

1 April 2021

Ms Kami Kaur
General Manager Distribution
Australian Energy Regulator

Dear Ms Kaur

Endeavour Energy's 2021-22 Pricing Proposal

I am pleased to submit Endeavour Energy's 2021-22 Pricing Proposal to the Australian Energy Regulator (AER).

Endeavour Energy's pricing proposal has been prepared in accordance with the AER's final decision for the 2019 to 2024 regulatory period. It is also in accordance with the requirements of Chapter 6 of the National Electricity Rules (Rules) which establishes a process of price notification and review by the AER for annual price changes.

The Rules allow for Endeavour Energy to indicate which parts of our pricing proposal that we claim as confidential. In the list below, we identify four attachments over which we are claiming confidentiality.

The document and models we submit as part of this proposal are:

DOCUMENT:

- Endeavour Energy's 2021-22 Pricing Proposal

ATTACHMENTS:

- Confidential Attachment A – Revenue Cap Compliance Model;
- Confidential Attachment B – TSS Principles Model;
- Confidential Attachment C – Small LV Tariff Relativity Model;
- Confidential Attachment D – Indicative Pricing Schedule;
- Attachment E – Indicative Pricing Schedule;
- Attachment F - ANS Price Cap Compliance Model & Indicative Pricing Schedule;
- Attachment G - Metering Services Price Cap Compliance Model & Indicative Pricing Schedule;
- Attachment H - Public Lighting Price Cap Compliance Model & Indicative Pricing Schedule;
- Attachment I - Security Lighting Price Cap Compliance Model & Indicative Price Schedule; and
- Confidential Attachment J – Public Lighting Model – New LED Asset Types.

How has the COVID-19 pandemic impacted this proposal?

In preparing our FY21 pricing proposal, Endeavour Energy was concerned that making no allowance for the likely impact of the COVID-19 pandemic would leave our customers exposed to future price volatility should a significant revenue under-recovery occur in FY21.

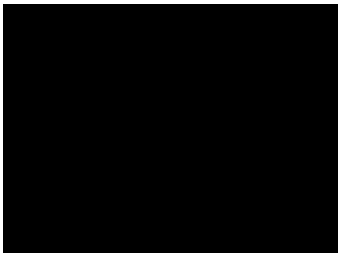
To address this concern, we observed the impact of COVID-19 on the energy consumption of our Residential, Commercial and Industrial customer segments and made a revised proposal to the AER inclusive of a modest post modelling adjustment to our energy forecast of 1.5% in FY21.

This adjustment improved the accuracy of our FY21 volume forecast and has resulted in reduced revenue volatility and smoother price outcomes for our customers.

With a return to standard operating conditions, we do not intend to make post-model adjustments to our FY22 volume forecasts and will return to our standard trend based forecasting methodology.

If you have any questions with respect to the pricing proposal, please do not hesitate to contact our Network Pricing Manager, Daniel Bubb, on [REDACTED].

Yours sincerely



Francoise Merit
Chief Financial Officer