

11 November 2021

Mr Warrick Anderson
General Manager, Network Pricing
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Sent via email: AERPricing@aer.gov.au

Dear Mr Anderson

Annual Pricing Process Review – Standardised Model Template

SA Power Networks welcomes the opportunity to comment on the AER Annual Pricing Process Review – Standardised Model Template published in October 2021 which seeks to develop a standardised pricing model across all Distribution Network Service Providers' (DNSPs) for Standard Control Services (SCS) and Alternative Control Services (ACS).

Outlined below are our views on the following concepts as presented in the standardised model template for SCS and ACS.

SCS Inputs – Actuals Tab

In its standardised model template, the AER has stipulated that the source of data required in Input Tables 9 – 11 is from the Regulatory Information Notice (RIN) returns. SA Power Networks prepares its RIN data and has it independently audited for submission to the AER by no later than 31 October each year. This data includes both actual and estimated billings as at 30 June.

SA Power Networks prepares its year t-2 annual pricing proposal data in November each year. This data will be more accurate than the RIN data as all billings relating to year t-2 will have been processed by this time. Therefore, there will be a variance between the numbers reported in our RIN data and the numbers we submit in the standardised model template.

Whilst we do not anticipate the variance will be material, there will be a variance. SA Power Networks intends to include this actual data in the standardised model template for year t-2 to ensure the accuracy of the Unders/overs position which will follow through to year t-1 and year t. We welcome the AER's further advice on this matter.

SCS Inputs – Tariffs Tab

SA Power Networks seeks clarification regarding the disclosure of tariffs with a controlled load component in both Input Table 22 and 23.

We consider that Input Table 22 should have controlled load as an option to select in the 'Type of Charge'. In Input Table 23 we believe that disaggregating the controlled load component of the tariff is required, for example one row for Residential Single Rate tariff and another row for Residential Single Rate Control Load tariff would result in the optimal outcome.

We welcome the AER's advice as to how best to incorporate controlled load tariff data into the standardised model template, understanding that the template requires the AER to populate the template with the desired input structure.

ACS General Inputs Tab

SA Power Networks' regulatory decision for 2020-2025 included two separate X-Factors to be used in Ancillary Network Services (ANS) calculations: one for security lighting services and one for all other ANS (i.e. other than security lighting services). The standardised pricing model template for price capped ACS does not provide an option to have two X-Factors for ANS. SA Power Networks requests that the template be updated to reflect and enable our 2020-2025 regulatory decision to be implemented in our pricing.

SA Power Networks welcomes the AER populating the standardised model template with input data in December to ensure there is sufficient time to work through the template to meet the pre-engagement deadline of 18 February 2021.

If you have any queries or require further information in relation to our submission, please contact Helen White on [REDACTED]

Yours sincerely

[REDACTED]
Richard Sibly
HEAD OF REGULATION

