12 November 2021

Warwick Anderson
General Manager – Network Pricing
Australian Energy Regulator
by email: AERPricing@aer.gov.au

Dear Warwick

Re: Annual pricing process review - Standardised model template v0.2

CitiPower, Powercor and United Energy appreciate the opportunity to respond to the Australian Energy Regulator's (AER) annual pricing process review - standardised model template v0.2.

We agree with the AER that the standardised Victorian pricing proposal template has delivered benefits to both the AER and distributors.

We suggest that the following be considered in the revised model and calculations:

- The compliance check formula for standalone and avoidable costs in the Compliance tab is incorrect. Propose to re-label and re-link the standalone and avoidable columns, so that the formula doesn't need to be changed
- kVA to be added to the list of units
- In Victoria, the model might need to be adjusted for the old tariffs prior to 2021-22 as they are significantly different because they fall under a different TSS. The issue of incompatibility of tariff structures between the regulatory periods is still to be resolved
- Would be useful to have totals for each column Qty tab (similar to Revenue detail tabs)
- We would prefer not to break down the dedicated circuit by tariff and continue reporting consistent with current models. The change will add complexity and will require IT system changes for us to capture and report this information.

We appreciate that the AER held a workshop to discuss the pricing models and found it very useful.

We would be happy to meet to discuss this letter or should you have any queries please contact Kate Jdanova on [redacted] or [redacted]

Yours sincerely

[redacted]

Mark de Villiers
Head of Regulatory Finance, Modelling and Pricing
CitiPower, Powercor and United Energy