moving the customer to their new NUOS tariff was unacceptable.

However, due to uncertainties associated with the current COVID-19 pandemic, we now propose to postpone the above reassignments for one year if they result in an increase in a customer's bill following the reassignment. For customers that benefit from the reassignment, we propose to accelerate their tariff reassignment as part of the COVID-19 response package.

15 PUBLIC LIGHTING SERVICES

Public lighting services are classified as alternative control services. These services are subject to a different control mechanism to our general network services, which the AER has given a standard control services classification.

Public lighting encompasses the provision, construction and maintenance of public lighting and emerging public lighting technology. Ausgrid provides public lighting services to over 100 customers including councils, community groups and government associations. There are over 240,000 public lights in Ausgrid's network area, which are typically installed on major and minor roadways. A conventional public light comprises of five (5) main components: a lamp, a luminaire, a bracket, a support structure, and a connection to the low voltage electricity network.

Public Lighting Prices for 2020-21

Our proposed public lighting prices for 2020-21 are shown in Appendix B.

16 ANCILLARY NETWORK SERVICES

Background

Ancillary network services (ANS) are non-routine services that are provided by a DNSP to individual customers on an “as needs” basis. These services are classified by the AER as alternative control services and do not form part of Ausgrid’s distribution use of system revenue requirement determined by the AER. Rather, the DNSP recovers the costs of providing alternative control services through a range of fees.

Ancillary network services charges for 2020-21

Our proposed ANS charges for 2020-21 are shown in Appendix B.

17 METERING SERVICES

Background

The AER classified our type 5 and 6 metering services as an alternative control service.[22] Ausgrid recovers the costs of these services through a range of metering charges approved in the AER's Final Decision, and which are escalated each year by an approved price control mechanism. The cost recovery of our type 5 and 6 metering services is separate from our distribution use of system revenue requirement.

Metering services charges for 2020-21

Our proposed metering services charges for 2020-21 are shown in Appendix B.

[22] AER, *Final Decision: Ausgrid 2019-24 distribution determination*, April 2019, p. 12-13.

Pricing Proposal
For the financial year ending June 2021

Appendix A: Explanatory Notes Standard Control Services
April 2020

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A.1 Indicative pricing schedule for the remaining years in the 2019-24 control period

Table A.1.1. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Proposed 2020-21

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	37.9368	8.3947							
	EA011	Residential transitional TOU *closed*	37.9368		8.3947	8.3947	8.3947				
	EA025	Residential TOU	47.0765		24.0261	5.6096	3.5844				
	EA111	Residential demand (introductory)	37.9368		8.0645	8.0645	8.0645	1.0407	1.0407		
	EA115	Residential TOU demand	47.0765		24.0261	3.8583	2.7944	4.1629	4.1629		
	EA116	Residential demand	37.9368		2.7981	2.7981	2.7981	20.8146	10.4073		
	EA030	Controlled load 1	0.1542	1.7564							
	EA040	Controlled load 2	11.2965	4.6301							
	EA050	Small business non-TOU *closed*	126.3910	8.0877							
	EA051	Small business transitional TOU *closed*	126.3910		8.0877	8.0877	8.0877				
	EA225	Small business TOU	124.6137		21.9981	7.4279	2.9395				
	EA251	Small business demand (introductory)	124.6137		7.7664	7.7664	7.7664	1.0407	1.0407		
	EA255	Small business TOU demand	124.6137		19.1422	6.8247	2.2573	4.1629	4.1629		
	EA256	Small business demand	124.6137		3.0771	3.0771	3.0771	20.8146	15.6110		
	EA302	LV 40-160 MWh	522.9526		6.6381	2.3986	1.1261			33.5489	
	EA305	LV 160-750 MWh	1689.5293		6.3317	2.3217	1.1388				33.5489
	EA310	LV >750 MWh	2551.0350		4.7561	1.8300	0.8729				33.5489
	EA316	Transitional 40-160 MWh *closed*	136.7751		24.3142	8.7980	1.9711				
	EA317	Transitional 160-750 MWh *closed*	136.7751		24.3142	8.7980	1.9711				
	EA325	LV Connection (standby) *closed*	2435.6495		9.4523	7.7461	2.2795				0.3731
High Voltage	EA360	HV Connection (standby) *closed*	2121.4307		7.6481	3.4847	2.0891				0.6550
	EA370	HV Connection (system)	5042.3261		2.8009	1.8142	1.1734				20.3734
	EA380	HV Connection (substation)	5042.3261		2.4947	1.5775	1.0415				17.4794
Sub-transmission	EA390	ST Connection (system)	6317.2311		2.1552	1.7433	1.1620				6.4962
	EA391	ST Connection (substation)	6317.2311		1.9999	1.5114	1.0531				5.7263
Unmetered	EA401	Public lighting		7.3436							
	EA402	Constant unmetered		8.8152							
	EA403	EnergyLight		6.7388							
Transmission	EA501	Transmission-connected	28623.1365								0.9193

Table A.1.2. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2021-22

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	38.9236	8.5079							
	EA011	Residential transitional TOU *closed*	38.9236		8.5079	8.5079	8.5079				
	EA025	Residential TOU	48.3010		24.6272	5.5932	3.6579				
	EA111	Residential demand (introductory)	38.9236		8.1742	8.1742	8.1742	1.0678	1.0678		
	EA115	Residential TOU demand	48.3010		24.6272	3.7700	2.7755	4.2712	4.2712		
	EA116	Residential demand	38.9236		2.3910	2.3910	2.3910	21.3560	10.6780		
	EA030	Controlled load 1	0.1582	1.8393							
	EA040	Controlled load 2	11.5903	4.7638							
	EA050	Small business non-TOU *closed*	126.0956	7.2790							
	EA051	Small business transitional TOU *closed*	126.0956		7.2790	7.2790	7.2790				
	EA225	Small business TOU	124.3224		22.5061	5.8484	2.4572				
	EA251	Small business demand (introductory)	124.3224		6.9840	6.9840	6.9840	1.0678	1.0678		
	EA255	Small business TOU demand	124.3224		19.6317	5.0354	1.8487	4.2712	4.2712		
	EA256	Small business demand	124.3224		1.8969	1.8969	1.8969	21.3560	16.0170		
	EA302	LV 40-160 MWh	327.3280		5.9378	2.1948	1.1133			34.4215	
	EA305	LV 160-750 MWh	1193.8356		5.6938	2.1978	1.1476				34.4215
	EA310	LV >750 MWh	2617.3888		4.9746	1.9973	1.0834				34.4215
	EA316	Transitional 40-160 MWh *closed*	247.5390		14.7563	5.2856	1.5516			18.1904	
	EA317	Transitional 160-750 MWh *closed*	848.1128		13.7081	4.6006	1.4725				22.2076
	EA325	LV Connection (standby) *closed*	2499.0020		9.6985	7.9485	2.3418				0.3828
High Voltage	EA360	HV Connection (standby) *closed*	2176.6200		8.0660	3.7932	2.2459				0.6747
	EA370	HV Connection (system)	5173.5029		2.8352	1.7845	1.1576				20.9105
	EA380	HV Connection (substation)	5173.5029		2.7148	1.6791	1.1181				17.9408
Sub-transmission	EA390	ST Connection (system)	6480.4931		2.3359	1.7997	1.2143				6.6693
	EA391	ST Connection (substation)	6480.4931		2.0398	1.5623	1.1132				5.8793
Unmetered	EA401	Public lighting		7.3676							
	EA402	Constant unmetered		8.4484							
	EA403	EnergyLight		6.8010							
Transmission	EA501	Transmission-connected	43945.3125								1.4114

Table A.1.3. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2022-23

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	39.8674	8.6888							
	EA011	Residential transitional TOU *closed*	39.8674		8.6888	8.6888	8.6888				
	EA025	Residential TOU	49.4722		25.2028	5.6403	3.7403				
	EA111	Residential demand (introductory)	39.8674		8.3434	8.3434	8.3434	1.0937	1.0937		
	EA115	Residential TOU demand	49.4722		25.2028	3.8303	2.8375	4.3748	4.3748		
	EA116	Residential demand	39.8674		2.3621	2.3621	2.3621	21.8739	10.9370		
	EA030	Controlled load 1	0.1620	1.8268							
	EA040	Controlled load 2	11.8714	4.7513							
	EA050	Small business non-TOU *closed*	127.3566	7.0284							
	EA051	Small business transitional TOU *closed*	127.3566		7.0284	7.0284	7.0284				
	EA225	Small business TOU	125.5657		23.0235	5.2482	2.2697				
	EA251	Small business demand (introductory)	125.5657		6.7303	6.7303	6.7303	1.0937	1.0937		
	EA255	Small business TOU demand	125.5657		20.0853	4.3821	1.6938	4.3748	4.3748		
	EA256	Small business demand	125.5657		1.4818	1.4818	1.4818	21.8739	16.4054		
	EA302	LV 40-160 MWh	278.2288		5.3196	2.0174	1.0981			35.2562	
	EA305	LV 160-750 MWh	1074.4520		5.1167	2.0385	1.1405				35.2562
	EA310	LV >750 MWh	2680.8572		4.8274	2.0051	1.1728				35.2562
	EA316	Transitional 40-160 MWh *closed*	268.8021		8.8640	3.0544	1.2355			30.0142	
	EA317	Transitional 160-750 MWh *closed*	1074.4520		7.2418	2.1511	1.1415				35.2562
	EA325	LV Connection (standby) *closed*	2559.5996		9.9337	8.1413	2.3985				0.3921
High Voltage	EA360	HV Connection (standby) *closed*	2229.4003		8.3660	3.9891	2.3492				0.6911
	EA370	HV Connection (system)	5298.9538		2.8418	1.7591	1.1433				21.4175
	EA380	HV Connection (substation)	5298.9538		2.7824	1.6952	1.1341				18.3759
Sub-transmission	EA390	ST Connection (system)	6637.6369		2.3945	1.8081	1.2219				6.8310
	EA391	ST Connection (substation)	6637.6369		2.1064	1.5789	1.1296				6.0219
Unmetered	EA401	Public lighting		7.3361							
	EA402	Constant unmetered		8.3658							
	EA403	EnergyLight		7.1434							
Transmission	EA501	Transmission-connected	54931.6406								1.7643

Table A.1.4. Ausgrid's network tariffs by charging parameter (exclusive of GST) – Indicative – 2023-24

Tariff Class	Tariff Code	Tariff Name	Network Access Charge	Energy consumption charge				Demand charge		Capacity charge	
				Non-TOU	Peak	Shoulder	Off-peak	High season	Low season	Peak	Peak
			c/day	c/kWh	c/kWh	c/kWh	c/kWh	c/kW/day	c/kW/day	c/kW/day	c/kVA/day
Low Voltage	EA010	Residential non-TOU *closed*	40.8342	8.9067							
	EA011	Residential transitional TOU *closed*	40.8342		8.9067	8.9067	8.9067				
	EA025	Residential TOU	50.6719		25.7991	5.7708	3.8771				
	EA111	Residential demand (introductory)	40.8342		8.5424	8.5424	8.5424	1.1202	1.1202		
	EA115	Residential TOU demand	50.6719		25.7991	3.9050	2.9206	4.4809	4.4809		
	EA116	Residential demand	40.8342		2.3608	2.3608	2.3608	22.4043	11.2022		
	EA030	Controlled load 1	0.1660	1.8209							
	EA040	Controlled load 2	12.1592	4.7454							
	EA050	Small business non-TOU *closed*	128.6301	6.7823							
	EA051	Small business transitional TOU *closed*	128.6301		6.7823	6.7823	6.7823				
	EA225	Small business TOU	126.8213		23.5624	4.6501	2.0984				
	EA251	Small business demand (introductory)	126.8213		6.4804	6.4804	6.4804	1.1202	1.1202		
	EA255	Small business TOU demand	126.8213		20.5574	3.7794	1.5684	4.4809	4.4809		
	EA256	Small business demand	126.8213		1.1833	1.1833	1.1833	22.4043	16.8032		
	EA302	LV 40-160 MWh	250.4059		4.4796	1.7868	1.0889			36.1111	
	EA305	LV 160-750 MWh	1020.7294		4.4346	1.9715	1.2326				36.1111
	EA310	LV >750 MWh	2745.8646		4.3670	1.9180	1.2348				36.1111
	EA316	Transitional 40-160 MWh *closed*	250.4059		4.4796	1.7868	1.0889			36.1111	
	EA317	Transitional 160-750 MWh *closed*	1020.7294		4.4346	1.9715	1.2326				36.1111
	EA325	LV Connection (standby) *closed*	2621.6667		10.1746	8.3387	2.4567				0.4016
High Voltage	EA360	HV Connection (standby) *closed*	2283.4605		8.7137	4.2299	2.4739				0.7078
	EA370	HV Connection (system)	5427.4468		2.8973	1.7617	1.1487				21.9369
	EA380	HV Connection (substation)	5427.4468		2.8736	1.7151	1.1477				18.8215
Sub-transmission	EA390	ST Connection (system)	6798.5913		2.4919	1.8455	1.2528				6.9967
	EA391	ST Connection (substation)	6798.5913		2.1922	1.6090	1.1592				6.1679
Unmetered	EA401	Public lighting		7.3679							
	EA402	Constant unmetered		8.4328							
	EA403	EnergyLight		7.3190							
Transmission	EA501	Transmission-connected	68664.5508								2.2053

A.2 Customer impact analysis

Customer impacts under our Pricing Proposal follow closely the impacts discussed in detail in our approved TSS (April 2019). The Pricing Proposal appropriately balances the need to improve the efficiency of our network tariffs against the important requirement to consider the impact of these tariff reforms on our customers. Impact on individual customers depends on the retail product offered by their retailer, and on customer's behavioural response.

We propose to delay by one year the transition and rebalancing of certain tariffs envisaged in our TSS, due to uncertainties associated with the current COVID-19 pandemic. Within the wide range of forecasts available to reflect the uncertainty, we have chosen a forecast that we consider to be reasonable, and which allows us to keep NUOS prices increasing by less than 2.3% from 2019-20 to 2020-21. We have maintained the forecasts for the remainder of the regulatory period to keep indicative prices for 2021-22 to 2023-24 unchanged. These forecasts will be updated in the subsequent pricing proposals when the uncertainty about COVID-19 is resolved.

Our 'typical' customer bills increase by less than 2.3% from 2019-20 to 2020-21.

The average network bill in 2020-21 of a typical residential customer using 5,000 kWh a year on our most common tariff, EA010 non-Time of Use tariff, is presented in Table A2.1.

A typical bill for a small business customer using 10,000 kWh a year is presented in Table A2.2.

Table A2.3 shows the network component of the bill in 2020-21 for a typical customer on each of our two medium business tariffs and for a typical large business customer.

The final prices for each tariff will continue to be determined on an annual basis.

Table A2.1. Impacts on typical residential customer bills in 2020-21

Tariff	Usage MWh pa	Network component of bill in 2020-21	Percentage and $ change from 2019-20	Bill with 10% reduction in demand
Existing: EA010 Non-Time of Use	5	$558	2.18% ($12)	
Existing: EA025 Time of Use	5	$556	2.22% ($12)	
New: EA116 Demand	5	$478	2.19% ($10)	$458
New: EA115 Time of Use demand	5	$536	2.22% ($12)	$530

Note: Excludes GST.

Table A2.2. Impacts on typical small business customer bills in 2020-21

Tariff	Usage MWh pa	Network component of bill in 2020-21	Percentage and $ change from 2019-20	Bill with 10% reduction in demand
Existing: EA050 Non-Time of Use	10	$1,270	2.26% ($28)	
Existing: EA225 Time of Use	10	$1,251	2.24% ($27)	
New: EA256 Demand	10	$1,270	2.22% ($28)	$1,220
New: EA255 Time of Use demand	10	$1,096	2.23% ($24)	$1,093

Note: Excludes GST.

Table A2.3. Impacts on typical medium and large business customer bills in 2020-21

Tariff	Usage MWh pa	Network component of bill in 2020-21	Percentage and $ change from 2019-20
Existing: EA302 40-160 MWh pa	70	$6,937	2.21% ($150)
Existing: EA305 160-750 MWh pa	300	$26,627	2.20% ($574)
Existing: EA310 >750 MWh pa	1000	$60,322	2.18% ($1,285)

Note: Excludes GST. Usage is for a 'typical' customer on each tariff.

For the customer impact analysis, we follow the methodology described in detail in our TSS. Where an outcome with an opt-out is presented, additional improvement can be achieved for some customers with opting out into TOU tariffs (not modelled).

The following sections present impacts for:

- Residential customers
- Small business customers
- Medium and large business low voltage customers
- High voltage customers (on listed tariffs)
- Subtransmission customers (on listed tariffs).

The set of figures shows the impact for different groups of customers depending on their meter type and tariff, at the second year of the regulatory period in 2020-21 and at the end of the regulatory period in 2023-24. Each figure has a summary table of the impacts including average annual bill impact, energy consumption, demand and average load factor.

Average load factor is the average demand as a proportion of the maximum demand in a year and is important in determining the impact of a demand charge. The average load factor for a residential customer is approximately 10%. Customers with a very low load factor have very peaky demand (and drive higher network costs than other customers with the same overall consumption but higher load factor) and are more affected by demand charges. Customers with a higher load factor are less affected.

Residential customer impacts

Based on Figure 2.3 in Section 2 of the Tariff Structure Statement showing the assignment of residential customers from 1 July 2019, the following figures show the impact on residential customers moving from their current tariff to a new tariff from 1 July 2020 and impacts at the end of the regulatory period in 2023-24.

Box A2.1 is a key to the set of residential customer impact figures including:

- Figures A2.1 to A2.5: the impact on customers on each of the tariffs in 2019-20 from 1 July 2020
- Figures A2.6 and A2.7: the impact on customers on flat tariff being assigned to a new demand (introductory) tariff due to meter failure after 1 July 2020, and the impact of being reassigned to the default demand tariff after 12 months
- Figure A2.8: the impact on customers being assigned to a demand tariff due to change from a flat tariff to a smart meter by customer initiated action after 1 July 2020

- Figure A2.9: the impact on TOU customers opting-in to a demand tariff due to change for any reason from an interval meter to a smart meter after 1 July 2020
- Figures A2.10 and A2.11: the impact on customers on the continuing non-demand tariffs (flat and TOU) of tariff price progression from 2020-21 to the end of the regulatory period in 2023-24
- Figures A2.12 and A2.13: the impact on customers on the two new demand tariffs of tariff price progression from 2020-21 to the end of the regulatory period in 2023-24.

Box A2.1. Key to residential customer impact figures

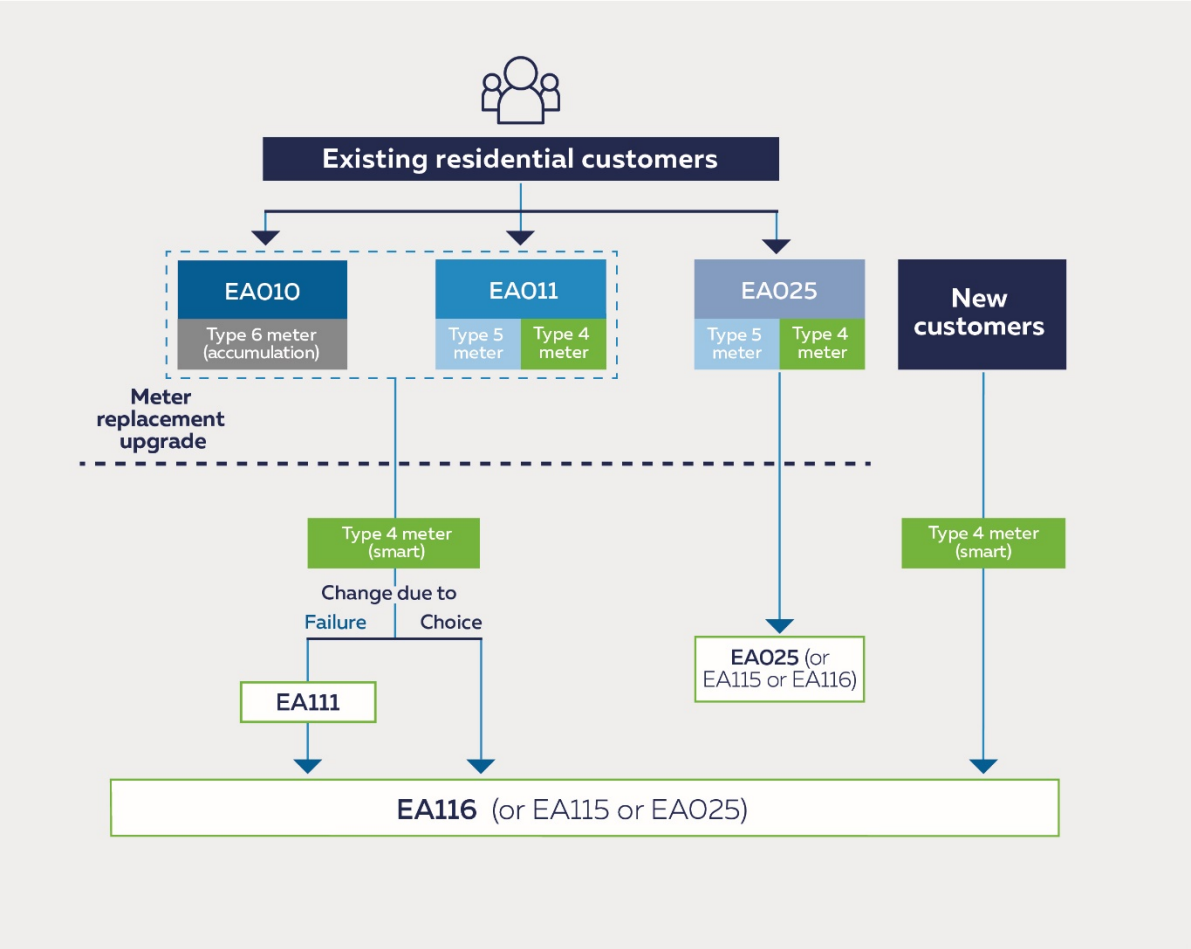
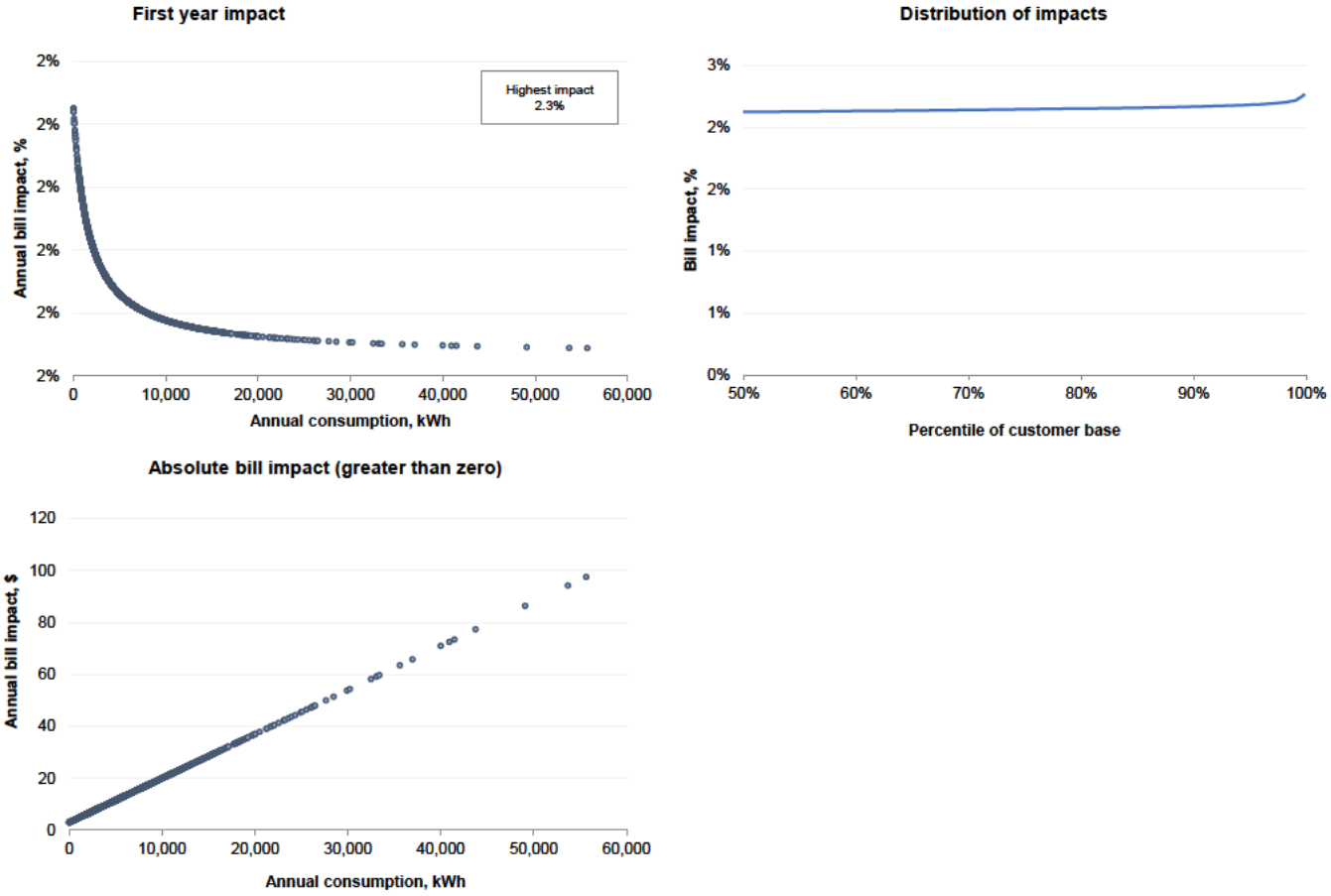
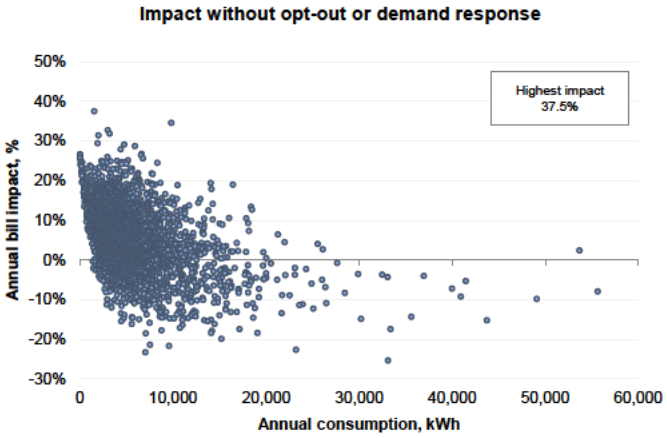


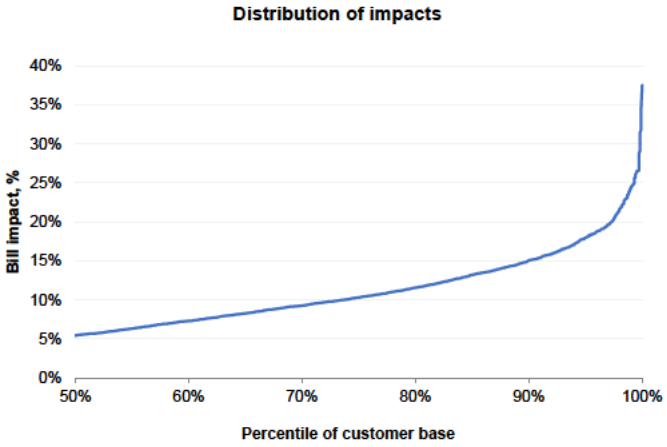
Figure A2.1. Price change impact: EA010/EA011 Flat tariff from 2019-20 to 2020-21

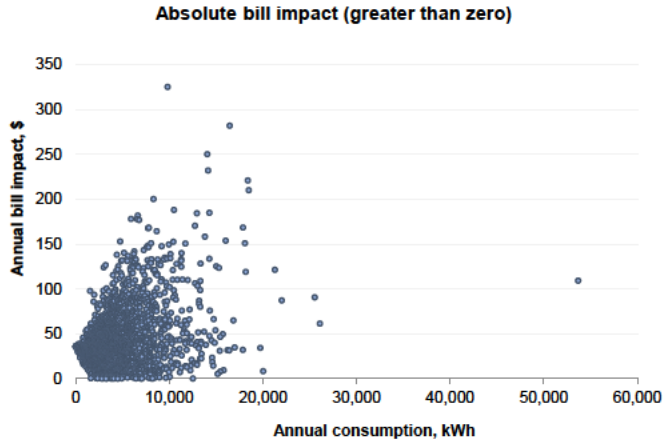


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.1%	2.1%	-	-
Average cumulative bill impact, $	$12	$12	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.2. Opt-out of customers with interval meters from EA011 Flat to EA025 TOU on 1 July 2020

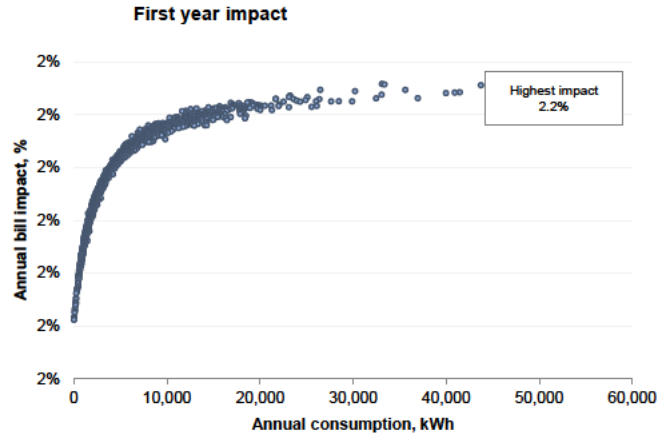


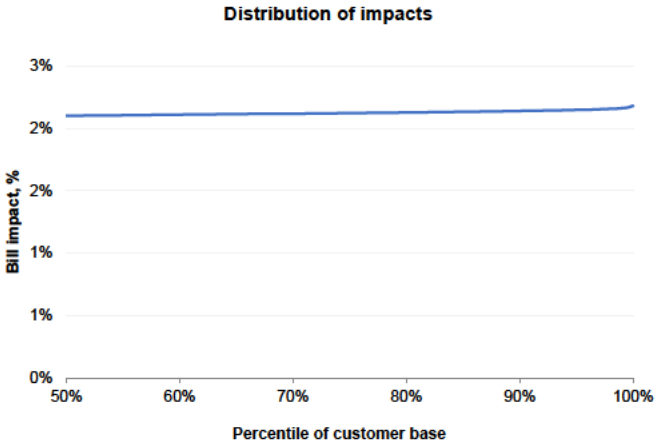


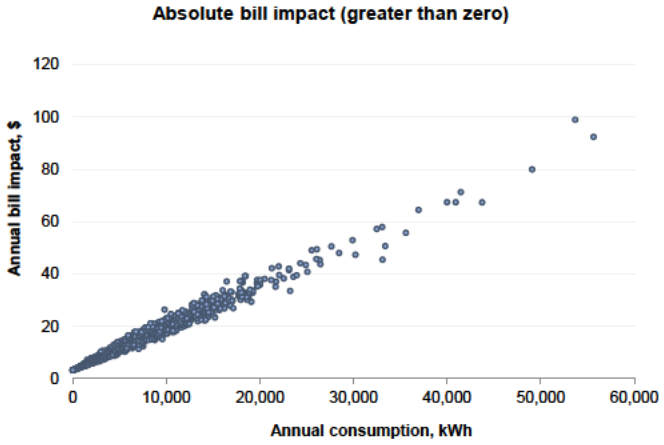


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	75.3%	26.4%	2.7%
Average cumulative bill impact, %	5.2%	8.5%	14.7%	23.8%
Average cumulative bill impact, $	$17	$38	$62	$90
Average annual consumption, kWh	5,189	4,238	3,503	2,969
Average maximum demand, kW	5.6	5.3	5.1	5.1
Average load factor, %	10.2%	8.9%	7.4%	5.4%

Figure A2.3. Price change impact: EA025 TOU tariff from 2019-20 to 2020-21

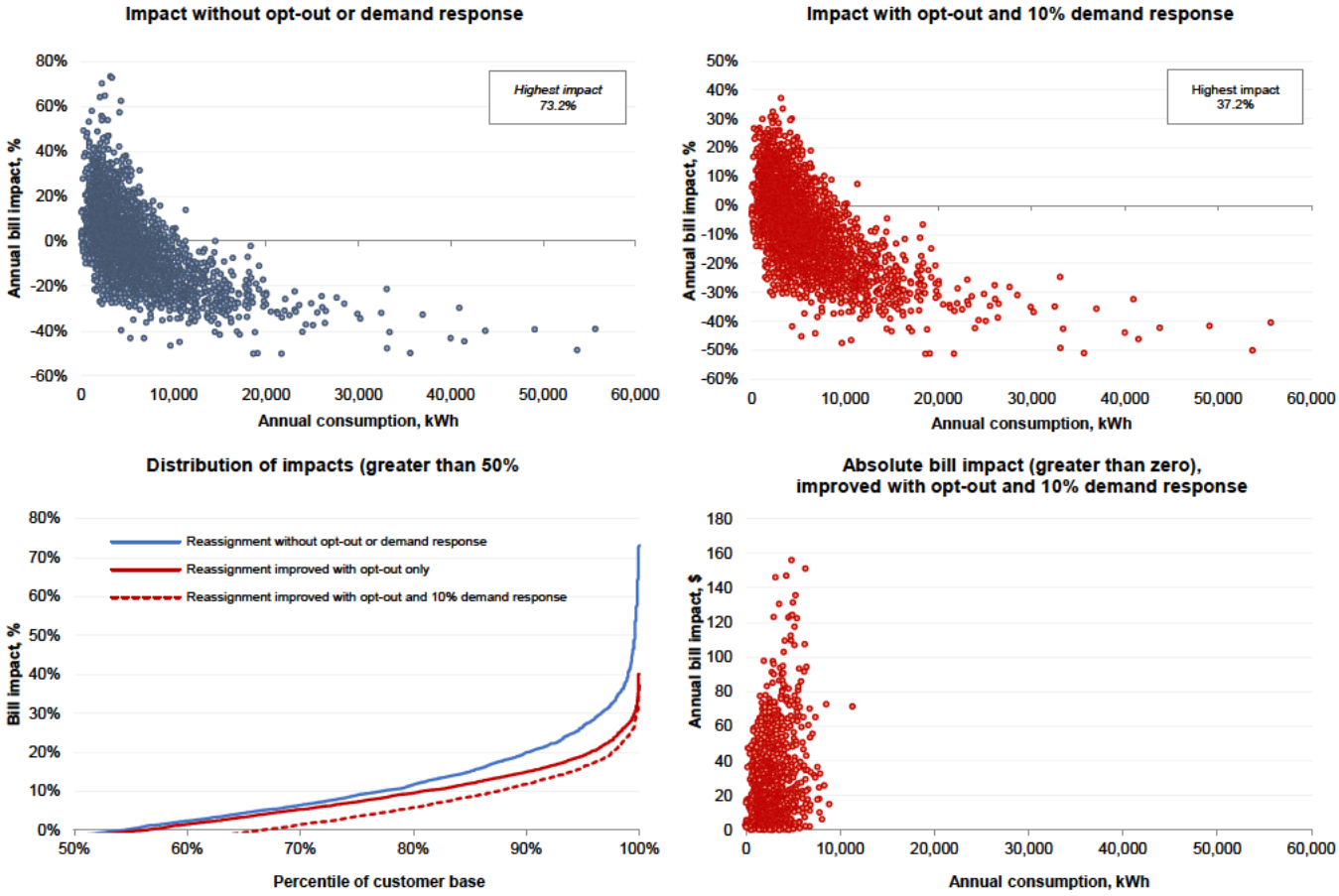






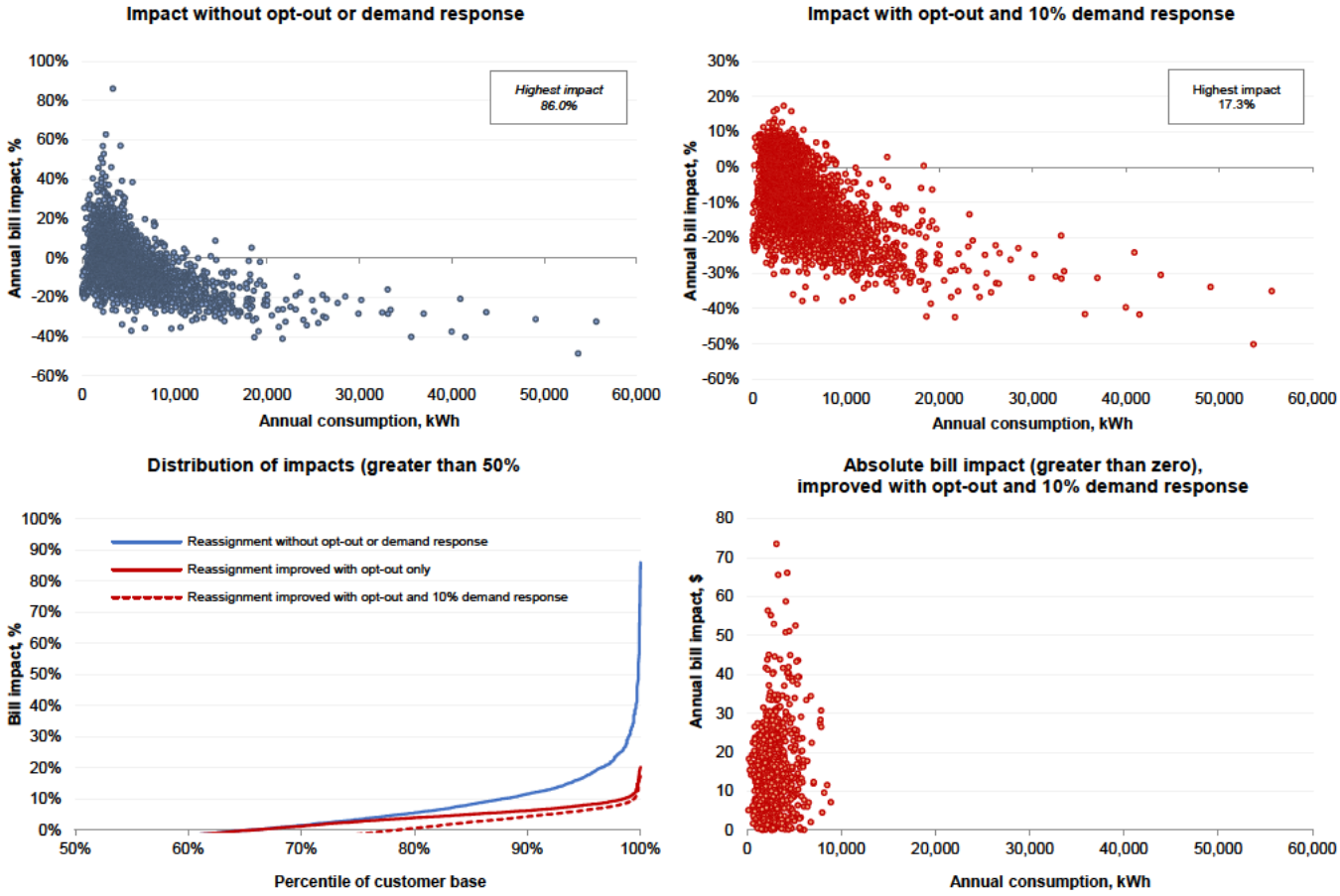
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.1%	2.1%	-	-
Average cumulative bill impact, $	$12	$12	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.4. Opt-out of customers with smart meters from EA011 Flat to EA116 Demand on 1 July 2020



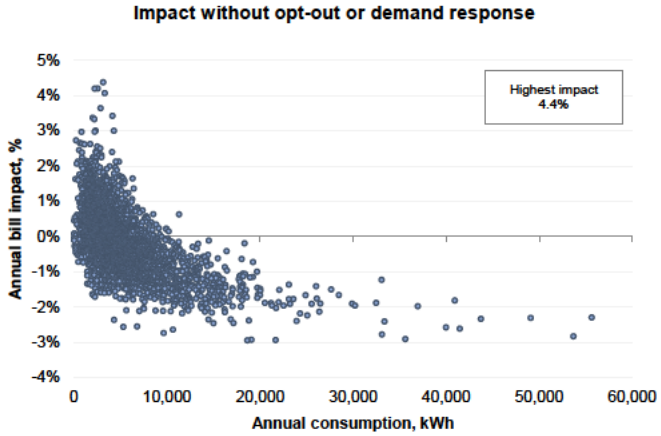
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	33.4%	12.5%	2.5%
Average cumulative bill impact, %	-6.1%	8.9%	16.0%	24.0%
Average cumulative bill impact, $	($66)	$30	$53	$77
Average annual consumption, kWh	5,189	2,758	2,399	2,251
Average maximum demand, kW	5.6	5.0	5.3	5.8
Average load factor, %	10.2%	6.2%	5.1%	4.3%

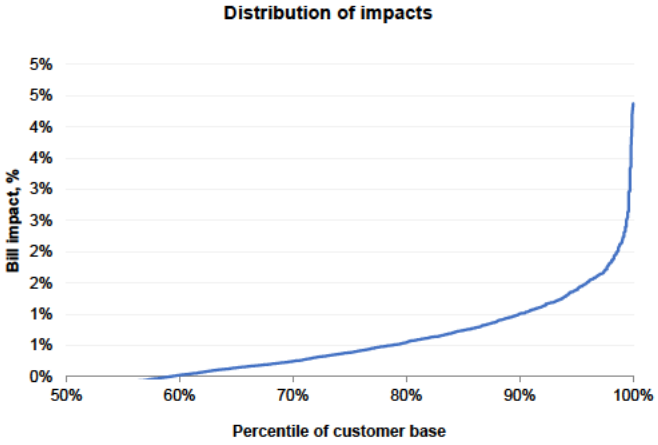
Figure A2.5. Opt-out of customers with smart meters from EA025 TOU to EA116 Demand on 1 July 2020

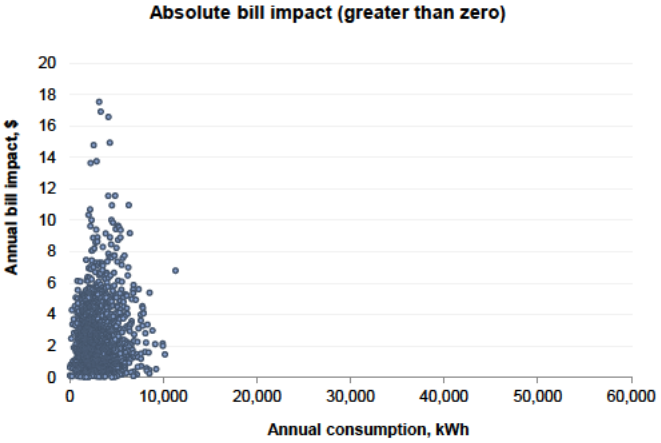


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	21.7%	0.6%	0.0%
Average cumulative bill impact, %	-9.0%	4.3%	12.4%	-
Average cumulative bill impact, $	($71)	$16	$44	-
Average annual consumption, kWh	5,189	2,843	2,302	-
Average maximum demand, kW	5.6	5.4	8.9	-
Average load factor, %	10.2%	6.0%	2.9%	-

Figure A2.6. Reassignment of customers from EA010/EA011 Flat to EA111 Demand (introductory) on meter replacement due to failure in 2020-21

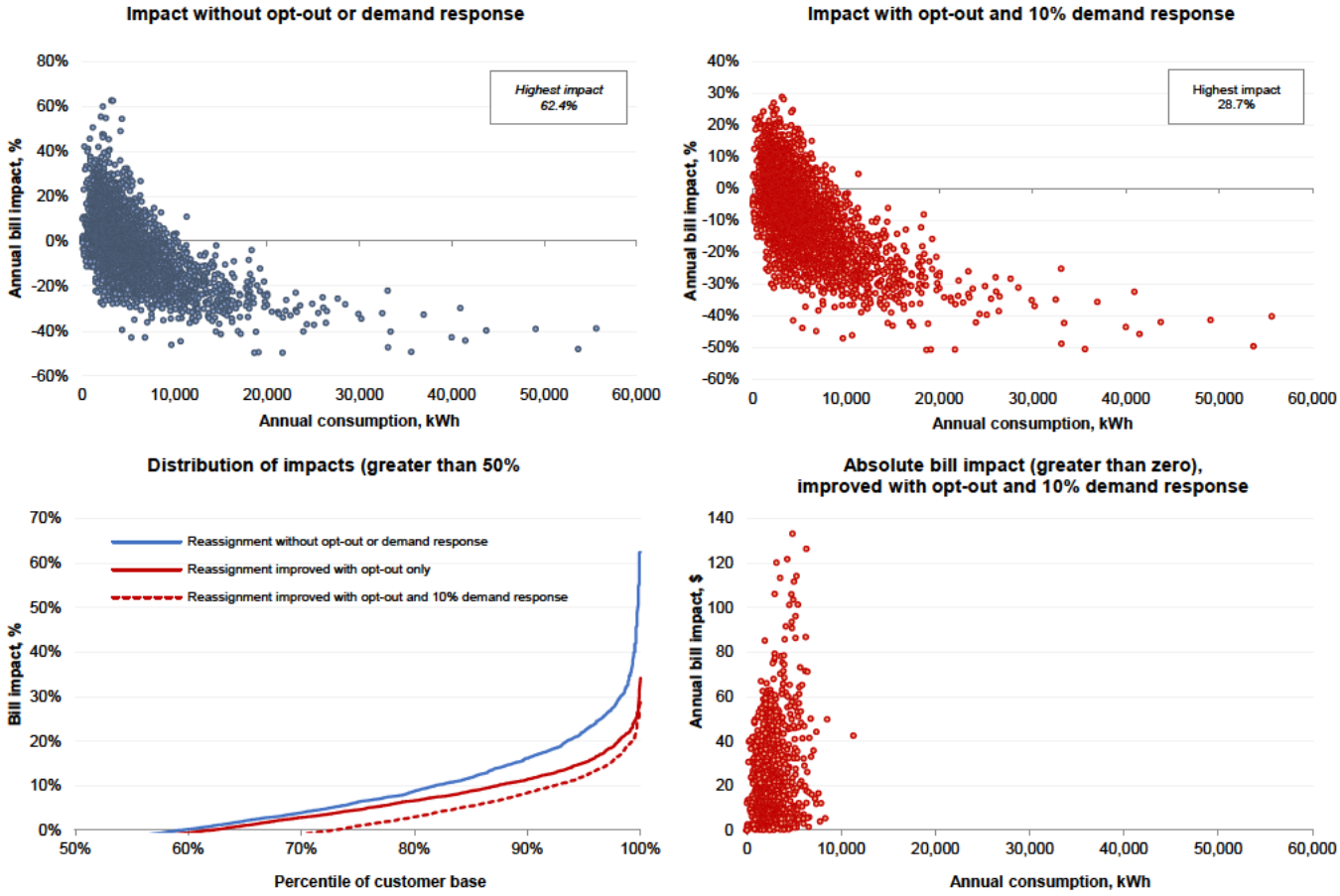






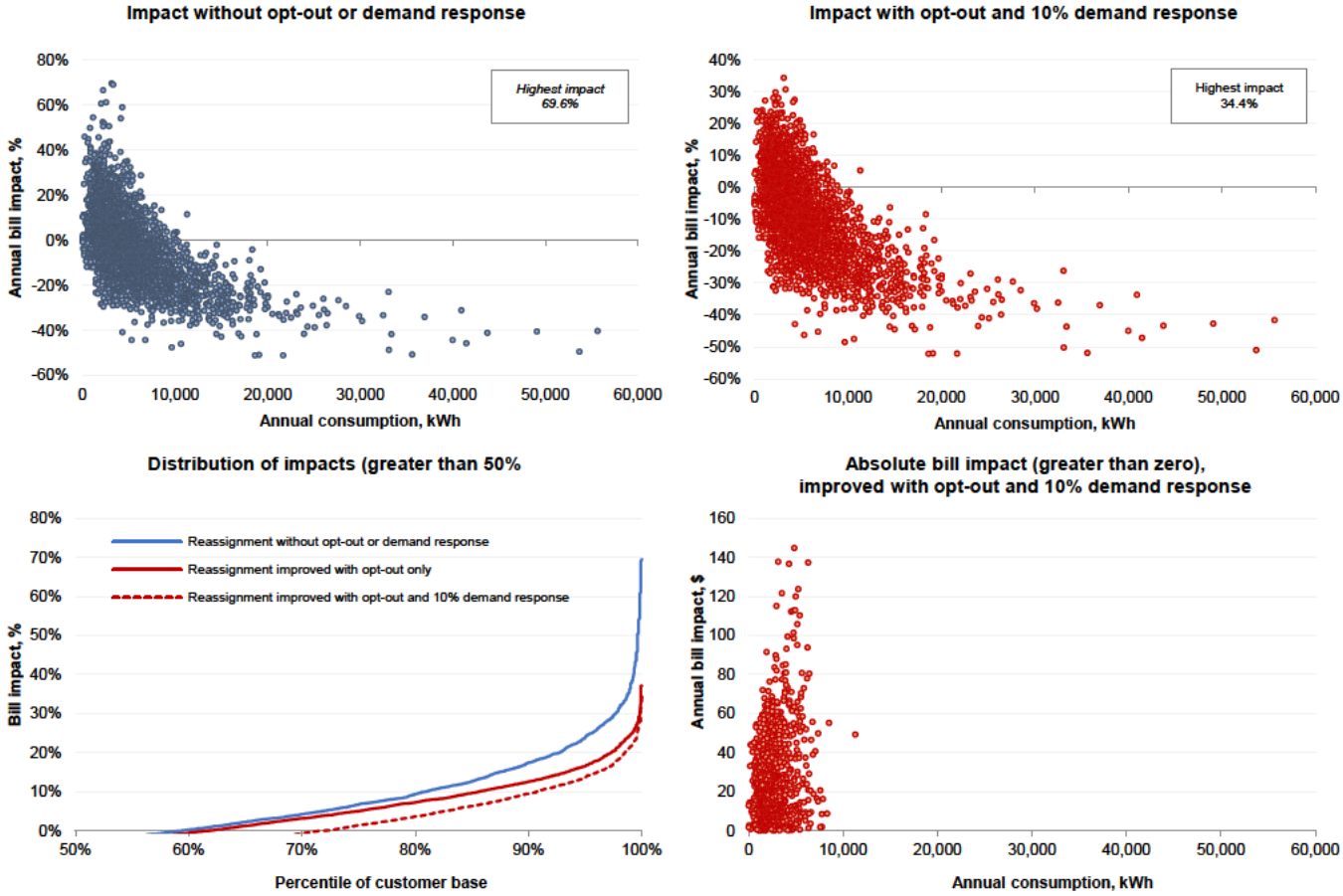
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	40.8%	0.0%	0.0%
Average cumulative bill impact, %	-0.2%	0.7%	-	-
Average cumulative bill impact, $	($3)	$3	-	-
Average annual consumption, kWh	5,189	3,046	-	-
Average maximum demand, kW	5.6	5.2	-	-
Average load factor, %	10.2%	6.7%	-	-

Figure A2.7. Opt-out of customers from EA111 Demand (introductory) to EA116 Demand in 2020-21



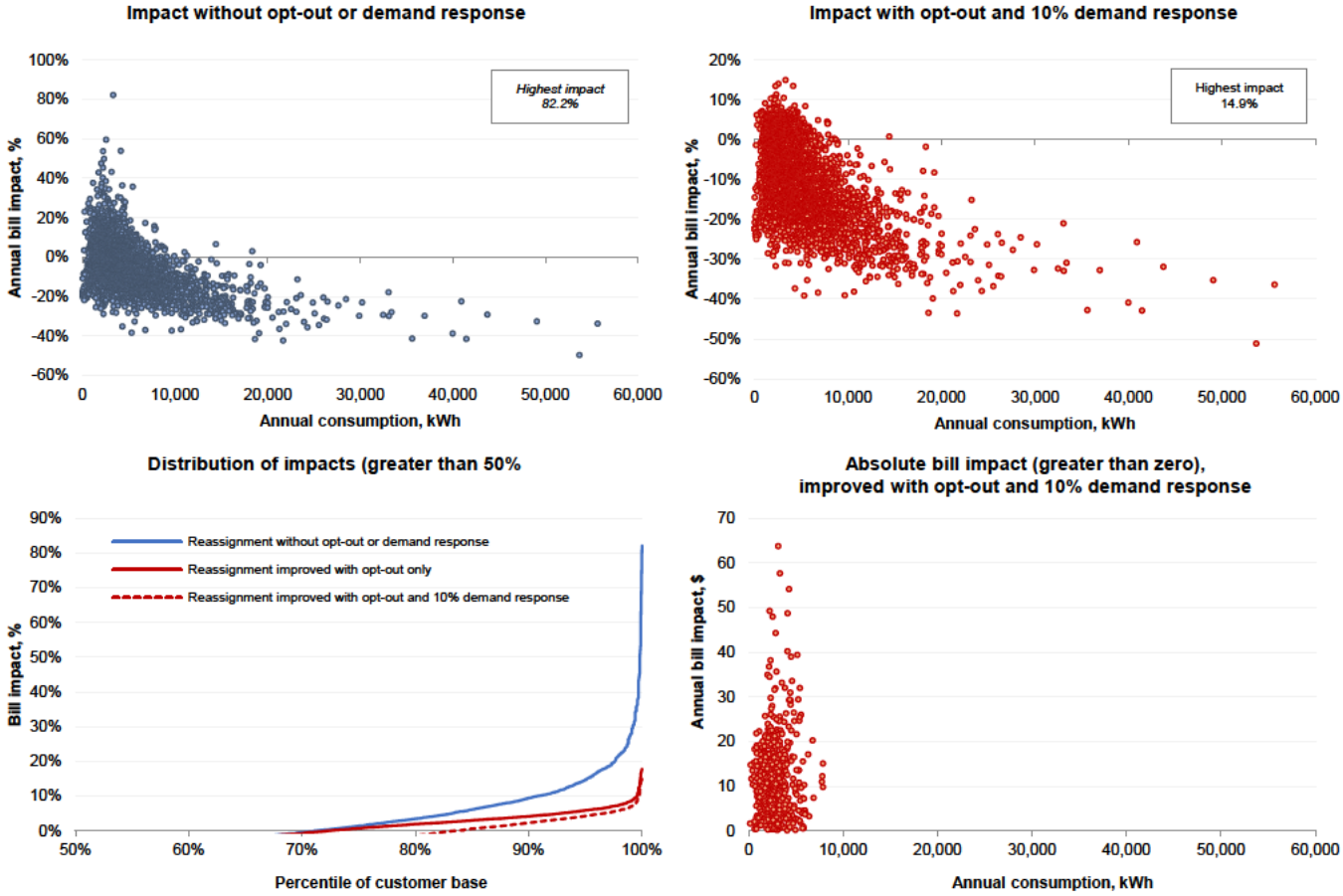
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	27.1%	7.7%	0.7%
Average cumulative bill impact, %	-8.0%	7.3%	14.5%	22.9%
Average cumulative bill impact, $	($75)	$25	$49	$67
Average annual consumption, kWh	5,189	2,656	2,333	1,710
Average maximum demand, kW	5.6	5.0	5.3	5.4
Average load factor, %	10.2%	6.0%	4.9%	3.4%

Figure A2.8. Reassignment of customers from EA010/EA011 Flat to EA116 Demand on meter upgrade by customer choice in 2020-21



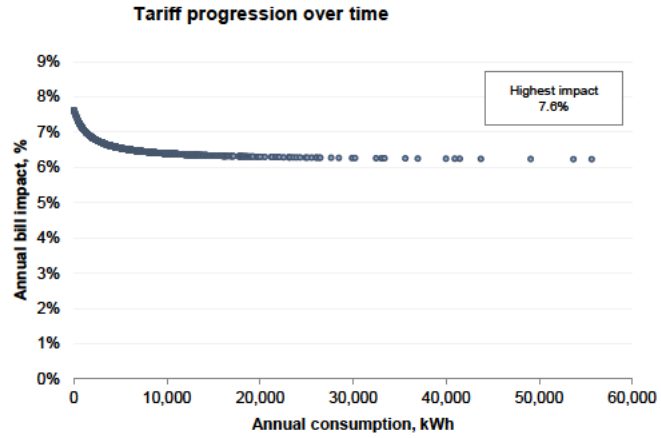
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	28.0%	9.3%	1.5%
Average cumulative bill impact, %	-8.0%	8.1%	15.3%	23.4%
Average cumulative bill impact, $	($78)	$28	$51	$75
Average annual consumption, kWh	5,189	2,684	2,359	2,216
Average maximum demand, kW	5.6	5.1	5.4	6.2
Average load factor, %	10.2%	6.0%	5.0%	3.8%

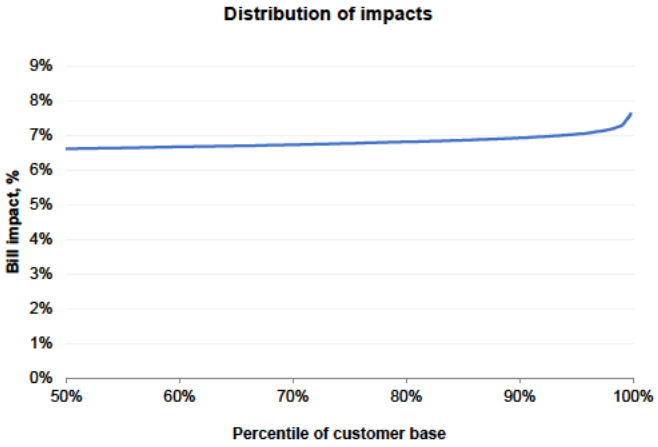
Figure A2.9. Reassignment of customers from EA025 TOU to EA116 Demand on meter replacement in 2020-21

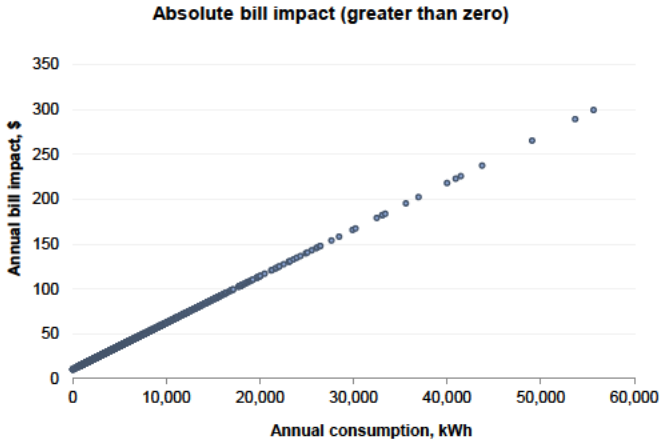


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	16.3%	0.3%	0.0%
Average cumulative bill impact, %	-10.9%	3.3%	11.9%	-
Average cumulative bill impact, $	($83)	$12	$46	-
Average annual consumption, kWh	5,189	2,682	2,695	-
Average maximum demand, kW	5.6	5.4	10.5	-
Average load factor, %	10.2%	5.6%	3.1%	-

Figure A2.10. Tariff progression over time: EA010/EA011 Flat tariff from 2020-21 to 2023-24

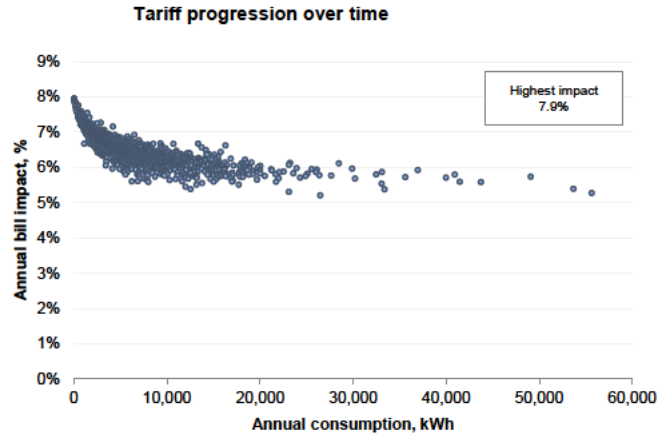


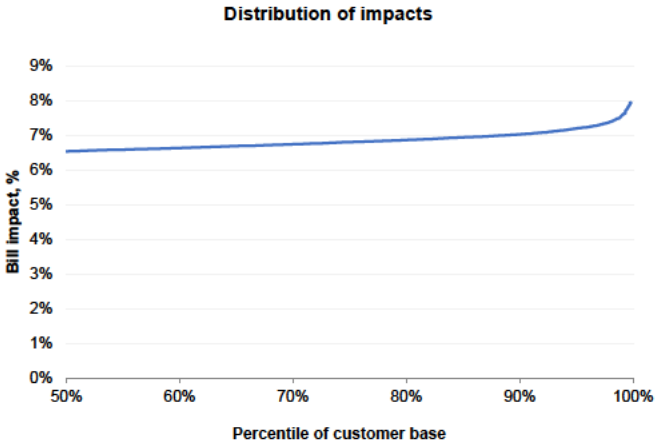




Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	6.6%	6.6%	-	-
Average cumulative bill impact, $	$38	$38	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

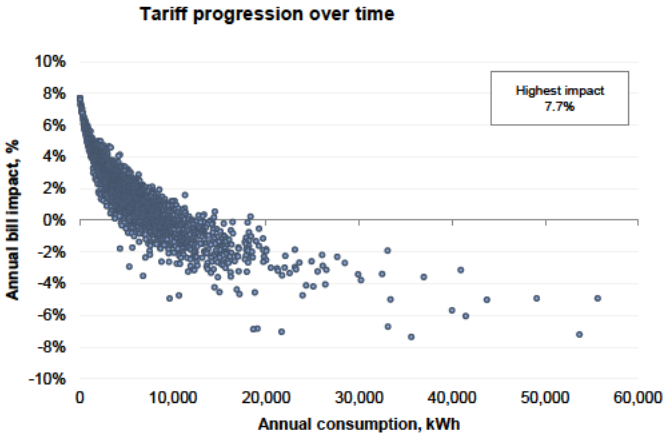
Figure A2.11. Tariff progression over time: EA025 TOU tariff from 2020-21 to 2023-24

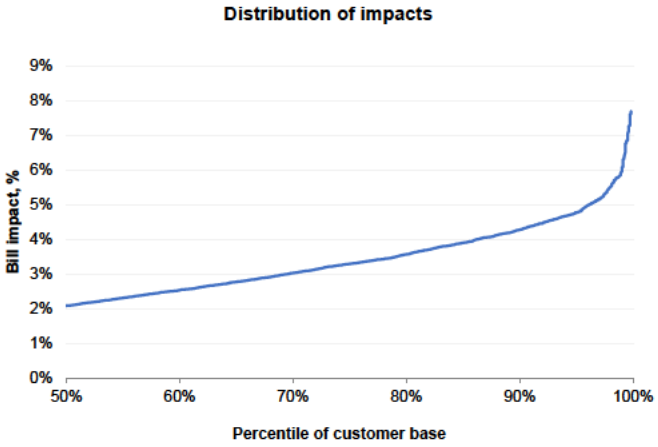


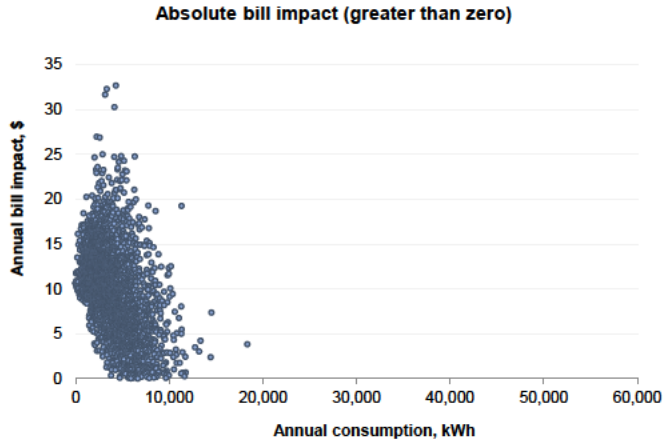


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	6.5%	6.5%	-	-
Average cumulative bill impact, $	$37	$37	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Figure A2.12. Tariff progression over time: EA116 Demand tariff from 2020-21 to 2023-24

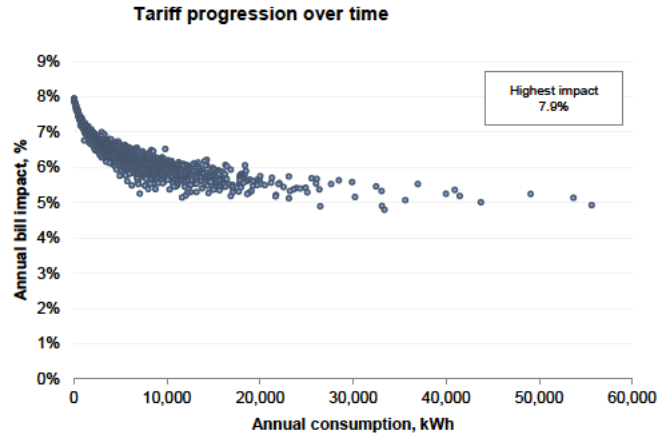


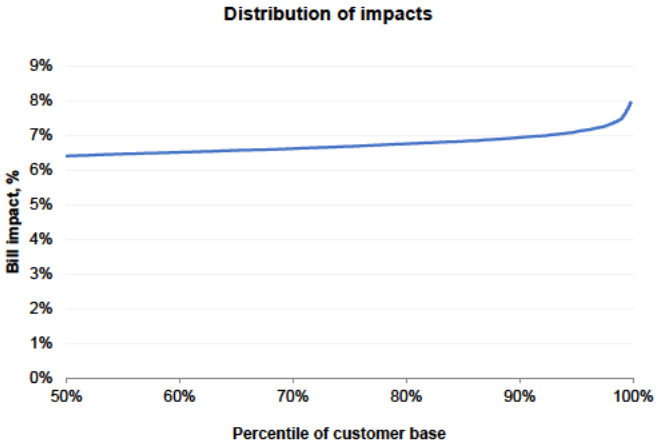


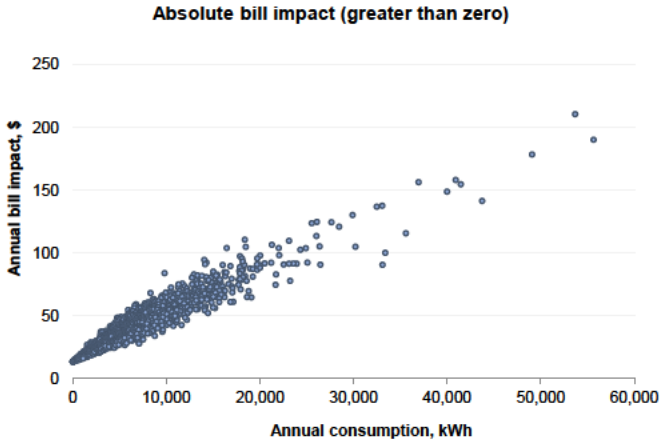


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	84.3%	0.0%	0.0%
Average cumulative bill impact, %	1.9%	2.5%	-	-
Average cumulative bill impact, $	$6	$10	-	-
Average annual consumption, kWh	5,189	3,882	-	-
Average maximum demand, kW	5.6	5.1	-	-
Average load factor, %	10.2%	8.8%	-	-

Figure A2.13. Tariff progression over time: EA115 TOU Demand tariff from 2020-21 to 2023-24







Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	6.4%	6.4%	-	-
Average cumulative bill impact, $	$36	$36	-	-
Average annual consumption, kWh	5,189	5,189	-	-
Average maximum demand, kW	5.6	5.6	-	-
Average load factor, %	10.2%	10.2%	-	-

Small business customer impacts

Based on Figure 2.4 in Section 2 of the Tariff Structure Statement showing the assignment of small business customers from 1 July 2019, the following figures show the impact on small business customers moving from their current tariff to a new tariff from 1 July 2020 and impacts at the end of the regulatory period in 2023-24.

Box A2.2 is a key to the set of small business customer impact figures including:

- Figures A2.14 to A2.18: the impact on customers on each of the tariffs in 2019-20 from 1 July 2020
- Figures A2.19 and A2.20: the impact on customers on flat tariffs being assigned to a new demand (introductory) tariff due to meter failure after 1 July 2020, and the impact of being reassigned to the default demand tariff after 12 months
- Figure A2.21: the impact on customers being assigned to a new demand tariff due to change from a flat tariff to a smart meter by customer initiated action after 1 July 2020
- Figure A2.22: the impact on TOU customers opting-in to a demand tariff due to change for any reason from an interval meter to a smart meter after 1 July 2020
- Figures A2.23 and A2.24: the impact on customers on the continuing non-demand tariffs of tariff price progression from 2020-21 to the end of the regulatory period in 2023-24
- Figures A2.25 and A2.26: the impact on customers on the two new demand tariffs of tariff price progression from 2020-21 to the end of the regulatory period in 2023-24.

Box A2.2. Key to small business customer impact figures

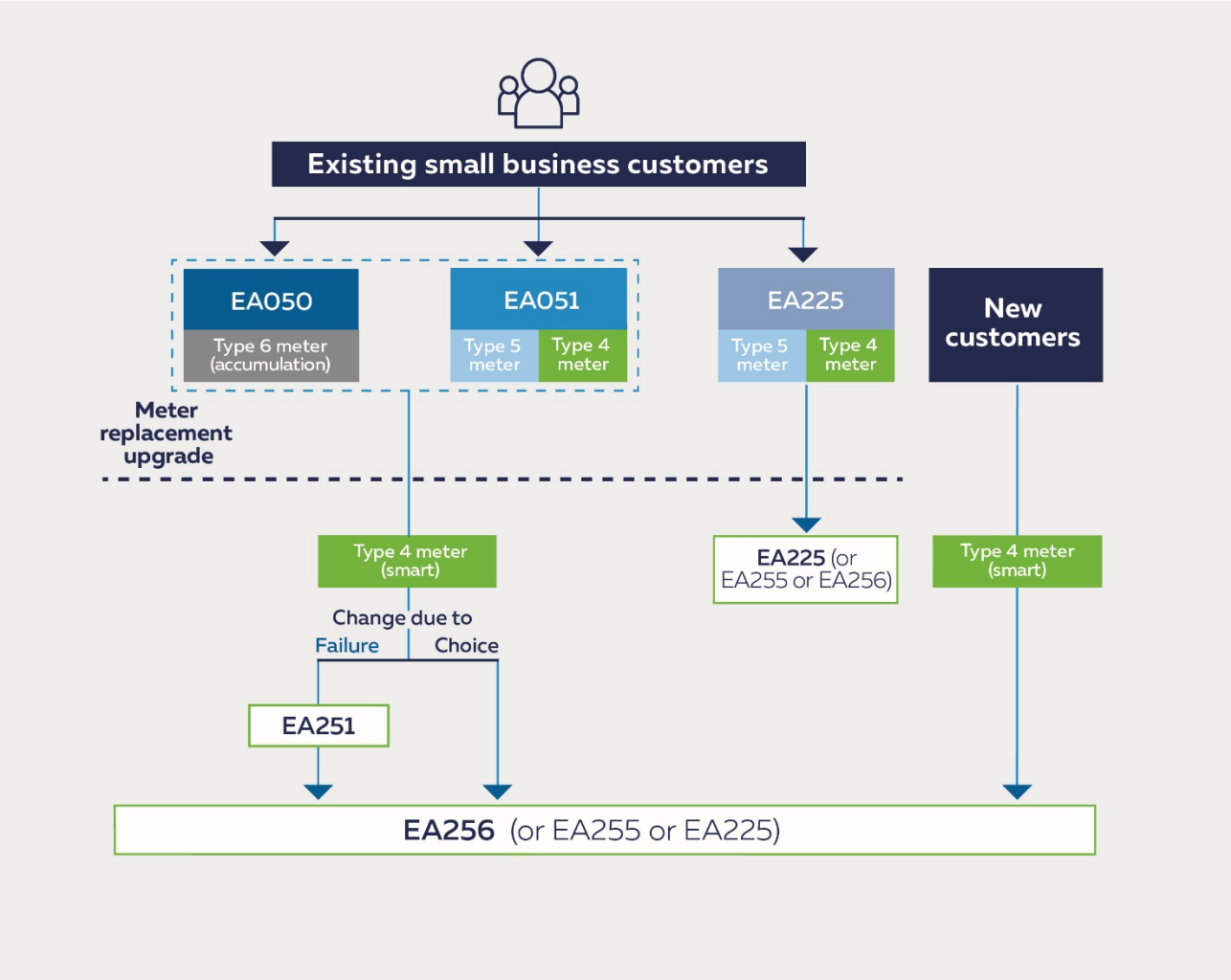
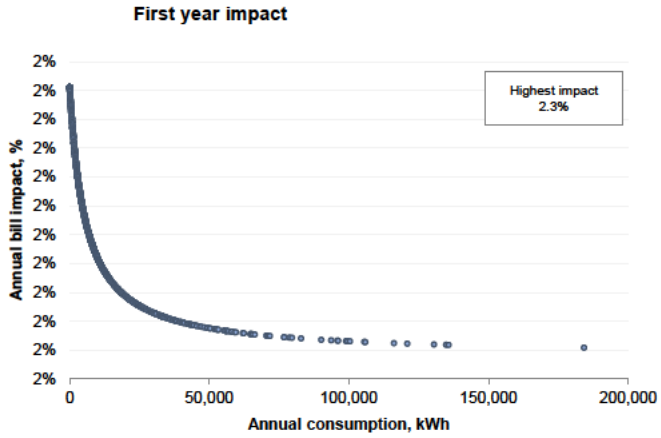
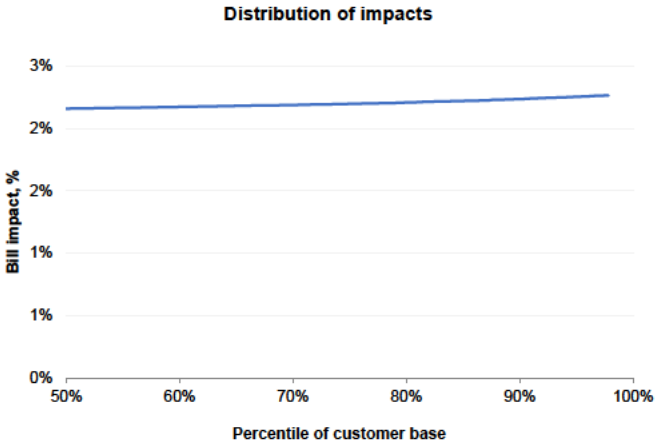
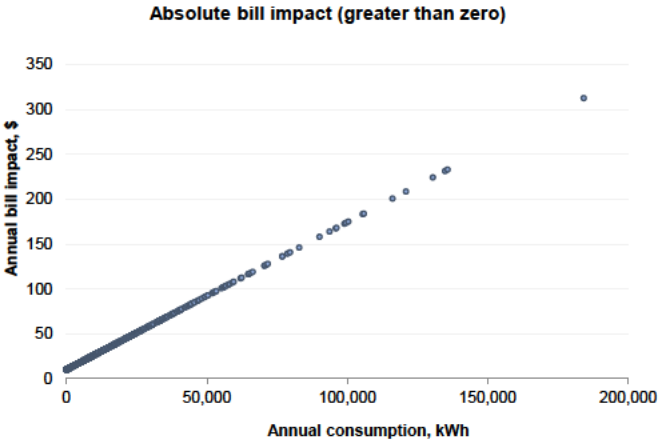


Figure A2.14. Price change impact: EA050/EA051 Flat tariff from 2019-20 to 2020-21

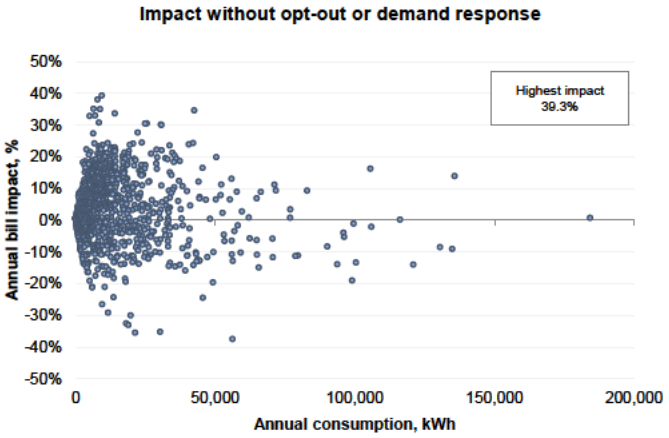


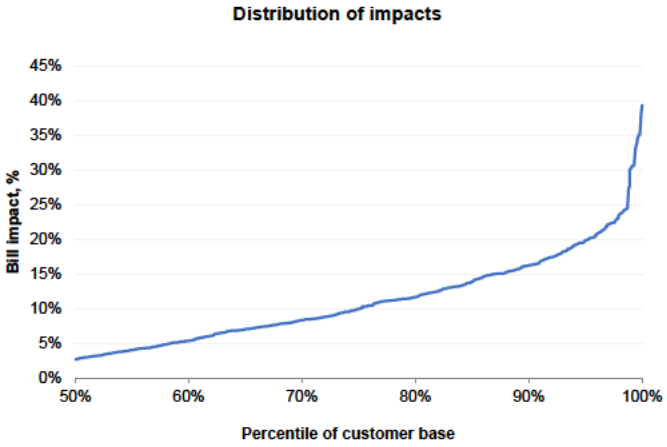


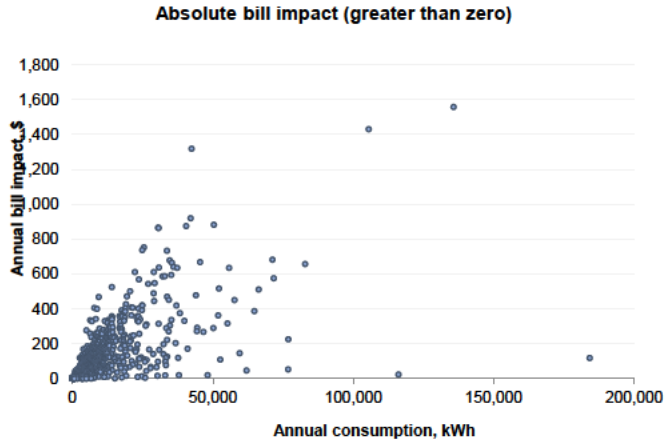


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$32	$32	-	-
Average annual consumption, kWh	13,105	13,105	-	-
Average maximum demand, kW	8.0	8.0	-	-
Average load factor, %	19.7%	19.7%	-	-

Figure A2.15. Opt-out of customers with interval meters from EA051 Flat to EA225 TOU on 1 July 2020

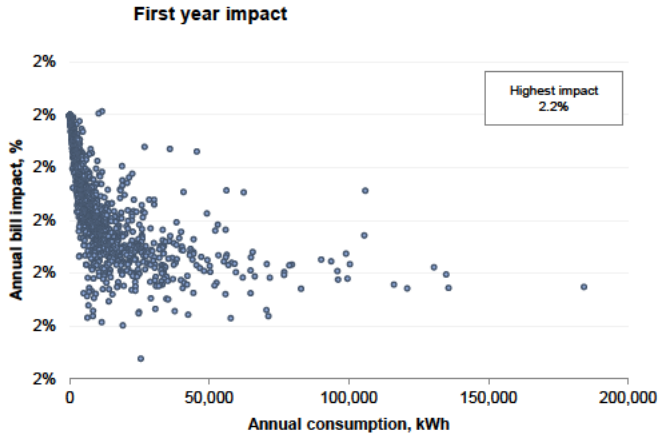


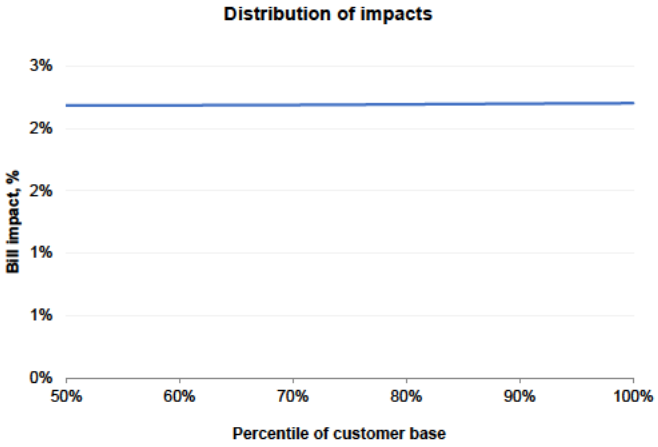


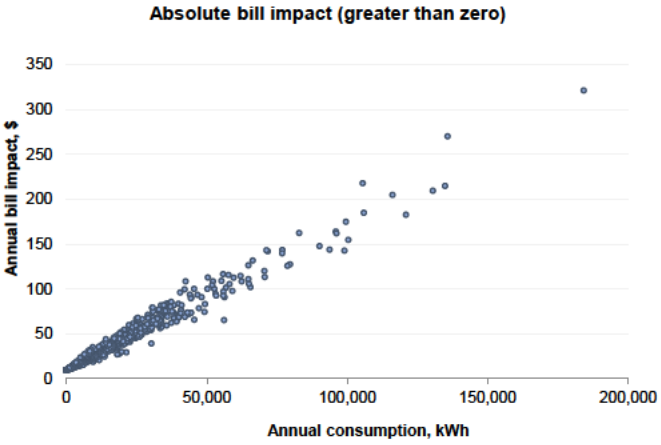


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	63.5%	24.9%	4.7%
Average cumulative bill impact, %	3.5%	9.1%	16.3%	24.8%
Average cumulative bill impact, $	$41	$140	$263	$436
Average annual consumption, kWh	13,105	11,810	14,209	16,527
Average maximum demand, kW	8.0	8.6	11.6	16.1
Average load factor, %	19.7%	15.1%	15.2%	13.4%

Figure A2.16. Price change impact: EA225 TOU tariff from 2019-20 to 2020-21

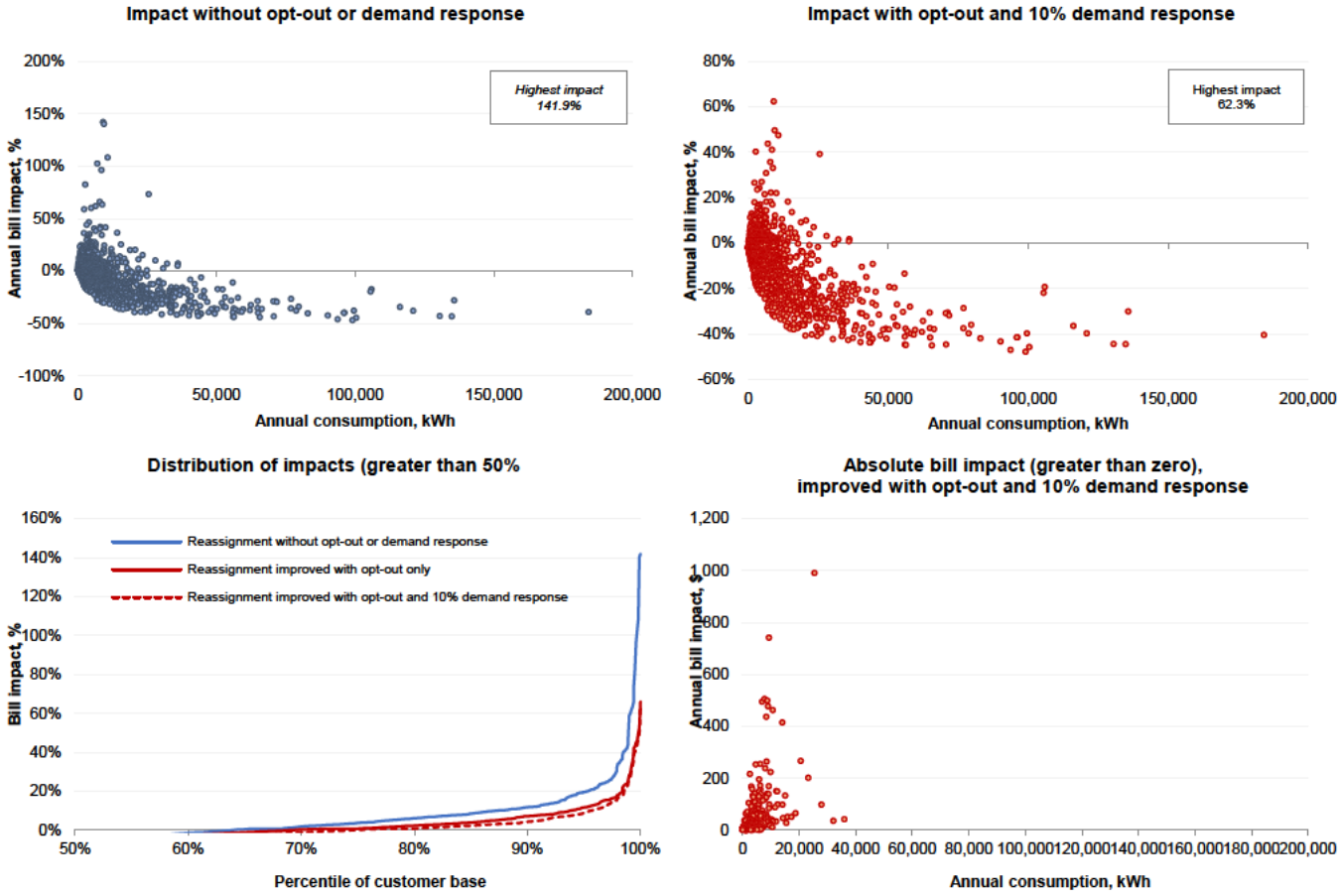






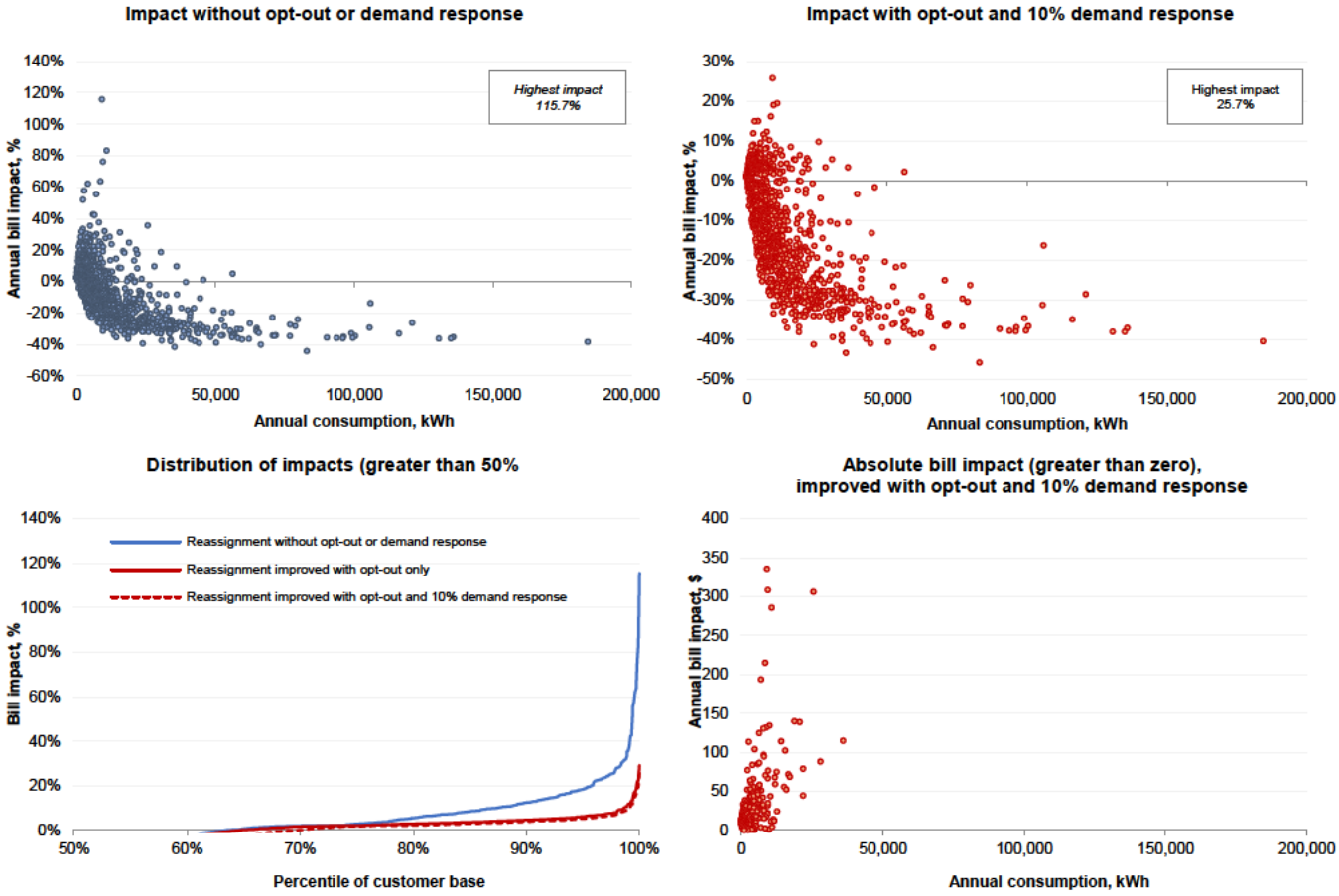
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$33	$33	-	-
Average annual consumption, kWh	13,105	13,105	-	-
Average maximum demand, kW	8.0	8.0	-	-
Average load factor, %	19.7%	19.7%	-	-

Figure A2.17. Opt-out of customers with smart meters from EA051 Flat to EA256 Demand on 1 July 2020



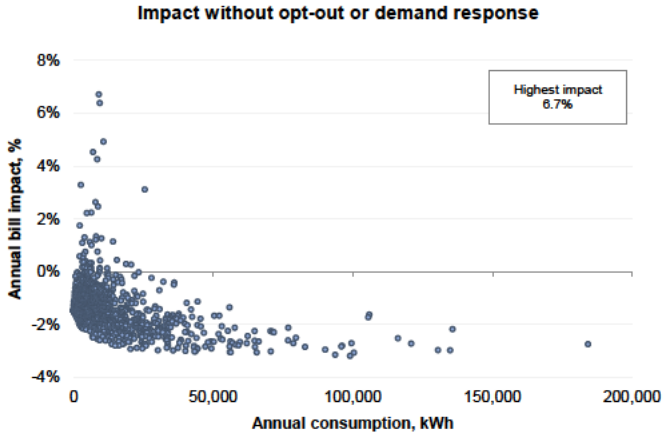
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	25.6%	4.4%	1.4%
Average cumulative bill impact, %	-10.6%	6.0%	20.2%	34.7%
Average cumulative bill impact, $	($285)	$58	$212	$399
Average annual consumption, kWh	13,105	4,320	6,842	8,414
Average maximum demand, kW	8.0	7.2	15.9	27.4
Average load factor, %	19.7%	6.6%	5.7%	3.9%

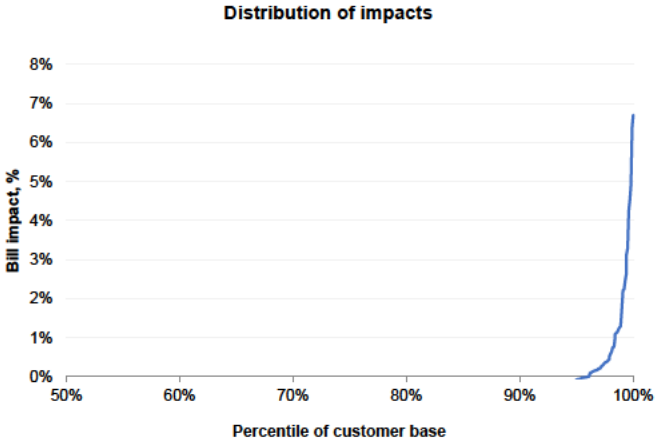
Figure A2.18. Opt-out of customers with smart meters from EA225 TOU to EA256 Demand on 1 July 2020

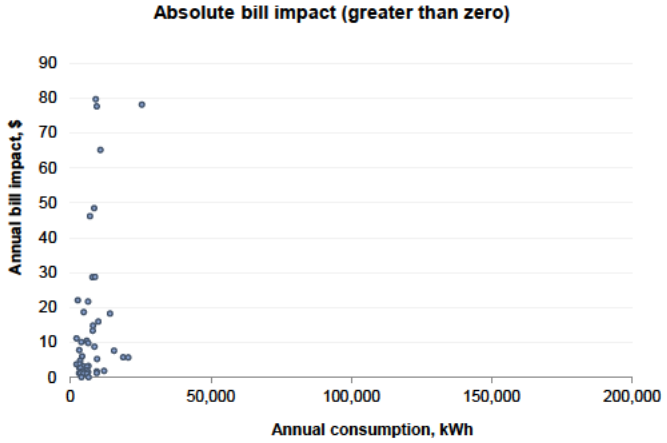


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	30.4%	0.9%	0.1%
Average cumulative bill impact, %	-11.5%	3.6%	15.1%	25.7%
Average cumulative bill impact, $	($293)	$30	$180	$336
Average annual consumption, kWh	13,105	3,575	6,726	9,016
Average maximum demand, kW	8.0	6.3	27.5	40.0
Average load factor, %	19.7%	8.8%	3.2%	2.6%

Figure A2.19. Reassignment of customers from EA050/EA051 Flat to EA251 Demand (introductory) on meter replacement due to failure in 2020-21

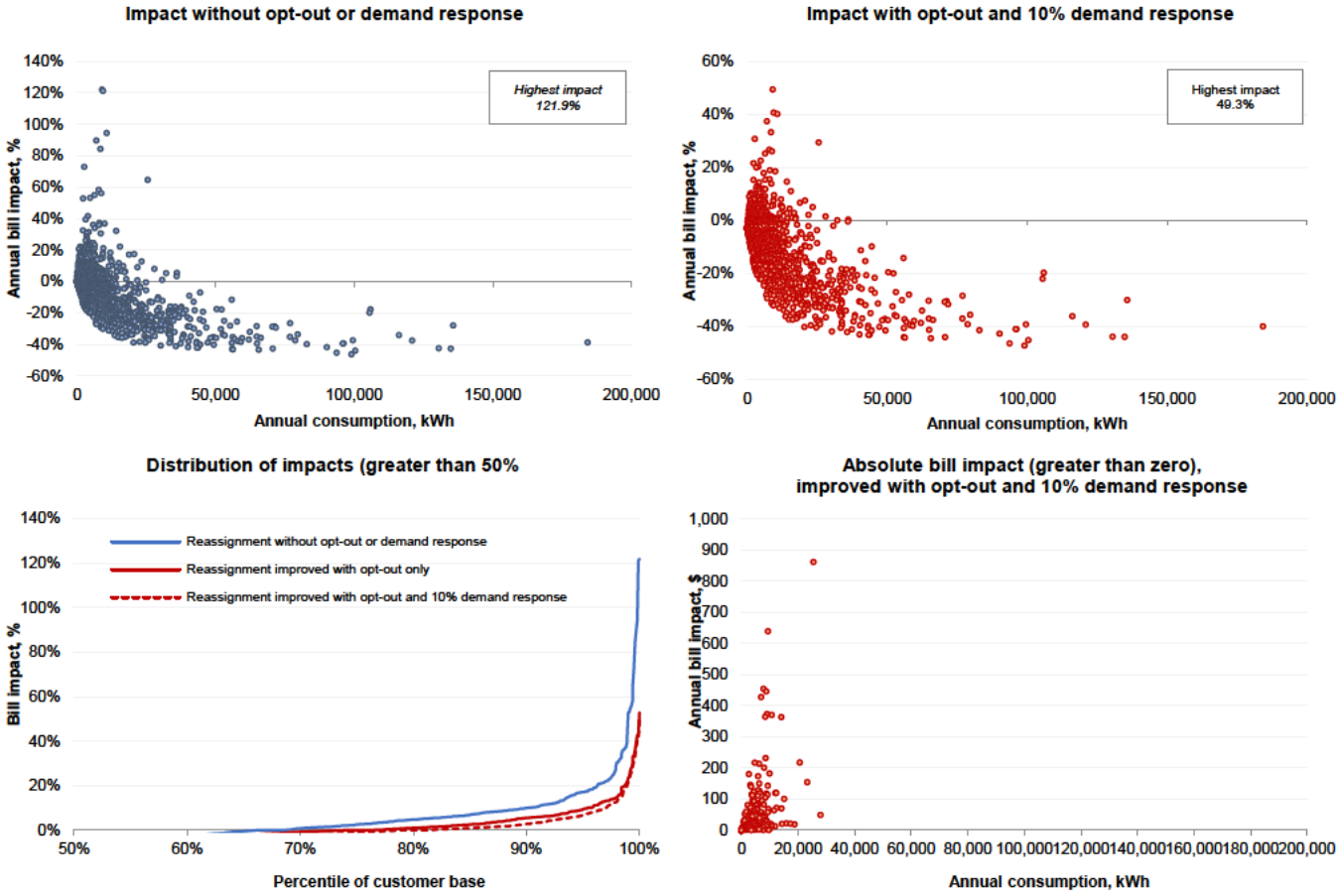






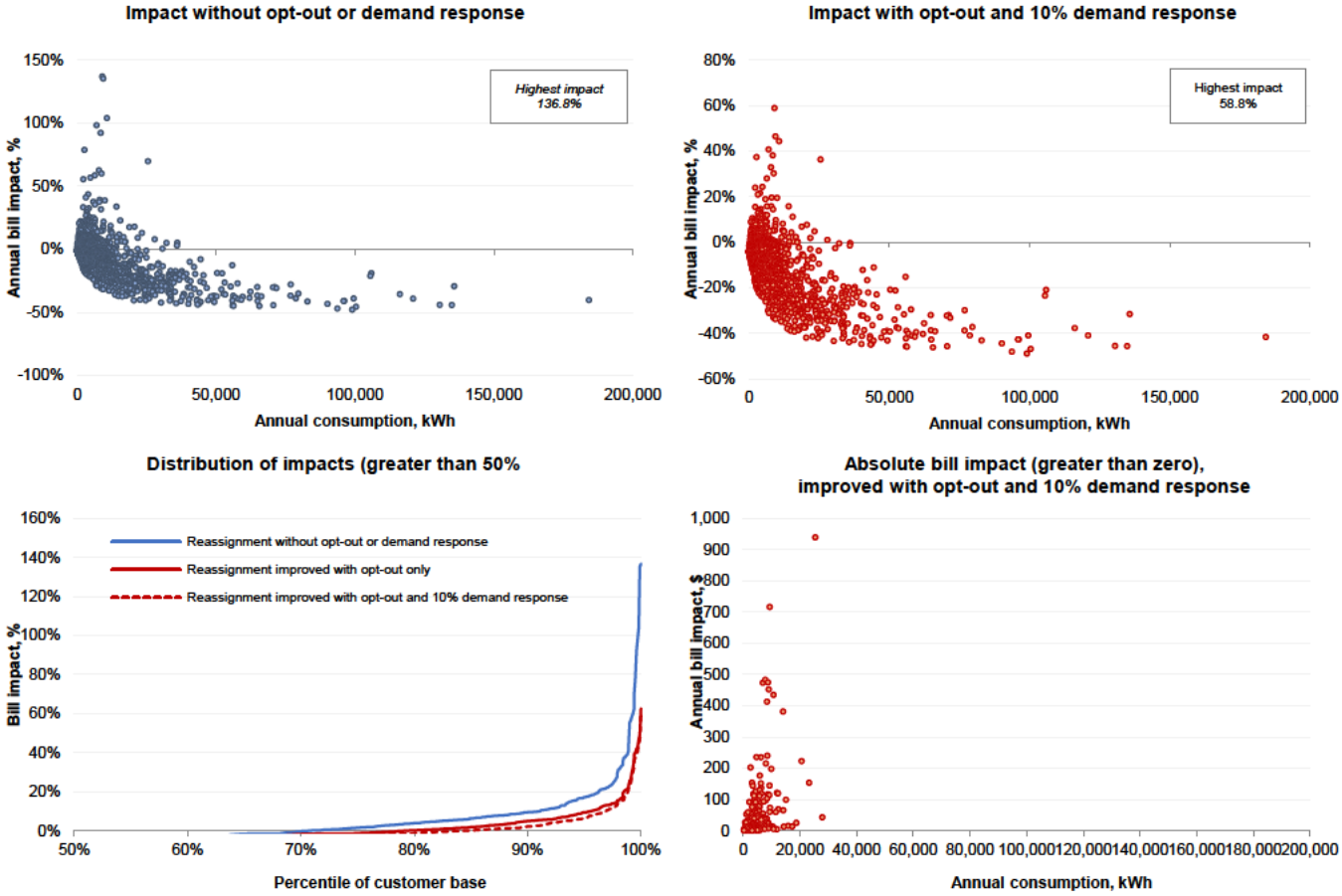
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	4.0%	0.0%	0.0%
Average cumulative bill impact, %	-1.4%	1.3%	-	-
Average cumulative bill impact, $	($26)	$15	-	-
Average annual consumption, kWh	13,105	7,359	-	-
Average maximum demand, kW	8.0	17.3	-	-
Average load factor, %	19.7%	5.5%	-	-

Figure A2.20. Opt-out of customers from EA251 Demand (introductory) to EA256 Demand in 2020-21



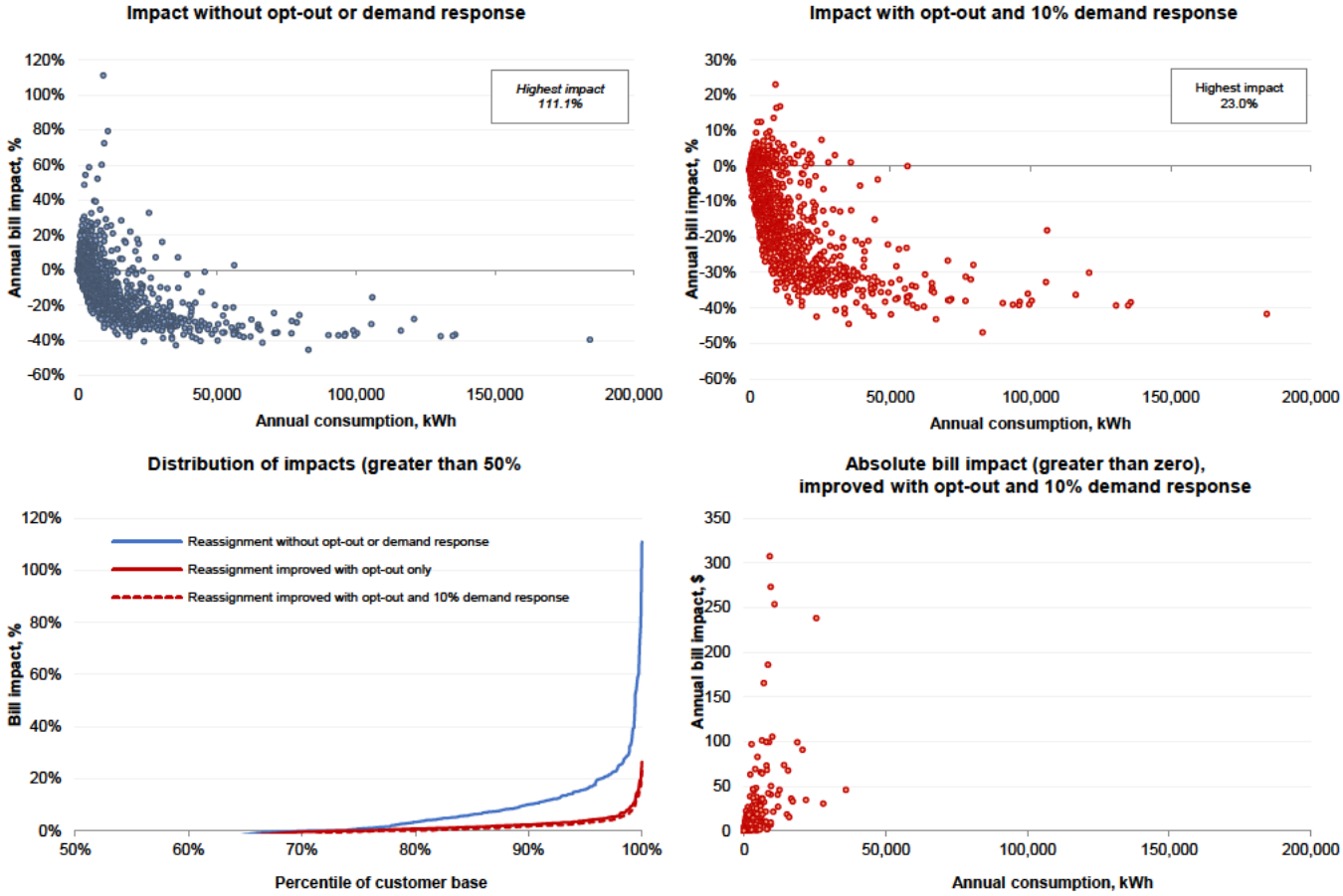
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	19.1%	3.1%	1.1%
Average cumulative bill impact, %	-11.4%	5.8%	19.7%	31.0%
Average cumulative bill impact, $	($291)	$58	$221	$389
Average annual consumption, kWh	13,105	4,906	7,196	9,014
Average maximum demand, kW	8.0	8.5	18.1	31.3
Average load factor, %	19.7%	6.6%	5.4%	3.5%

Figure A2.21. Reassignment of customers from EA050/EA051 Flat to EA256 Demand on meter upgrade by customer choice in 2020-21



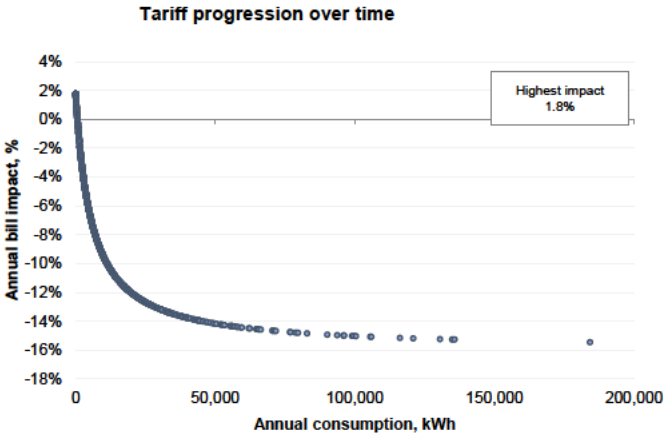
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	15.6%	3.1%	1.2%
Average cumulative bill impact, %	-12.5%	6.9%	21.6%	34.5%
Average cumulative bill impact, $	($317)	$71	$238	$417
Average annual consumption, kWh	13,105	5,483	7,196	8,980
Average maximum demand, kW	8.0	9.5	18.1	30.6
Average load factor, %	19.7%	7.0%	5.4%	3.6%

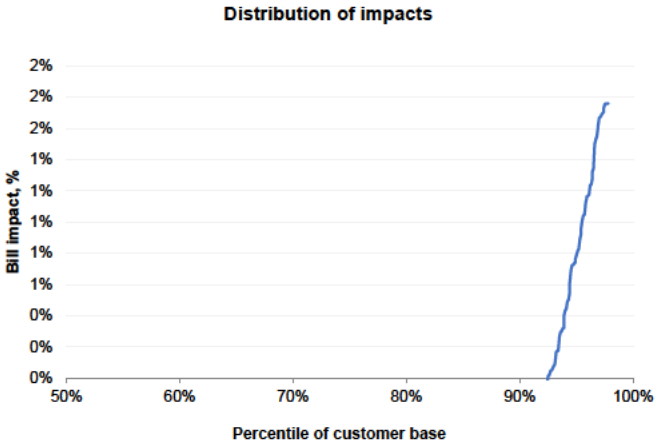
Figure A2.22. Reassignment of customers from EA225 TOU to EA256 Demand on meter replacement in 2020-21

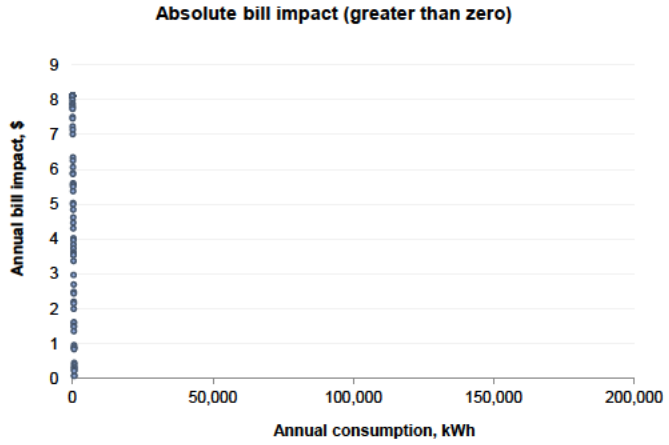


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	20.6%	0.5%	0.1%
Average cumulative bill impact, %	-13.4%	2.4%	15.8%	23.0%
Average cumulative bill impact, $	($326)	$23	$214	$307
Average annual consumption, kWh	13,105	4,085	7,833	9,016
Average maximum demand, kW	8.0	7.9	38.0	40.0
Average load factor, %	19.7%	6.0%	2.4%	2.6%

Figure A2.23. Tariff progression over time: EA050/EA051 Flat tariff from 2020-21 to 2023-24

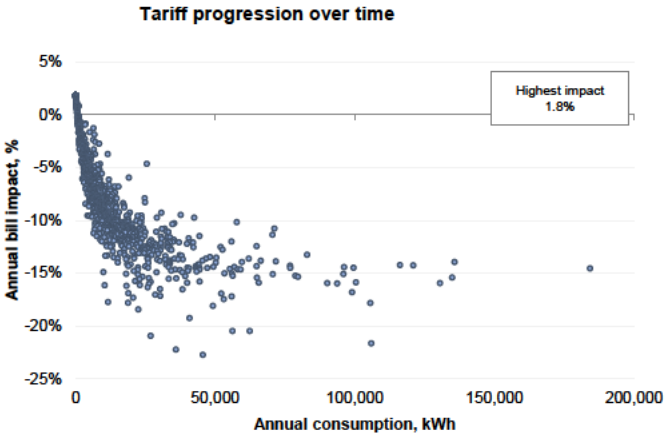


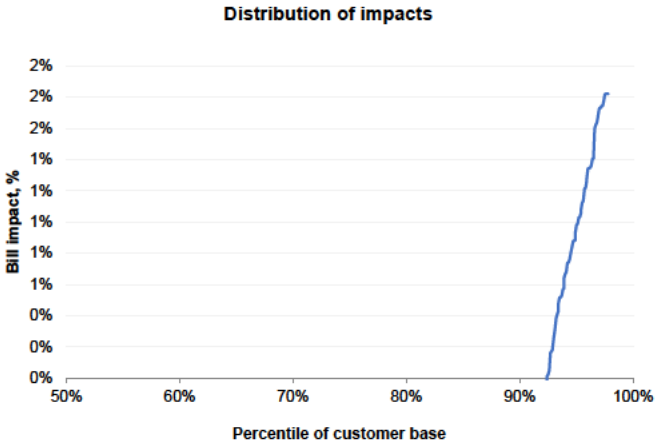


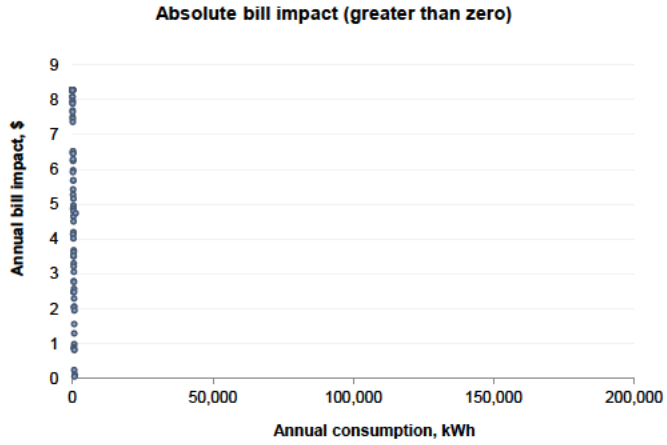


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	7.5%	0.0%	0.0%
Average cumulative bill impact, %	-7.7%	1.1%	-	-
Average cumulative bill impact, $	($161)	$5	-	-
Average annual consumption, kWh	13,105	218	-	-
Average maximum demand, kW	8.0	0.8	-	-
Average load factor, %	19.7%	10.1%	-	-

Figure A2.24. Tariff progression over time: EA225 TOU tariff from 2020-21 to 2023-24

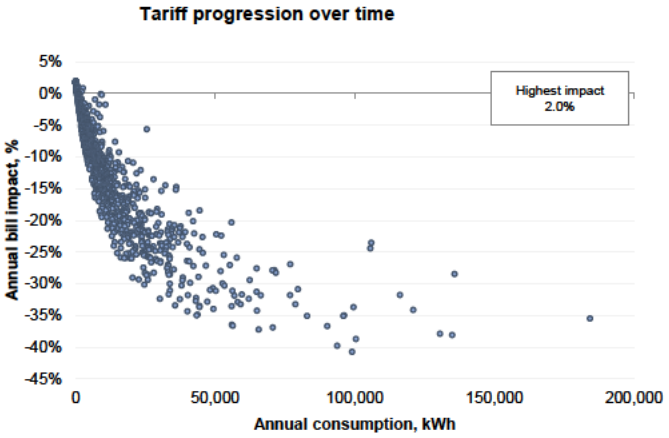


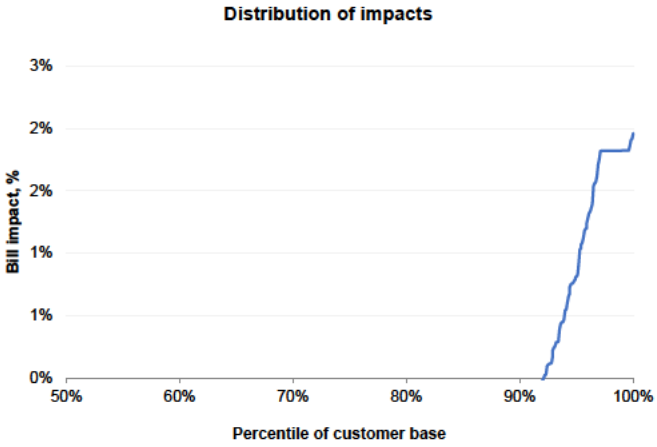


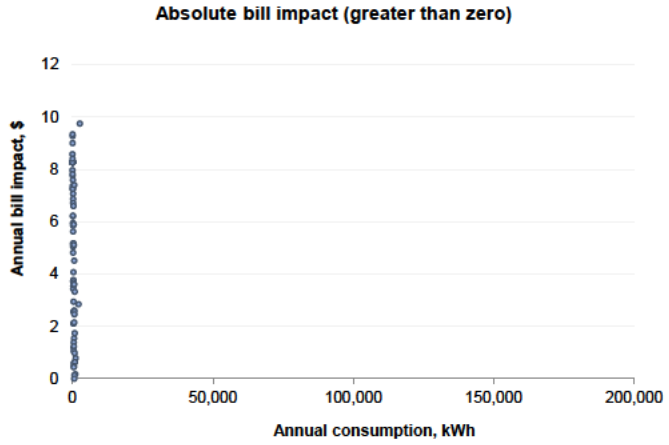


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	7.6%	0.0%	0.0%
Average cumulative bill impact, %	-7.4%	1.2%	-	-
Average cumulative bill impact, $	($158)	$6	-	-
Average annual consumption, kWh	13,105	234	-	-
Average maximum demand, kW	8.0	0.8	-	-
Average load factor, %	19.7%	10.6%	-	-

Figure A2.25. Tariff progression over time: EA256 Demand tariff from 2020-21 to 2023-24

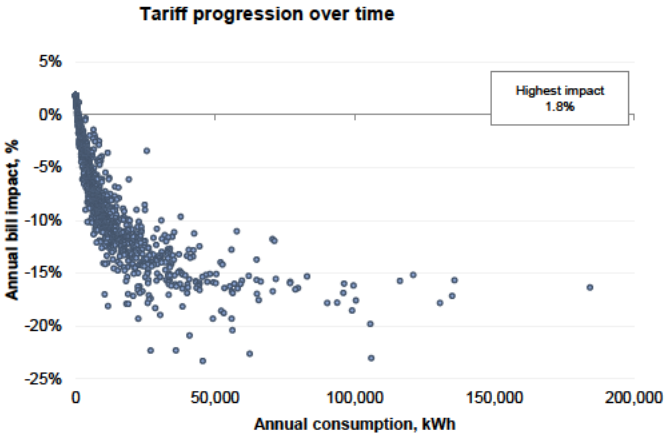


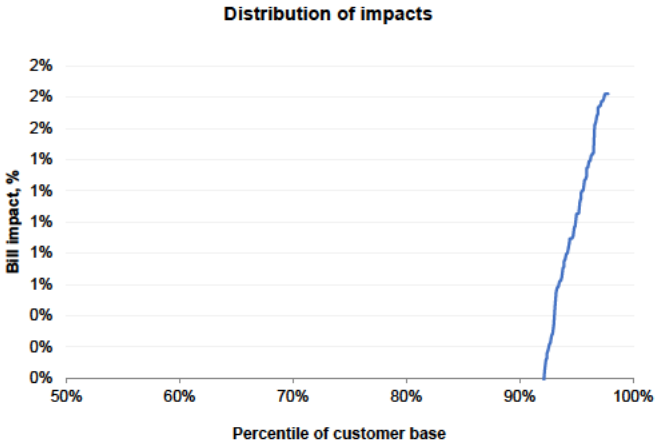


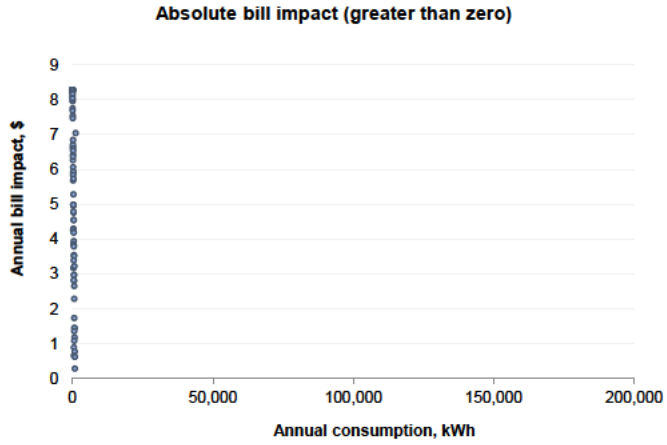


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	7.9%	0.0%	0.0%
Average cumulative bill impact, %	-11.9%	1.2%	-	-
Average cumulative bill impact, $	($209)	$6	-	-
Average annual consumption, kWh	13,105	300	-	-
Average maximum demand, kW	8.0	1.4	-	-
Average load factor, %	19.7%	7.9%	-	-

Figure A2.26. Tariff progression over time: EA255 TOU Demand tariff from 2020-21 to 2023-24







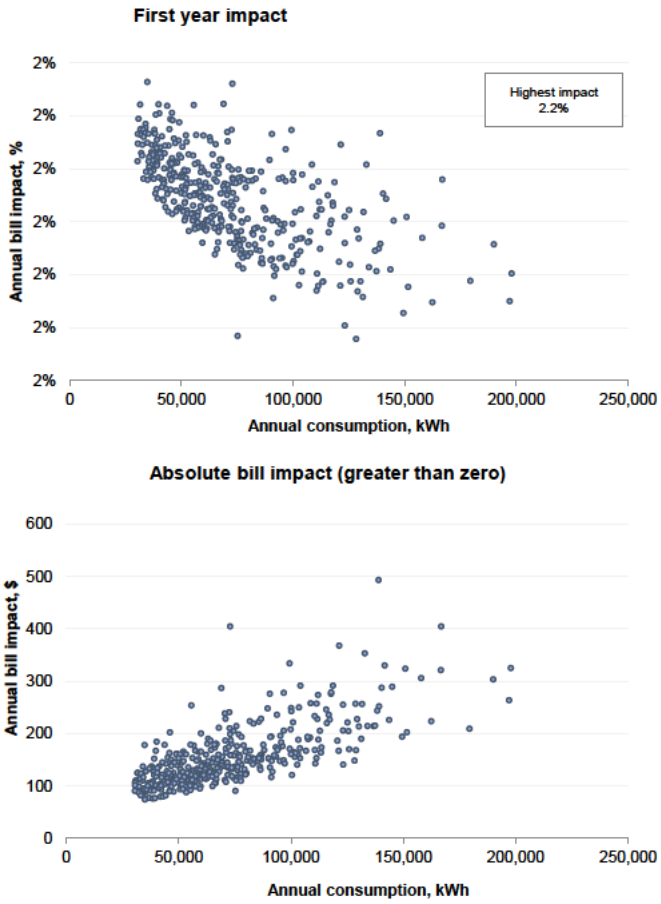
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	7.8%	0.0%	0.0%
Average cumulative bill impact, %	-7.8%	1.2%	-	-
Average cumulative bill impact, $	($162)	$6	-	-
Average annual consumption, kWh	13,105	252	-	-
Average maximum demand, kW	8.0	0.8	-	-
Average load factor, %	19.7%	10.8%	-	-

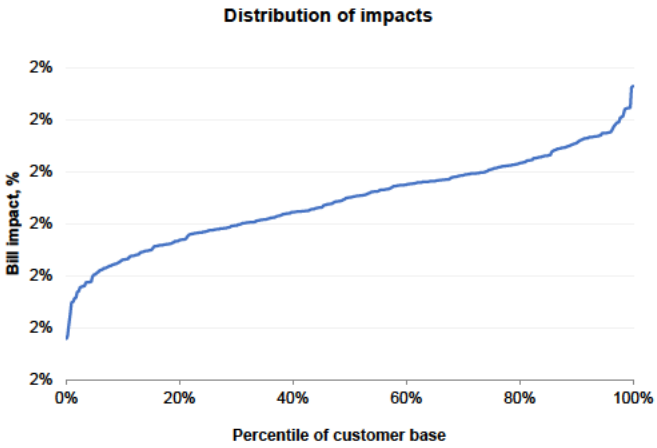
Medium and large business low voltage customer impacts

The following six figures show the impact on customers on three tariffs moving from prices in 2019-20 to new prices in 2020-21 and at the end of the regulatory period in 2023-24.

- Figures A2.27 and A2.28: the impact on customers on EA302 40-160 MWh a year of new prices in 2020-21 and at the end of the regulatory period
- Figures A2.29 and A2.30: the impact on customers on EA305 160-750 MWh a year of new prices in 2020-21 and at the end of the regulatory period
- Figures A2.31 and A2.32: the impact on customers on EA310 > 750 MWh a year of new prices in 2020-21 and at the end of the regulatory period.

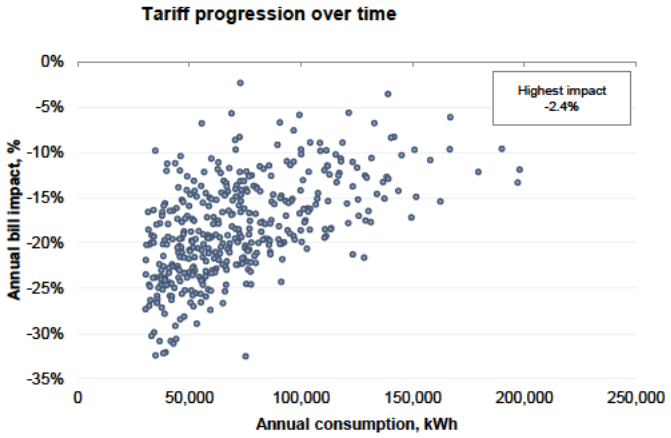
Figure A2.27. Price change impact: EA302 (40-160 MWh pa) from 2019-20 to 2020-21

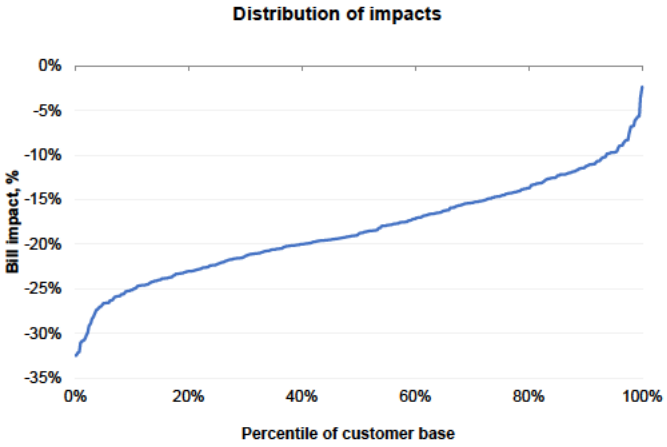


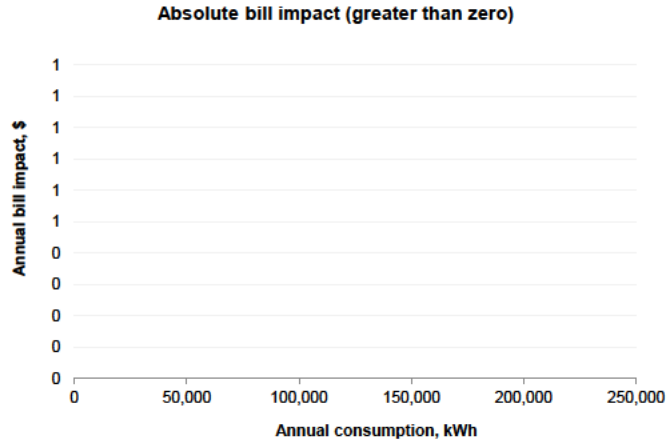


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$155	$155	-	-
Average annual consumption, kWh	72,391	72,391	-	-
Average maximum demand, kW	27.4	27.4	-	-
Average load factor, %	35.7%	35.7%	-	-

Figure A2.28. Tariff progression over time: EA302 (40-160 MWh pa) from 2020-21 to 2023-24

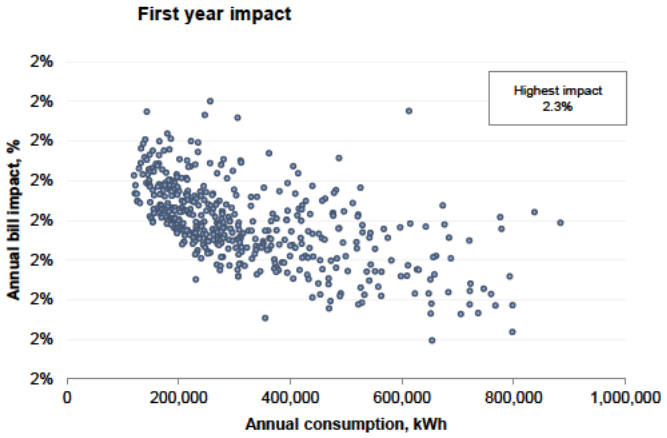


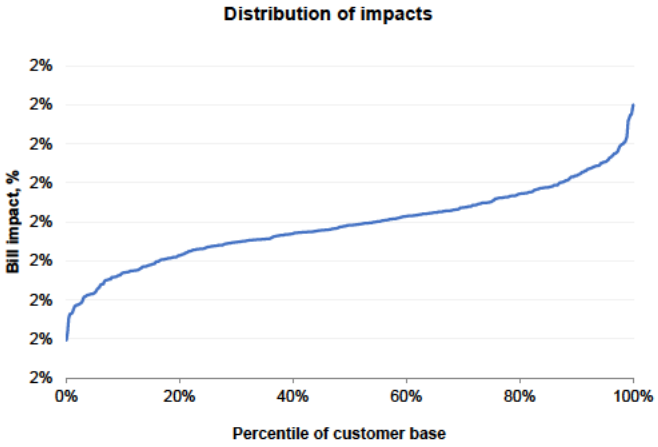


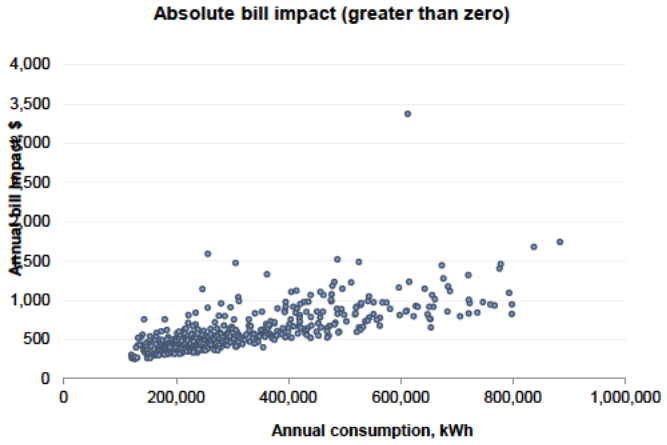


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.0%	0.0%	0.0%
Average cumulative bill impact, %	-18.4%	-	-	-
Average cumulative bill impact, $	($1,179)	-	-	-
Average annual consumption, kWh	72,391	-	-	-
Average maximum demand, kW	27.4	-	-	-
Average load factor, %	35.7%	-	-	-

Figure A2.29. Price change impact: EA305 (160-750 MWh pa) from 2019-20 to 2020-21

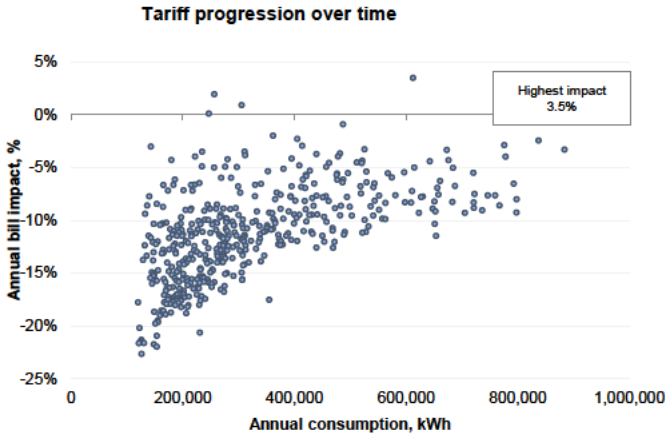


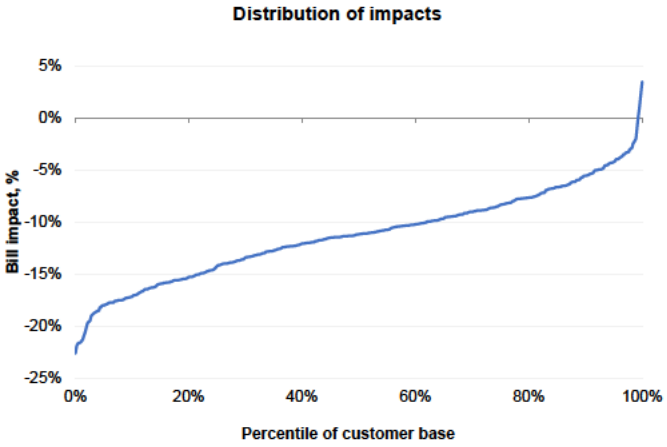


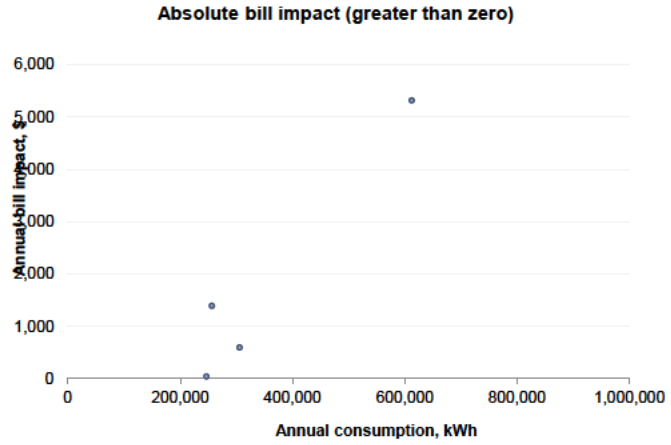


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$603	$603	-	-
Average annual consumption, kWh	322,616	322,616	-	-
Average maximum demand, kW	102.8	102.8	-	-
Average load factor, %	42.7%	42.7%	-	-

Figure A2.30. Tariff progression over time: EA305 (160-750 MWh pa) from 2020-21 to 2023-24

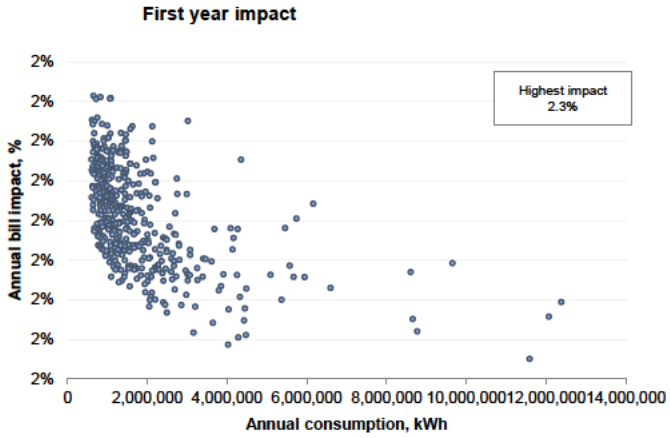


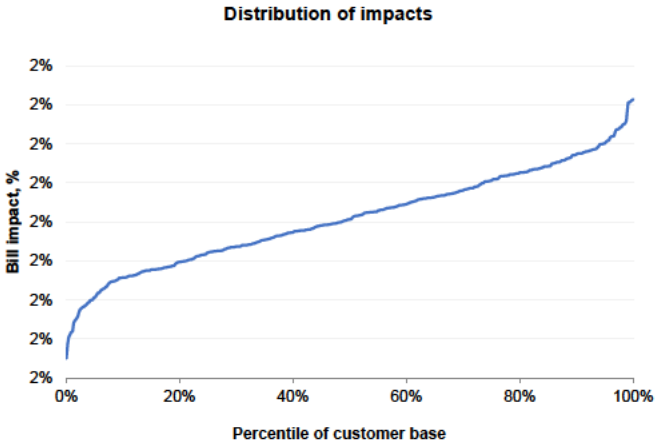


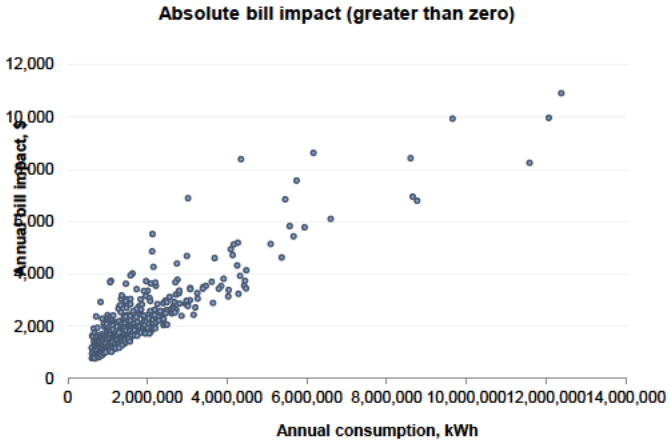


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	0.9%	0.0%	0.0%
Average cumulative bill impact, %	-11.3%	1.6%	-	-
Average cumulative bill impact, $	($2,634)	$1,837	-	-
Average annual consumption, kWh	322,616	355,493	-	-
Average maximum demand, kW	102.8	392.6	-	-
Average load factor, %	42.7%	11.1%	-	-

Figure A2.31. Price change impact: EA310 (>750 MWh pa) from 2019-20 to 2020-21

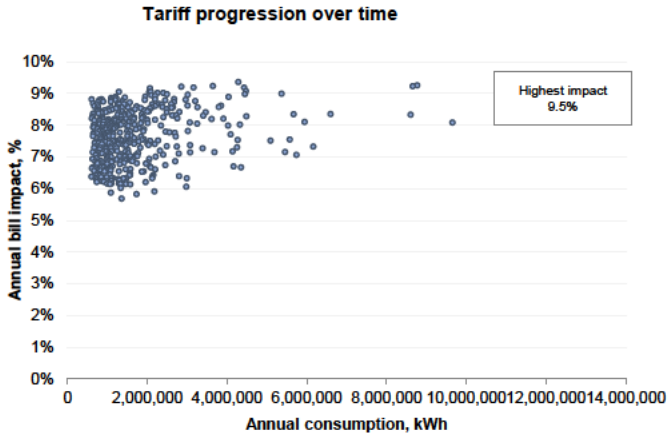


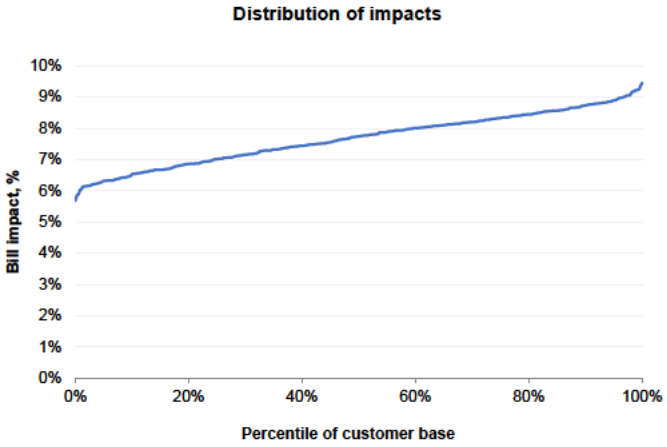


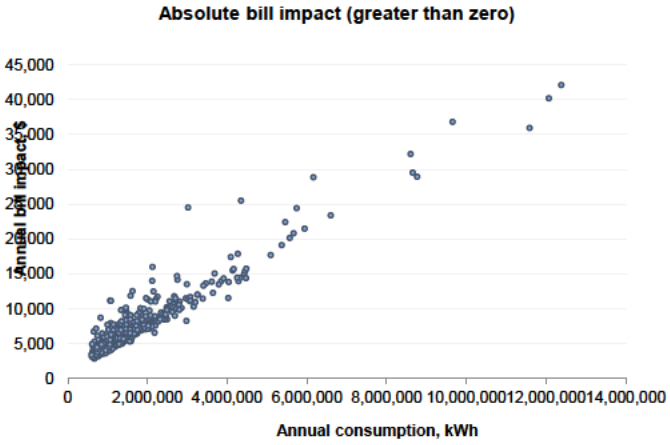


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$2,201	$2,201	-	-
Average annual consumption, kWh	1,760,094	1,760,094	-	-
Average maximum demand, kW	466.6	466.6	-	-
Average load factor, %	46.0%	46.0%	-	-

Figure A2.32. Tariff progression over time: EA310 (>750 MWh pa) from 2020-21 to 2023-24





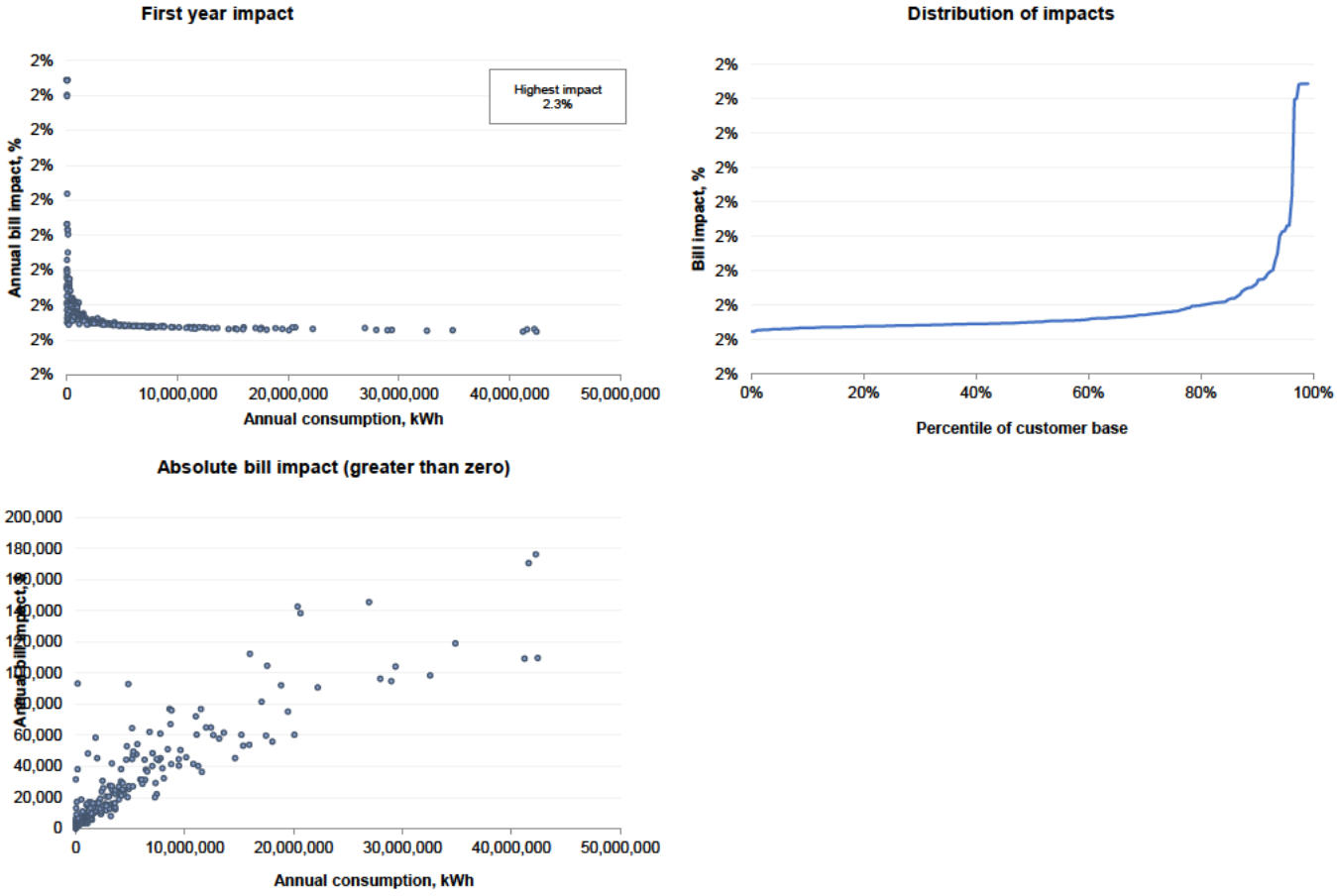


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	7.7%	7.7%	-	-
Average cumulative bill impact, $	$7,685	$7,685	-	-
Average annual consumption, kWh	1,760,094	1,760,094	-	-
Average maximum demand, kW	466.6	466.6	-	-
Average load factor, %	46.0%	46.0%	-	-

High Voltage customer impacts

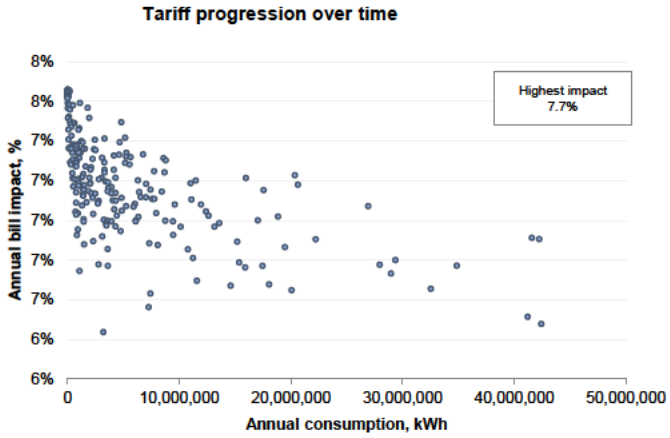
Figures A2.33 and A2.34 show the impact on customers on EA370 High Voltage Connection (system) of new prices in 2020-21 and at the end of the regulatory period in 2023-24. Impacts are based on all customers, not a sample.

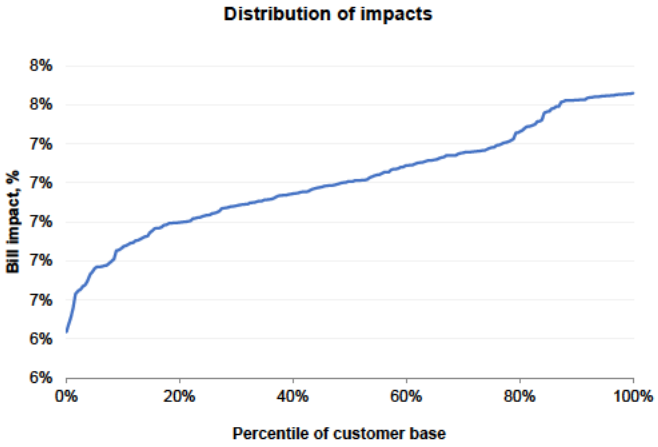
Figure A2.33. Price change impact: EA370 (HV Connection System) from 2019-20 to 2020-21

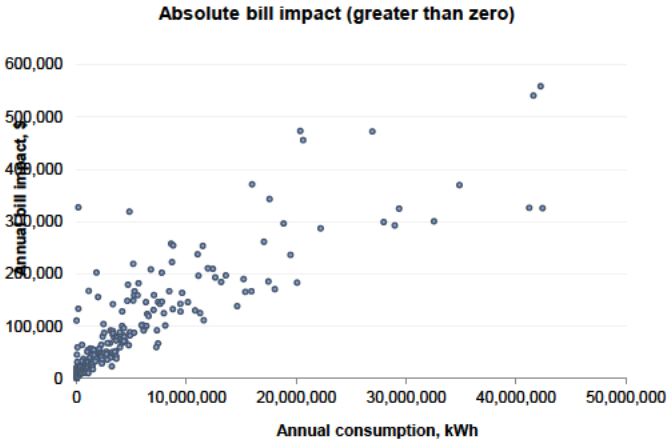


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$28,896	$28,896	-	-
Average annual consumption, kWh	5,289,204	5,289,204	-	-
Average maximum demand, kW	1,336.8	1,336.8	-	-
Average load factor, %	38.2%	38.2%	-	-

Figure A2.34. Tariff progression over time: EA370 (HV Connection System) from 2020-21 to 2023-24





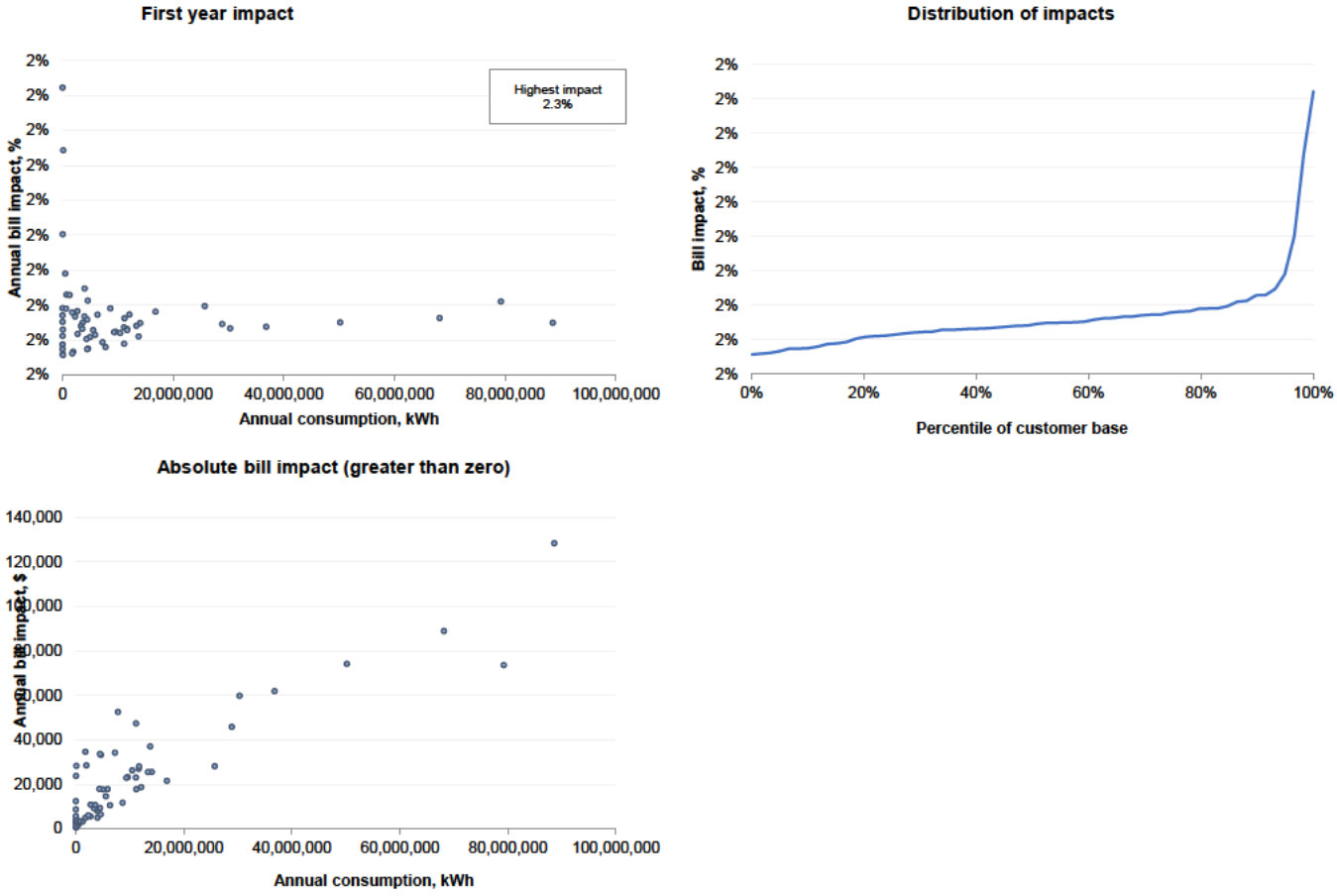


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	7.2%	7.2%	-	-
Average cumulative bill impact, $	$94,072	$94,072	-	-
Average annual consumption, kWh	5,289,204	5,289,204	-	-
Average maximum demand, kW	1,336.8	1,336.8	-	-
Average load factor, %	38.2%	38.2%	-	-

Subtransmission customer impacts

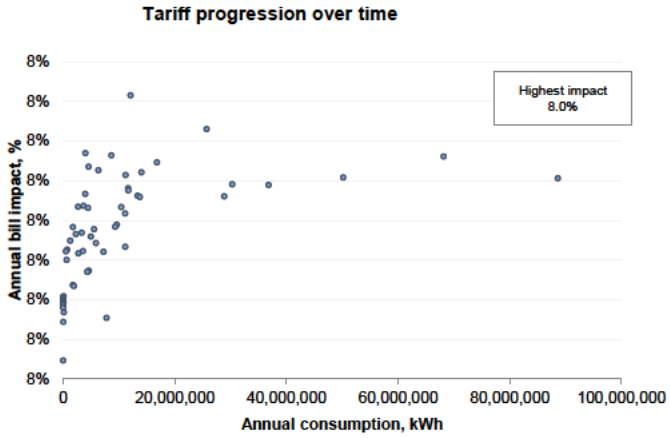
Figures A2.35 and A2.36 show the impact on customers on EA390 ST Connection (system) of new prices in 2020-21 and at the end of the regulatory period in 2023-24. Impacts are based on all customers, not a sample.

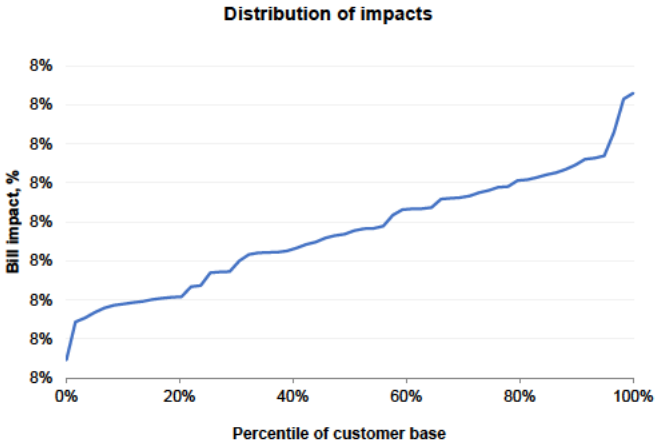
Figure A2.35. Price change impact: EA390 (ST Connection) from 2019-20 to 2020-21

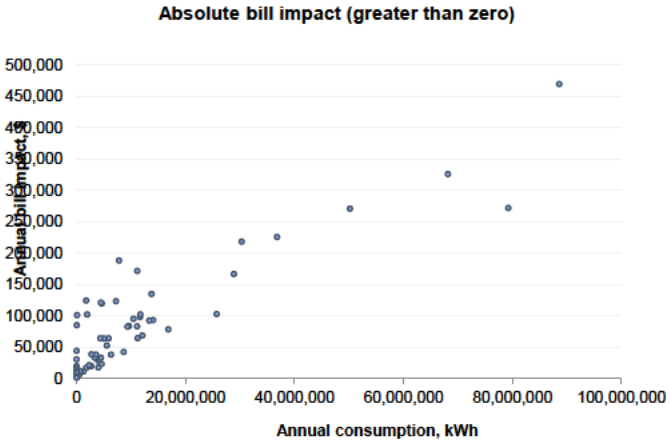


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.2%	2.2%	-	-
Average cumulative bill impact, $	$23,312	$23,312	-	-
Average annual consumption, kWh	11,133,069	11,133,069	-	-
Average maximum demand, kW	2,889.0	2,889.0	-	-
Average load factor, %	37.6%	37.6%	-	-

Figure A2.36. Tariff progression over time: EA390 (ST Connection) from 2020-21 to 2023-24







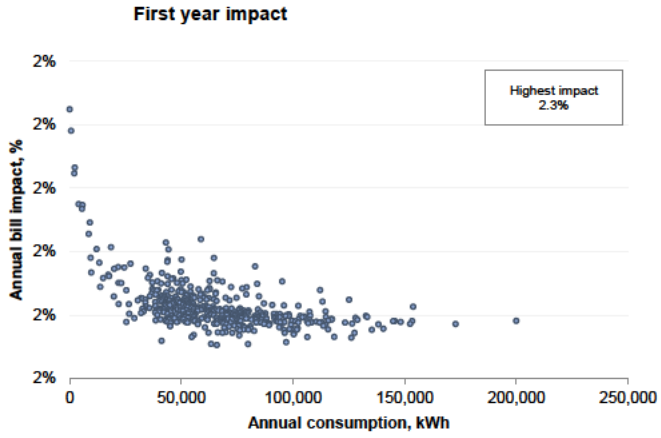
Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	7.8%	7.8%	-	-
Average cumulative bill impact, $	$84,897	$84,897	-	-
Average annual consumption, kWh	11,133,069	11,133,069	-	-
Average maximum demand, kW	2,889.0	2,889.0	-	-
Average load factor, %	37.6%	37.6%	-	-

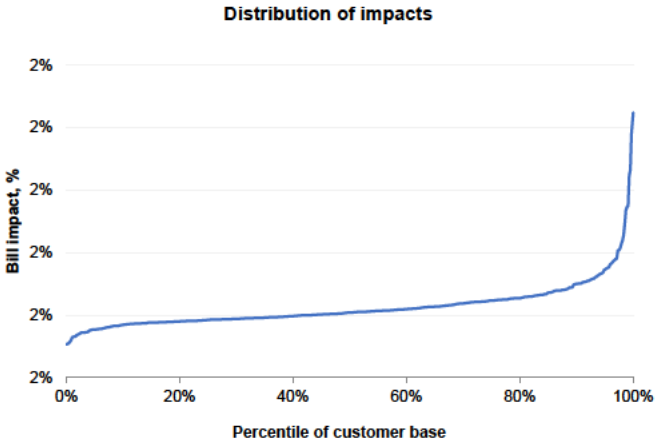
Transitional customer impacts

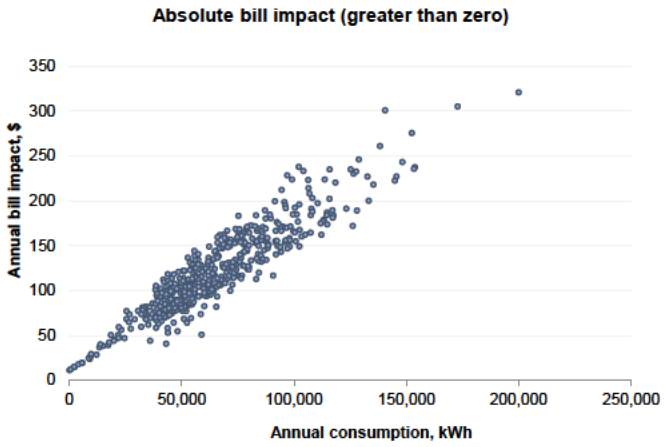
The following four figures show the impact on customers on two transitional tariffs moving from prices in 2019-20 to new prices in 2020-21 and at the end of the regulatory period in 2023-24.

- Figures A2.37 and A2.38: the impact on customers on EA316 Transitional 40-160 MWh a year of new prices in 2020-21 and at the end of the regulatory period
- Figures A2.39 and A2.40: the impact on customers on EA317 Transitional 160-750 MWh a year of new prices in 2020-21 and at the end of the regulatory period

Figure A2.37. Price change impact: EA316 (Transitional 40-160 MWh pa) from 2019-20 to 2020-21

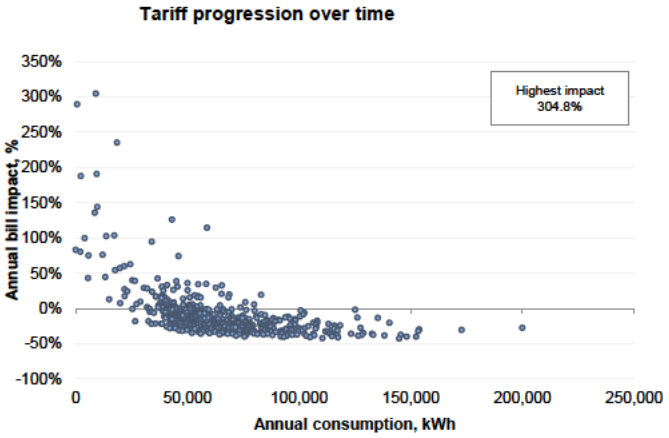


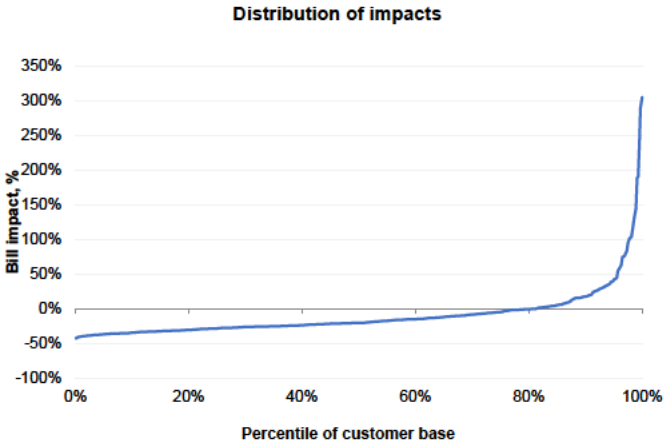


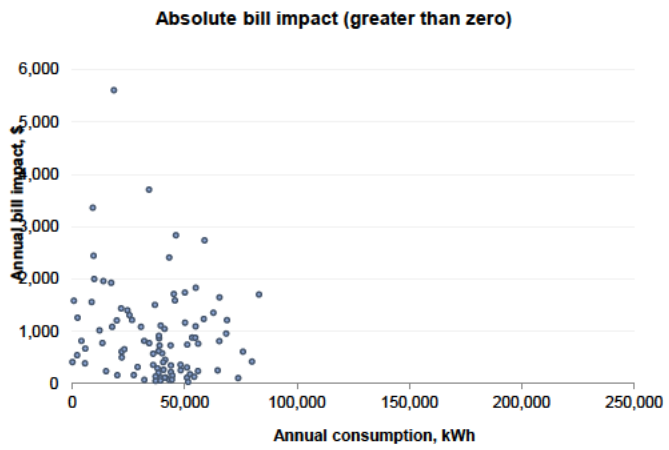


Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	100.0%	0.0%	0.0%
Average cumulative bill impact, %	2.1%	2.1%	-	-
Average cumulative bill impact, $	$121	$121	-	-
Average annual consumption, kWh	65,204	65,204	-	-
Average maximum demand, kW	22.4	22.4	-	-
Average load factor, %	37.3%	37.3%	-	-

Figure A2.38. Tariff progression over time: EA316 (Transitional 40-160 MWh pa) from 2020-21 to 2023-24







Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	18.6%	12.8%	9.0%
Average cumulative bill impact, %	-10.0%	42.2%	59.3%	77.6%
Average cumulative bill impact, $	($1,048)	$943	$1,282	$1,512
Average annual consumption, kWh	65,204	37,743	33,939	28,618
Average maximum demand, kW	22.4	24.8	25.2	23.8
Average load factor, %	37.3%	18.9%	16.3%	14.0%

Figure A2.39. Price change impact: EA317 (Transitional 160-750 MWh pa) from 2019-20 to 2020-21

[supressed due to the small sample size]

Summary results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample		100.0%	100.0%	0.0%
Average cumulative bill impact, %	2.1%	2.1%	-	-
Average cumulative bill impact, $	$332	$332	-	-
Average annual consumption, kWh	200,749	200,749	-	-
Average maximum demand, kW	37.8	37.8	-	-
Average load factor, %	54.2%	54.2%	-	-

Figure A2.40. Tariff progression over time: EA317 (Transitional 160-750 MWh pa) from 2020-21 to 2023-24

[supressed due to the small sample size]

Summary Results	All	Impact > 0%	Impact > 10%	Impact > 20%
Share in sample	100.0%	14.3%	14.3%	12.5%
Average cumulative impact, %	42.8%	448.4%	448.4%	448.4%
Average cumulative bill impact, $	($3,638)	$3,672	$3,672	$3,672
Average annual consumption, kWh	200,749	3,777	3,777	3,777
Average maximum demand, kW	37.8	5.6	5.6	5.6
Average load factor, %	54.2%	7.7%	7.7%	7.7%

A.3 Completed compliance spreadsheet (CONFIDENTIAL)

A.4 Notification of Climate Change Fund contribution

From: Phoebe Colman
To: Garry Foo
Cc: Bronwyn Isaac; Pricing; Alexandra Sidorenko; OEH PD CCESP Mailbox
Subject: RE: CCF Forward Estimates - Ausgrid
Date: Wednesday, 11 March 2020 4:58:08 PM
Attachments: image001.png
image003.png

Hi Garry,

Yes, I'm sorry that is what I meant.

Regards,
Phoebe.

From: Garry Foo [redacted]
Sent: Wednesday, 11 March 2020 4:48 PM
To: Phoebe Colman [redacted]
Cc: Bronwyn Isaac [redacted] Pricing [redacted] Alexandra Sidorenko [redacted] OEH PD CCESP Mailbox [redacted]
Subject: RE: CCF Forward Estimates - Ausgrid

Hi Phoebe,

Do you mean the forecast estimate of **$133,474,553** for 2020-21 as per your table below?

As the $133,812,268 was for 2019-20. Can you please confirm?

Regards,

Garry Foo
Senior Distribution Pricing Analyst | Network Pricing | Customer & Strategy

Ausgrid Connecting communities, empowering lives

[redacted]

Please consider the environment before printing this email.

From: Phoebe Colmar [redacted]
Sent: Monday, 29 April 2019 1:37 PM
To: Garry Foo [redacted]
Cc: Bronwyn Isaac [redacted] Pricing [redacted]
Subject: CCF Forward Estimates - Ausgrid

Hi Garry,

Please see below Ausgrid's estimated contribution for 2019-20 and forward estimates for future years.

Climate Change Fund Contributions	Actual 2018-19	Budget Year 2019-20	Forward estimate 2020-21	Forward estimate 2021-22
Climate Change Fund	**$281,154,194**	**$275,580,621**	**$275,738,304**	**$278,236,522**
Ausgrid	$135,587,381	$133,812,268	$133,474,553	$134,683,846

Please note these figures are nominal and subject to change and confirmation on an annual basis.

The figure for 2019-20 includes an adjustment to the 2018-19 contribution. The adjustment is to account for an update to the estimated share of population applicable to the calculation of 2018-19 contributions.

As discussed on the phone recently, the Community Resilience and Energy Savings Policy branch within OEH has recently assumed responsibility for the CCF contributions. The Principal Policy Officer currently responsible for this is Bronwyn Isaac (copied), and the Director of the Branch is Cristien Hickey.

Regards,
Phoebe.

Phoebe Colman
Project Coordinator
Community Resilience and Energy Savings
Policy Division
Office of Environment & Heritage

59–61 Goulburn Street, Sydney 2000
PO Box A290, Sydney South 2000
[redacted]

A.5 TransGrid's transmission charges for 2020-21

NSW Electricity Networks Operations Pty Limited
ACN 609 169 959
180 Thomas Street, Sydney
PO Box A1000 Sydney South
NSW 1235 Australia
T (02) 9284 3000
F (02) 9284 3456

13/03/2020

Alexandra Sidorenko
Network Pricing Manager
Ausgrid
24 Campbell Street
Sydney NSW 2000

Dear Alexandra

2020/21 Prescribed Transmission Service Prices

Please find attached a schedule of Ausgrid's 2020/21 prescribed Transmission Service Prices applicable from 1 July 2020. These prices have been set by TransGrid as the co-ordinating Transmission Network Service Provider (TNSP) for the NSW and ACT market region.

The 2020/21 transmission prices are published in accordance with the AER's Final Decision for TransGrid's 2018-2023 revenue determination, the National Electricity Rule requirements, and the approved Pricing Methodology.

The total forecast revenue to be collected through transmission charges for NSW and ACT in 2020/21 is $758.2 million, a 2% increase from 2019/20. This is primarily due to the following effects:

- An increase in 2020/21 NSW and ACT transmission forecast revenue compared to 2019/20. This has the effect of increasing the 2020/21 transmission charges by 0.64%.
- A forecast decrease in residues and SRA proceeds, partially offset by a forecast increase in intra-regional residues. This has the effect of decreasing the 2020/21 transmission charges by 0.21%.
- An increase in the net inter-regional transmission charges (modified load export charges) payable to Powerlink Queensland and AEMO-Victoria as required under Clause 6A.29A of the National Electricity Rules (NER). This has the effect of increasing the 2020/21 transmission charges by 1.48%.

Ausgrid Distribution's forecast charges for transmission services provided by TransGrid

The following table summarises the forecast revenue by service category across Ausgrid's transmission connection points billable by TransGrid. It excludes the TNSP to TNSP net transfer payment amount.

Ausgrid's Connection Points Billable by TransGrid ($) - GST Excluded					
Forecast	Connection	Locational	Common Service	Non-locational	Total
2019/20	8,218,524	59,186,324	50,575,033	23,851,038	141,830,919
2020/21	8,474,498	61,631,955	53,772,795	23,096,187	146,975,435
$ change	255,974	2,445,630	3,197,762	- 754,851	5,144,516
% change	3%	4%	6%	-3%	4%

The total transmission charge forecast as payable to TransGrid in 2020/21 represents a 4% increase compared to the charge forecasted in 2019/20.

Transfer payments

The transfer payments for Ausgrid are shown in the following table.

Ausgrid - 2020/21 Financial Transfer ($ GST excluded)	
TransGrid to Ausgrid	$ 13,773,814.69
Ausgrid to TransGrid	$ 136,154,254.32
Ausgrid to Directlink	$ 1,679,931.17
Ausgrid to Evoenergy	$ 822,678.99
Net transfer from Ausgrid	**$ 124,883,049.78**

Ausgrid Distribution forecast charges for transmission services provided by Ausgrid Transmission

The forecast revenue charges at the connection points between Ausgrid transmission and Ausgrid distribution using the forecast revenue at the time of transmission price publication are included in the following table. The table also includes a comparison in revenue from all transmission service categories between the 2019/20 and 2020/21 financial years.

Ausgrid's Transmission ($ GST excluded)						
	Connection	Locational	Non-locational	Common Service	Net Financial Transfer	AARR
2019/20	10,434,826	87,760,576	21,973,061	46,592,869	- 100,821,630	65,939,701
2020/21	3,144,922	100,953,639	20,004,052	46,573,652	- 124,883,050	45,793,216
$ change	- 7,289,904	13,193,063	- 1,969,009	- 19,216	- 24,061,419	- 20,146,485
% change	-69.9%	15.0%	-9.0%	0.0%	23.9%	-30.6%

For 2020/21 the AARR has decreased by 30.6% as a result of a reduction in dual function assets.

Should you wish to discuss any aspect of the 2020/21 transmission prices please contact David Conroy, Pricing Strategy Manager on [redacted] or via email [redacted]

Yours sincerely

Jason Conroy
Chief Financial Officer

TransGrid

NSW and ACT Transmission Prices

1 July 2020 to 30 June 2021

All prices quoted are inclusive of Australian Goods and Services Tax (GST)

Ausgrid

Customer Prices

Common service and non locational prices

These prices apply at all connection points

	($/kW/month)
Common Service Prices	1.4226
Non Locational Prices	0.6110

Locational and exit prices

TNSP	Customer	Connection Point	Exit ($/day)	Locational ($/kW/month)
Ausgrid	Ausgrid	Alexandria 33	537.31	4.8365
Ausgrid	Ausgrid	Belmore Park 11	798.10	4.6084
Ausgrid	Ausgrid	Belmore Park 132	140.23	4.1914
Ausgrid	Ausgrid	Brandy Hill 11	169.37	3.1242
Ausgrid	Ausgrid	Bunnerong 33	607.90	4.9329
Ausgrid	Ausgrid	Campbell Street 11	215.44	5.6182
Ausgrid	Ausgrid	Campbell Street 132	133.22	6.0891
Ausgrid	Ausgrid	Canterbury 33	577.26	3.7479
Ausgrid	Ausgrid	Charm Haven 11	159.62	1.6620
Ausgrid	Ausgrid	Cronulla 132	0.00	3.7884
Ausgrid	Ausgrid	Gosford 33kV	122.14	2.6577
Ausgrid	Ausgrid	Gosford 66kV	297.47	2.4865
Ausgrid	Ausgrid	Green Square 11kV	249.60	3.9876
Ausgrid	Ausgrid	Gwawley Bay 11	0.00	3.2097
Ausgrid	Ausgrid	Homebush Bay 11	201.66	3.0346
Ausgrid	Ausgrid	Hurstville North 11	219.95	4.1924
Ausgrid	Ausgrid	Kingsford 11	264.79	5.5518
Ausgrid	Ausgrid	Kogarah 11	282.94	5.3765
Ausgrid	Ausgrid	Kurnell South 11	202.45	5.9982
Ausgrid	Ausgrid	Kurnell South 132	50.39	3.2916
Ausgrid	Ausgrid	Lane Cove 132	150.79	4.0400
Ausgrid	Ausgrid	Macquarie Park 11	0.00	6.3628
Ausgrid	Ausgrid	Maroubra 11	251.48	8.2772
Ausgrid	Ausgrid	Marrickville 11	215.42	4.1770
Ausgrid	Ausgrid	Mason Park 132	187.00	3.1813
Ausgrid	Ausgrid	Meadowbank 11	222.72	4.1772
Ausgrid	Ausgrid	Munmorah 33	139.83	1.4481
Ausgrid	Ausgrid	Ourimbah 132	116.35	2.6830
Ausgrid	Ausgrid	Ourimbah 33	153.25	2.3823
Ausgrid	Ausgrid	Ourimbah 66	232.70	2.4184
Ausgrid	Ausgrid	Peakhurst 33	291.34	2.7332
Ausgrid	Ausgrid	Potts Hill 11	189.36	4.6882
Ausgrid	Ausgrid	Potts Hill 132	113.76	4.4998
Ausgrid	Ausgrid	Rockdale 11	209.83	5.4333
Ausgrid	Ausgrid	Rose Bay 11	222.82	13.7574
Ausgrid	Ausgrid	Somersby 11	177.75	2.4379
Ausgrid	Ausgrid	St Peters 11	365.52	4.2700
Ausgrid	Ausgrid	Strathfield South 11	197.51	3.4847
Ausgrid	Ausgrid	Top Ryde 11	216.59	4.7617
Ausgrid	Ausgrid	Waverley 11	263.94	11.3080
Ausgrid	Ausgrid	West Gosford 11	152.15	2.2201
Ausgrid	Ausgrid	Wyong 11	177.90	1.8539

TNSP	Customer	Connection Point	Exit ($/day)	Locational ($/kW/month)
TransGrid	Ausgrid	Beaconsfield W 132	489.61	3.7455
TransGrid	Ausgrid	Haymarket 132	3614.55	4.0948
TransGrid	Ausgrid	Liddell 330	0.00	0.7444
TransGrid	Ausgrid	Muswellbrook 132	541.58	1.0959
TransGrid	Ausgrid	Newcastle 132	3544.97	1.3514
TransGrid	Ausgrid	Rookwood Rd 132	227.78	3.3817
TransGrid	Ausgrid	Sydney East 132	5833.79	1.9871
TransGrid	Ausgrid	Sydney North 132	1415.18	2.5882
TransGrid	Ausgrid	Sydney South 132	688.00	2.3654
TransGrid	Ausgrid	Tomago 132	439.23	1.7299
TransGrid	Ausgrid	Tuggerah 132	203.21	2.3668
TransGrid	Ausgrid	Vales Point 132	2702.19	1.4393
TransGrid	Ausgrid	Vales Point 132 - 957/3	0.00	1.0401
TransGrid	Ausgrid	Waratah West 132	5839.48	1.4722

Appendix B. Alternative Control Services Fee Schedule