AusNet Electricity Services Pty Ltd

Revised Tariff Structure Statement 2022-26

Compliance document

Submitted: 3 December 2020

About AusNet Services

AusNet Services is a major energy network business that owns and operates key regulated electricity transmission and electricity and gas distribution assets located in Victoria, Australia. These assets include:

- A 6,574 kilometre electricity transmission network that services all electricity consumers across Victoria;
- An electricity distribution network delivering electricity to approximately 680,000 customer connection points in an area of more than 80,000 square kilometres of eastern Victoria; and
- A gas distribution network delivering gas to approximately 572,000 customer supply points in an area of more than 60,000 square kilometres in central and western Victoria.
- AusNet Services' vision is to create energising futures by delivering value to our customers, communities and partners.

For more information visit: www.ausnetservices.com.au.

Contact

This document is the responsibility of the Asset Management division, AusNet Services. Please contact the indicated owner of the document below with any inquiries.

Charlotte Eddy
AusNet Services
Level 31, 2 Southbank Boulevard
Melbourne Victoria 3006
Ph: (03) 9695 6000

Table of Contents

1 Introduction

1.1 Purpose

This document is AusNet Services' Tariff Structure Statement (TSS), which has been prepared in accordance with the requirements of the National Electricity Rules. It is supported by an Explanatory Paper, which provides further detail on the rationale for our tariff strategy.

1.2 Customer and stakeholder engagement

The development of this TSS has been informed by extensive customer and stakeholder engagement, customer research and independent expert advice. Our approach has also been informed by discussions with retailers and the Victorian Government's policy in relation to network tariffs. This invaluable input and how it has affected our tariff proposals is discussed in the accompanying Explanatory Paper.

1.3 Structure of this report

Our TSS is structured as follows:

- Section 2 sets out our network tariff classes, structures and charging parameters. It also highlights the key changes in this TSS compared to the 2016-2020 regulatory period.
- Section 3 explains:
  - how our tariffs comply with the pricing principles for direct control services specified in clause 6.18.5 of the Rules (Pricing Principles);
  - our transitional arrangements for moving towards cost reflective pricing; and
  - the annual network tariff setting process.
- Section 4 sets out our changes to the revised TSS proposal in response to the AER's Draft Decision.
- Section 0 sets out our approach to network tariff assignment and reassignment. It also explains our available choice of tariffs for our customers and the opt-out/opt-in arrangements.
- Section 6 describes our charging arrangements for Alternative Control Services.
- Appendix A provides a glossary of the key tariff concepts.
- Appendix B shows how our proposed tariff structure and charging parameters comply with the pricing principles in clause 6.18.5 of the Rules.
- Appendix C sets out our tariff assignment policy.
- Appendix D sets out our arrangements for transitioning customers to more cost reflective tariffs.
- Appendix E is our Indicative Pricing Schedule.

1.4 Compliance guide

This document sets out the information and matters required by the Rules to be included in the TSS, as detailed in the table below. As noted in section 1.1, further information is provided in the accompanying Explanatory Paper.

Table 1: Reading guide to TSS Rules compliance

Requirement	Rule	Reference in this document
A description of how the proposed TSS complies with the pricing principles for direct control services, including a description of where there has been any departure and an explanation of that departure.	6.8.2(c)(7)	Sections 3.2 and 3.3, and Appendices B, C and D.
The proposed tariff structure statement must be accompanied by an indicative pricing schedule.	6.8.2(d1)	Appendix E.
The proposed tariff structure statement must comply with the pricing principles for direct control services.	6.8.2(d2)	Sections 3.2 and 3.3, and Appendices B, C and D.
The tariff classes into which retail customers for direct control services will be divided during the relevant regulatory control period.	6.18.1A(a)(1)	Sections 2.3 and 6.2.
The policies and procedures for assigning retail customers to tariffs or reassigning customers from one tariff to another.	6.18.1A(a)(2)	Section 5.2 and Appendix C.
The structures for each proposed tariff.	6.18.1A(a)(3)	Sections 2.4, 6.3, 6.4, 6.5, 6.6 and 6.7.
The charging parameters for each proposed tariff.	6.18.1A(a)(4)	Sections 2.4, 6.3, 6.4, 6.5, 6.6 and 6.7.
A description of the approach to setting each tariff in each pricing proposal during the regulatory period.	6.18.1A(a)(5)	Sections 3.4 and 6.8.
A tariff structure statement must comply with the pricing principles for direct control services	6.18.1A(b)	Sections 3.2 and 3.3, and Appendices B, C and D.
A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.	6.18.1A(e)	Appendix E.

2 Tariff classes, structures and charging parameters for standard control services

2.1 Rules requirements

The Rules require the following information to be presented in the TSS:

- the tariff classes into which retail customers for Direct Control Services will be divided during the relevant regulatory control period[1];
- the structures for each proposed tariff[2]; and
- the charging parameters for each proposed tariff[3].

These provisions relate to direct control services[4], which comprise standard control services and alternative control services. This chapter addresses the Rules requirements in relation to standard control services, which are the everyday safe and reliable network services that we provide to all retail customers. Chapter 6 presents the equivalent information in relation to alternative control services.

2.2 Key changes in this TSS

Our costs, and therefore customers' bills, are influenced by the need to meet peak demand on the electricity network. However, the majority of customers are on single-rate tariff structures, which means that customers with higher usage during peak times are cross-subsidised by other customers with flatter usage profiles. This, create inequities and inefficiencies.

Today and in the future, residential customers are driving change in the way the electricity network is used. This, amongst other things, is affecting peak demand through:

- continued growth in air-conditioner load, exacerbating the early evening peak;
- the emergence of electric vehicles (EVs), which has the potential to exacerbate the early evening peak and therefore increase network costs;
- future take-up of home batteries with solar PV, effectively allowing solar generation to be shifted to any time period; and
- continued new connections driven by state population growth.

To address these issues, the principal change we propose for the 2022-26 regulatory period is to introduce a new two-rate tariff structure (new ToU tariff). From 1 July 2021, the new ToU tariff will become our default tariff for residential customers. We will assign the following customers to the new ToU tariff:

- New connections (i.e. new homes connecting to the network for the first time, not re-energisations);
- Customers who choose to upgrade from single-phase to three-phase supply;
- Customers who choose to install solar or batteries; and

[1] Clause 6.18.1A(a)(1).

[2] Clause 6.18.1A(a)(3).

[3] Clause 6.18.1A(a)(4).

[4] Clause 6.18.1.

- Small customers with EV charging infrastructure (EV customers)[5].

Together with the other Victorian electricity distributors, for residential customers we will:

- retain our single-rate, demand charge, and controlled load (dedicated circuit) tariff structures from the 2016-20 regulatory control period for those residential customers who do not meet the above criteria;
- reassign our legacy ToU tariff customers onto the new ToU tariff on 1 July 2021; and
- remove our legacy ToU tariffs from our tariff schedule[6].

For small business customers consuming not more than 40MWh per year, we propose to:

- change the default tariff from the current single-rate tariff to a two-rate ToU tariff with a peak period of 9am-9pm local time on weekdays (the new default ToU tariff);
- move all legacy TOU tariff customers onto the new default two-rate ToU tariff on 1 July 2021; and
- remove all legacy ToU tariffs from our tariff schedule.

Separately, we will close our residential and small business suite of seasonal ToU tariff structures to new entrants.

The rationale for these changes, including our consultation with customers, is discussed in detail in the Explanatory Paper that accompanies this TSS.

For customers likely to consume over 40 MWh per year, we do not propose any change to the current pricing structures set out in the 2016-20 Tariff Structure Statement, with the exception of our default medium customer tariff. For this tariff, we are proposing to change the consumption charging window from 1 July 2023 as follows:

- the morning peak charging window will be removed; and
- the evening peak charging window will be shortened by two hours.

The rationale for these changes is discussed in the Explanatory Paper that accompanies this TSS.

We do not propose any changes to the assignment approach set out in the 2016-20 Tariff Structure Statement for customers who consume over 40 MWh per year.

2.3 Tariff Classes for standard control services

In accordance with the Rules, this table below outlines AusNet Services' tariff classes. Further information about these tariffs is provided in later sections of this chapter.

Table 2: AusNet Services' network tariff classes

Tariff classes	Typical customer	Tariffs
Residential	Residential customers Low voltage (230V & 415V) Annual consumption is < 160 MWh per year	NEE11, NEE11S, NEE11P, NEN11, NEE13, NEE14, NEE15, NAST11, NAST11S, NAST11P, NAST13, NAST14, NAST15, NASN11, NASN11S, NASN11P, NEN20, NEE24, NSP20, NSP23, SSP23, NEE30, NEE31, NEE32

[5] This assignment requires an EV register or other formal means of identification to be available. EV customers will be assigned to the new ToU pricing structure from the date that the EV register becomes available and will no longer be able to access the flat rate network tariff structure.

[6] Tariff NEE24 will remain on our tariff schedule.

Tariff classes	Typical customer	Tariffs
Small industrial & commercial	Small LV industrial & commercial customers Low voltage (230V & 415V) Annual consumption is < 160 MWh per year	NEE12, NEE12S, NEE12P, NEN12, NEE16, NEE17, NEE18, NAST12, NAST12S, NAST12P, NASN12, NASN12S, NASN12P, NASN19, NASN21, NASN2S, NASN2P, NEN21, NSP21, NSP27, SSP27, SSP21
Medium industrial & commercial	Medium LV industrial & commercial customers Low voltage (230V & 415V) Annual consumption is > 160 MWh and < 400 MWh per year	NEE40, NEE41, NEE42, NEE43, NEE51, NEE52, NEE55, NSP55, NSP56, NEN56, NEE60
Large industrial & commercial	Large LV industrial & commercial customers Low voltage (230V & 415V) Annual consumption is > 400 MWh per year	NEE74, NSP75, NSP76, NSP77, NSP78
High voltage	Large HV industrial & commercial customers High voltage (6.6kV, 11kV & 22kV)	NSP81, NSP82, NSP83
Sub transmission	Large extra HV industrial & commercial customers, and supplies to Latrobe Valley Open cuts and works areas Sub transmission (66kV)	NSP91, NEE93, NSP94, NSP95

The large number of tariffs presently being offered reflect the transitional arrangements that are in place as our customers move to more cost reflective tariffs. We discuss these arrangements shortly.

2.4 Network tariff structures and charging parameters

This section sets out our network tariff structures, charging parameters and metering requirements for each tariff applicable in the 2022-26 regulatory period.

Table 3: Charging parameters for residential network tariffs

Tariff class	Tariff code	Tariff Structure	Description	Closed to New Entrants	Standing charge	Anytime	Block 1	Block 2	Peak	Shoulder all year	Summer peak	Summer shoulder	Winter peak	Off Peak	Dedicated circuit	Feed in rates	Capacity	Critical peak demand	Monthly peak kW demand	Monthly off peak kW demand
					$/year	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	$/kVA/yea	$/kVA/yea	$/kW/mth	$/kW/mth
Residential	NEE11	1	Small single rate	No	✓		✓	✓												
	NEE11S	1	Small single rate standard feed in	No	✓		✓	✓												
	NEE11P	1	Small single rate premium feed in	Yes	✓		✓	✓								✓				
	NEN11	1	Small single rate within embedded network	Yes	✓		✓	✓												
	NEE13	1 & 9	Small single rate & dedicated circuit	Yes	✓		✓	✓							✓					
	NEE14	1 & 10	Small single rate & dedicated circuit with afternoon boost	Yes	✓		✓	✓							✓					
	NEE15	1 & 11	Small single rate & dedicated circuit 8:00 to 8:00	Yes	✓		✓	✓							✓					
	NAST11	16	Small residential time of use	No	✓				✓					✓						
	NAST11S	16	Small residential time of use standard feed in	No	✓				✓					✓						
	NAST11P	16	Small residential time of use premium feed in	Yes	✓				✓					✓		✓				
	NAST13	16 & 9	Small residential time of use & dedicated circuit	Yes	✓				✓					✓	✓					
	NAST14	16 & 10	Small residential time of use & dedicated circuit with afternoon boost	Yes	✓				✓					✓	✓					
	NAST15	16 & 11	Small residential time of use & dedicated circuit 8:00 to 8:00	Yes	✓				✓					✓	✓					
	NASN11	15	Small residential single rate demand	No	✓	✓													✓	✓
	NASN11S	15	Small residential single rate demand standard feed in	No	✓	✓													✓	✓
	NASN11P	15	Small residential single rate demand premium feed in	Yes	✓	✓										✓			✓	✓
	NEN20	3	Small two rate within embedded network	Yes	✓				✓					✓						
	NEE24	4	Small two rate 8:00 to 8:00*	Yes	✓				✓					✓						
	NSP20	7	Small interval meter time of use	Yes	✓						✓	✓	✓	✓						
	NSP23	7	Small interval meter time of use solar installation standard feed in	Yes	✓						✓	✓	✓	✓						
	SSP23	7	Small interval meter time of use solar installation premium feed in	Yes	✓						✓	✓	✓	✓		✓				
	NEE30	9	Small dedicated circuit	Yes											✓					
	NEE31	10	Small dedicated circuit with afternoon boost	Yes											✓					
	NEE32	11	Small dedicated circuit 8:00 to 8:00	Yes											✓					

* Available to customers in rural areas with heating requirements.

Table 4: Charging parameters for small industrial and commercial network tariffs

Tariff class	Tariff code	Tariff Structure	Description	Closed to New Entrants	Standing charge	Anytime	Block 1	Block 2	Peak	Shoulder all year	Summer peak	Summer shoulder	Winter peak	Off Peak	Dedicated circuit	Feed in rates	Capacity	Critical peak demand	Monthly peak kW demand	Monthly off peak kW demand
					$/vear	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	$/kVA/vea	$/kVA/vea	$/kW/mth	$/kW/mth
Small industrial & commercial	NEE12	1	Small single rate	No	✓		✓	✓												
	NEE12S	1	Small single rate standard feed in	No	✓		✓	✓												
	NEE12P	1	Small single rate premium feed in	Yes	✓		✓	✓								✓				
	NEN12	1	Small single rate within embedded network	Yes	✓		✓	✓												
	NEE16	1 & 9	Small single rate & dedicated circuit	Yes	✓		✓	✓							✓					
	NEE17	1 & 10	Small single rate & dedicated circuit with afternoon boost	Yes	✓		✓	✓							✓					
	NEE18	1 & 11	Small single rate & dedicated circuit 8:00 to 8:00	Yes	✓		✓	✓							✓					
	NAST12	17	Small business time of use	No	✓				✓					✓						
	NAST12S	17	Small business time of use standard feed in	No	✓				✓					✓						
	NAST12P	17	Small business time of use premium feed in	Yes	✓				✓					✓		✓				
	NASN12	15	Small business single rate demand	No	✓	✓													✓	✓
	NASN12S	15	Small business single rate demand standard feed in	No	✓	✓													✓	✓
	NASN12P	15	Small business single rate demand premium feed in	Yes	✓	✓										✓			✓	✓
	NASN19	15	Business > 40 MWh single rate demand	No	✓	✓													✓	✓
	NASN21	2	Business > 40 MWh two rate demand	No	✓				✓					✓					✓	✓
	NASN2S	2	Business > 40 MWh two rate demand standard feed in	No	✓				✓					✓					✓	✓
	NASN2P	2	Business > 40 MWh two rate demand premium feed in	Yes	✓				✓					✓		✓			✓	✓
	NEN21	3	Small two rate within embedded network	Yes	✓				✓					✓						
	NSP21	7	Small interval meter time of use	Yes	✓						✓	✓	✓	✓						
	NSP27	7	Small interval meter low peak time of use	Yes	✓						✓	✓	✓	✓						
	SSP27	7	Small interval meter time of use solar installation standard feed in	Yes	✓						✓	✓	✓	✓						
	SSP21	7	Small interval meter time of use solar installation premium feed in	Yes	✓						✓	✓	✓	✓		✓				

Table 5: Charging parameters for medium, large, high voltage and sub transmission industrial and commercial network tariffs

Tariff class	Tariff code	Tariff Structure	Description	Closed to New Entrants	Standing charge	Anytime	Block 1	Block 2	Peak	Shoulder all year	Summer peak	Summer shoulder	Winter peak	Off Peak	Dedicated circuit	Feed in rates	Capacity	Critical peak demand	Monthly peak kW demand	Monthly off peak kW demand
					$/vear	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	$/kVA/vea	$/kVA/vea	$/kW/mth	$/kW/mth
Medium industrial & commercial	NEE40	6	Medium single rate	Yes	✓	✓														
	NEE41	6 & 9	Medium single rate & dedicated circuit	Yes	✓	✓									✓					
	NEE42	6 & 10	Medium single rate & dedicated circuit with afternoon boost	Yes	✓	✓									✓					
	NEE43	6 & 11	Medium single rate & dedicated circuit 8:00 to 8:00	Yes	✓	✓									✓					
	NEE51	3	Medium two rate	Yes	✓				✓					✓						
	NEE52	3	Medium unmetered	No					✓					✓						
	NEE55	12	Medium snowfields	No	✓				✓					✓						
	NSP55	7	Medium interval meter time of use snowfields	No	✓						✓	✓	✓	✓						
	NSP56	18	Medium critical peak demand 160 MWh to 400 MWh	No	✓				✓	✓				✓			✓	✓		
	NEN56	13	Medium critical peak demand 160 MWh to 400 MWh within embedded network	Yes	✓				✓	✓				✓			✓	✓		
	NEE60	5	Medium seven day two rate	Yes	✓				✓					✓						
Large industrial & commercial	NEE74	3	Large two rate	Yes	✓				✓					✓						
	NSP75	13	Large critical peak demand 400 MWh to 750 MWh	No	✓				✓	✓				✓			✓	✓		
	NSP76	13	Large critical peak demand 750 MWh to 2000 MWh	No	✓				✓	✓				✓			✓	✓		
	NSP77	13	Large critical peak demand 2000 MWh to 4000 MWh	No	✓				✓	✓				✓			✓	✓		
	NSP78	13	Large critical peak demand over 4000 MWh	No	✓				✓	✓				✓			✓	✓		
High voltage	NSP81	14	High voltage critical peak demand	No	✓				✓					✓			✓	✓		
	NSP82	13	High voltage critical peak demand traction	No	✓				✓	✓				✓			✓	✓		
	NSP83	13	High voltage critical peak demand low energy use	No	✓				✓	✓				✓			✓	✓		
Sub transmission	NSP91	14	Sub transmission critical peak demand < 25 MVA & < 20 km from ts	No	✓				✓					✓			✓	✓		
	NEE93	3	Large Labtrobe Valley open cut supplies	Yes					✓					✓						
	NSP94	14	Sub transmission critical peak demand > 25 MVA & < 20 km from ts	No	✓				✓					✓			✓	✓		
	NSP95	14	Sub transmission critical peak demand < 25 MVA & > 20 km from ts	No	✓				✓					✓			✓	✓		

Table 6: AusNet Services' tariff structures and charging parameters

Tariff structure	Charging parameter	Unit	Tariff structure description
1	Standing charge Inclining block 1 Inclining block 2	$/yr c/kWh c/kWh	 1020 kWh/qtr kWh balance
2	Standing charge Peak Off peak Demand	$/yr c/kWh c/kWh $/kW/mth	 7:00 AM to 11:00 PM Monday to Friday All other times 3:00PM to 9:00PM ADST Monday to Friday. Peak season - December to March, Off Peak - All other months
3	Standing charge Peak Off peak	$/yr c/kWh c/kWh	 7:00 AM to 11:00 PM Monday to Friday All other times
4	Standing charge Peak Off peak	$/yr c/kWh c/kWh	 8:00 AM to 8:00 PM Monday to Friday All other times
5	Standing charge Peak Off peak	$/yr c/kWh c/kWh	 7:00 AM to 11:00 PM Monday to Sunday All other times
6	Standing charge Energy	$/yr c/kWh	 All energy
7	Standing charge Summer peak Summer shoulder Winter peak Off peak	$/yr c/kWh c/kWh c/kWh c/kWh	 2:00 PM to 6:00 PM Monday to Friday, December to March 12:00 PM to 2:00 PM and 6:00 PM to 8:00 PM Monday to Friday, December to March 4:00 PM to 8:00 PM Monday to Friday, June to August All other times
8	Standing charge Summer Peak Shoulder Off peak	$/yr c/kWh c/kWh c/kWh	 2:00 AM AEST First Sunday in October to 2:00 AM AEST First Sunday in April 3:00 PM to 9:00 PM Monday to Friday 7:00 AM to 3:00 PM and 9:00 PM to 10:00 PM Monday to Friday, 7:00 AM to 10:00 PM Saturday to Sunday All other times AEDT in summer, AEST all other times
9	Standing charge Dedicated circuit	$/yr c/kWh	 11:00 PM to 7:00 AM Monday to Sunday
10	Standing charge Dedicated circuit	$/yr c/kWh	 11:00 PM to 7:00 AM and 1:00 PM to 4:00 PM Monday to Sunday
11	Standing charge Dedicated circuit	$/yr c/kWh	 6 or 8 Hrs between 8:00 PM to 8:00 AM Monday to Sunday

Tariff structure	Charging parameter	Unit	Tariff structure description
12	Standing charge	$/yr	
	Peak	c/kWh	1 May to 30 September
	Off peak	c/kWh	All other times
13	Standing charge	$/yr	
	Peak	c/kWh	7:00 AM to 10:00 AM and 4:00 PM to 11:00 PM Monday to Friday
	Shoulder	c/kWh	10:00 AM to 4:00 PM Monday to Friday
	Off peak	c/kWh	All other times
	Capacity	$/kVA/yr	Fixed value
	Critical peak demand	$/kVA/yr	Average of five recorded between 3:00 PM and 7:00 PM ADST on five days nominated in advance
14	Standing charge	$/yr	
	Peak	c/kWh	7:00 AM to 11:00 PM Monday to Friday
	Off peak	c/kWh	All other times
	Capacity	$/kVA/yr	Fixed value
	Critical peak demand	$/kVA/yr	Average of five recorded between 3:00 PM and 7:00 PM ADST on five days nominated in advance
15	Standing charge	$/yr	
	Anytime	c/kWh	All energy
	Monthly demand	$/kW/mth	3:00 PM to 9:00 PM ADST Monday to Friday. Peak season - December to March, Off Peak Season - All other
16	Standing charge	$/yr	
	Peak	c/kWh	3:00 PM to 9:00 PM Monday to Sunday (local time)
	Off peak	c/kWh	All other times
17	Standing charge	$/yr	
	Peak	c/kWh	9:00 AM to 9:00 PM Monday to Friday (local time)
	Off peak	c/kWh	All other times
18			Tariff structure applicable from 1 July 2021 to 30 June 2023
	Standing charge	$/yr	
	Peak	c/kWh	7:00 AM to 10:00 AM and 4:00 PM to 11:00 PM Monday to Friday
	Shoulder	c/kWh	10:00 AM to 4:00 PM Monday to Friday
	Off peak	c/kWh	All other times
	Capacity	$/kVA/yr	Fixed value
	Critical peak demand	$/kVA/yr	Average of five recorded between 3:00 PM and 7:00 PM ADST on five days nominated in advance
			Tariff structure applicable from 1 July 2023
	Standing charge	$/yr	
	Peak	c/kWh	4:00 PM to 9:00 PM Monday to Friday
	Shoulder	c/kWh	10:00 AM to 4:00 PM Monday to Friday
	Off peak	c/kWh	All other times
	Capacity	$/kVA/yr	Fixed value
	Critical peak demand	$/kVA/yr	Average of five recorded between 3:00 PM and 7:00 PM ADST on five days nominated in advance

Table 7: Minimum metering requirement

Tariff code	Minimum metering requirement
NEE11, NEN11, NEE12, NEN12, NEE40	Basic type 6 single register accumulation meter.
NEE60	A basic type 6 dual register, with standard time switching capacity.
NEN20, NEN21, NEE24, NEE30, NEE31, NEE32, NEE51, NEE52, NEE55, NEE74, NEE93	A basic type 6 dual register with an electronic time switch, capable of switching all loads to off peak overnight and at weekends.
NEE13, NEE14, NEE15, NEE16, NEE17, NEE18, NEE41, NEE42, NEE43	Two basic type 6 single register accumulation meters, one switched by timing device, or a basic type 6 dual register accumulation meter with second register switched by timing device.
NASN11, NASN12, NASN19, NASN21, NSP55, NAST11, NAST12	An advanced interval single element meter, “smart meter”.
NSP20, NSP21, NSP27	An advanced interval single element meter, and an electronic time switch, capable of registering and recording energy consumption to derive off peak energy consumed during overnight and weekend use.
NSP23, SSP21, SSP23, SSP27	An advanced interval meter with export registers and an electronic time switch, capable of registering and recording energy consumption to derive off peak energy consumed during overnight and weekend use.
NAST13, NAST14, NAST15	An advanced internal two element meter, “smart meter” where the second element applies to a dedicated circuit that is switched by AusNet Services and that is required to be separately measured to other off peak load.
NEE11S, NEE11P, NEE12S, NEE12P, NASN11S, NASN11P, NASN12S, NASN12P, NASN2S, NASN2P, NAST11S, NAST11P, NAST12S, NAST12P	An interval meter with export registers and an electronic time switch, capable of registering and recording energy consumption to derive off peak energy consumed during overnight and weekend use.
NSP56, NEN56, NSP75, NSP76, NSP77, NSP78, NSP81, NSP82, NSP83, NSP91, NSP94, NSP95	An interval meter, capable of measuring kWh and kVAR integrated over a 30-minute period.

2.5 Further information

For further information on our tariff classes, structures and charging parameters for standard control services, please refer to Chapter 2 of the accompanying Explanatory Paper. In addition, Chapters 3 and 4 of the Explanatory Paper discusses the impact of our proposed tariffs on different categories of customers.

3 Pricing principles and annual network tariff setting process

3.1 Rules requirements

The Rules require the TSS to include a description of the approach AusNet Services will take in setting each tariff in each year of the regulatory control period in order to comply with the pricing principles in clause 6.18.5[7]. In addition, clause 6.18.1A(b) requires that the TSS must comply with the pricing principles for direct control services. This Chapter addresses these requirements in relation to standard control services, whilst Chapter 6 explains our approach in relation to alternative control services, which together comprise direct control services.

3.2 Network tariff compliance with the pricing principles

Appendix B demonstrates how our prices satisfy the Pricing Principles. In our annual tariff setting process, described in section 3.4 below, we will ensure that prices continue to reflect the Pricing Principles by having regard to the following constraints:

- the overall forecast revenue in any year, when summed across network tariff classes, is not more than the revenue allowance approved by the AER for that year, after allowing for any under- or over-recoveries in prior years, adjustments for actual inflation and pass-through amounts;
- the annual percentage changes in individual tariffs are within the side constraints set out in the Rules;
- the revenue for each tariff class lies between the stand-alone and avoidable costs of servicing that tariff class;
- where possible, the revenue for each tariff is equal to, or moving towards, recovery of the total efficient cost for that tariff; and
- where applicable, the demand component of the tariff is equal to, or moving towards, recovery of the long run marginal cost for that tariff.

Our annual prices will take account of the latest forecasts of customer numbers, consumption and demand. We will update our target network revenues (and target network prices) by:

- estimating the total efficient cost for each tariff;
- estimating the long run marginal cost for each tariff;
- determining the required long run marginal revenues for each tariff;
- calculating the residual costs for each tariff, which is the difference between the total efficient cost and the revenue for each tariff based on long run marginal cost;
- allocating the residual costs to tariffs in a manner which minimises distortions to the long run marginal cost price signals; and.
- Allocating the residual costs between the service charge and variable charge(s) that make up a tariff according to the characteristics of the tariff.

3.3 Transitional arrangements

Clause 6.18.5(h) states that:

> *A Distribution Network Service Provider must consider the impact on retail customers of changes in tariffs from the previous regulatory year and may vary tariffs from [the Pricing Principles] to the*

[7] Clause 6.18.1A(a)(5).

extent the Distribution Network Service Provider considers reasonably necessary having regard to:

(1) the desirability for tariffs to comply with the Pricing Principles … albeit after a reasonable period of transition (which may extend over more than one regulatory control period);

(2) the extent to which retail customers can choose the tariff to which they are assigned; and

(3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their usage decisions.

In light of this clause, we consulted widely on our proposed transitional arrangements, particularly with respect to vulnerable customers. Based on the feedback we received, we concluded that the following customer groups were less likely to include vulnerable customers and therefore the new tariffs should apply to these groups:

- New connections, being customers connecting to the network for the first time, and does not include re-energisations following a de-energisation (e.g. move-in customers, or after a disconnection for debt);
- Customers who, from 1 July 2021, choose to upgrade from single-phase to three-phase supply; and
- Customers who, from 1 July 2021, choose to install solar or batteries; and
- EV customers.

An important aspect of any transitional arrangement is the extent to which customers are able to choose their tariffs or opt-out of the new TOU tariff. As explained in further detail section 5.2, we have concluded that the customer or their retailer should be able to opt-out from the new two-rate ToU tariff structure during the 2022-26 regulatory period. We will review the transitional arrangements prior to the commencement of the next regulatory period on 1 July 2026, and reflect any changes made in the applicable TSS.

The rationale for our transitional arrangements, including our consultation with customers, is discussed in detail in the Explanatory Paper that accompanies this TSS.

3.4 Annual pricing approval process for network tariffs

The indicative prices for the first year of the 2022-26 regulatory period are provided at Appendix E. These prices accord with the revenue requirements set out in the accompanying Regulatory Proposal.

AusNet Services is required to submit an annual pricing proposal to the AER in each of years 2 through 5 of the regulatory control period. The annual pricing proposal must contain the information required by clause 6.18.2(b) of the Rules, which includes:

- the proposed tariffs for each tariff class that is specified in the TSS for the relevant regulatory control period;
- for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates;
- for each tariff class, the expected weighted average revenue for the relevant regulatory year and also for the current regulatory year;
- 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;

- how designated pricing proposal charges[8] 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;
- how jurisdictional scheme amounts for each approved jurisdictional scheme[9] are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts;
- how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria;
- demonstrate compliance with the Rules and any applicable distribution determination, including the TSS for the relevant regulatory control period;
- 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 an explanation of any material differences between them; and
- describe the nature and extent of change from the previous regulatory year and demonstration that the changes comply with the Rules and any applicable distribution determination.

The annual pricing proposal must be submitted to the AER at least 3 months before the commencement of the second and each subsequent regulatory year of the regulatory control period. As the regulatory years for the forthcoming regulatory period are to be financial years, the annual approval process will differ from previous periods. The table below sets out an indicative timetable.

Table 8: AusNet Services annual pricing proposal and approval process

Timing	Process
February – March	AusNet Services prepares the annual pricing proposal and revised indicative network use of system (NUoS) prices.
On or before 31 March	AusNet Services submits its annual pricing proposal to the AER for approval.
Mid May (6 weeks after submission of annual pricing proposal to the AER)	AER approves AusNet Services' annual pricing proposal.
1 July	New tariffs and any new tariff structures to take effect.

The annual pricing proposal will ensure that the proposed prices accord with the AER's revenue cap approved for each regulatory year.

3.5 Further information

For further information on AusNet Services' approach to setting tariffs in accordance with the Pricing Principles in clause 6.18.5 of the Rules is provided in Appendix A of the accompanying Explanatory Paper.

[8] Designated pricing proposal changes include charges for prescribed exit services; prescribed common transmission services; and prescribed TUOS services and avoided Customer TUOS charges. For the full definition of the term, please refer to Chapter 10 of the Rules.

[9] In Victoria, an approved *jurisdictional scheme* is the premium solar feed-in tariff under Part 2 Division 5A of the Electricity Industry Act 2000 (Vic).

4 Changes in our revised TSS proposal

The following section sets out our response to the AER's draft decision and our changes made to our TSS for the 2022-26 regulatory period.

4.1 Residential new ToU and demand tariff discount

In the Draft Decision, the AER required AusNet Services to discount its residential time of use and demand tariffs to incentivise the take up of cost reflective tariffs in the revised TSS.

In our Revised Proposal, we will:

- Discount the new ToU tariff and demand tariff relative to our single-rate tariff.
- For our residential new ToU tariff, we will reduce the prices by one per cent per year, to be five per cent cheaper relative to our single-rate tariff by FY2026.
- For the residential demand tariff, we will reduce our demand tariff to be one per cent cheaper each year, relative to our single-rate tariff.

4.2 Opt-out provisions for solar customers

In our Initial Proposal, we proposed that solar PV customers should only have access to cost reflective network tariffs. In the Draft Decision, the AER requested that AusNet Services allow residential solar customers and their retailers to access the flat rate network tariff structure.

The revised TSS proposal accordingly allows solar customers the option to opt-out of a solar flat tariff structure. To implement this option, AusNet Services will introduce two solar variants of the single-rate price structure for residential and small business customers. Tariff information relating to the two new solar tariffs can be found section 2 of this TSS.

For more information relating to the opt-out provisions for solar customers, these are set out in section 5 of this TSS.

4.3 Tariff choices for medium and large business customers

In the Draft Decision, the AER requested that AusNet Services:

- introduces additional tariff choice for medium business customers (or tariff class for consumption between 160 MWh and 400 MWh per year) in addition to the default tariff; and
- introduce tariff choice for large business customers in addition to the default tariff in the form of individually calculated customer (ICC) tariffs.

We have considered the merit of introducing greater choice for the medium and large business customer classes. However, we propose to retain our original position for the following reasons:

- AusNet Services' Critical Peak Demand tariffs for medium and large businesses are amongst the most cost reflective in the NEM, as has been recognised by the AER in its Draft Decision.[10]
- In circumstances where all customers are already assigned to the cost reflective tariff structure, additional tariff choices would result in a customer picking the cheapest non-cost reflective tariff option. This would lead to a dampening of the cost reflective price signal, and increased prices for all other customers because of the revenue cap. In addition, less cost reflective tariffs will tend to increase network costs over the longer term.

[10] AER. Draft Decision, Distribution Determination 2021 to 2026, Attachment 19, September 2020, page 26.

- Without a significant amount of further analysis we are unable to confirm that variations on the current structure to create a sharper price signal, for example using a lesser number of critical peak days, would strengthen customer response. Our preference is to gather further data during the 2022-26 regulatory period through carefully designed trials before introducing changes to the tariff.
- Our customer consultation in developing the TSS over two and a half years did not reveal a customer desire for more tariff options. Business customer advocates were comfortable with our tariff offerings, and encouraged us to continue to work on communicating the benefits of responding to the existing CPD tariffs through customer-focused engagement. In preparing this Revised Proposal we have heard similar feedback from business customer advocates and our Customer Consultative Committee. During the 2022-26 regulatory period, our focus will be to enhance our customer communications to help customers understand the benefits of responding to these tariffs, and to build further on the success in customers reducing peak demand.
- We note that individually calculated tariffs are offered by some DNSPs in other jurisdictions as a way to encourage the uptake of cost reflective tariffs. These circumstances are not relevant to AusNet Services, as customers in these classes are already assigned to cost reflective tariff structures.
- AusNet Services has around 1,600 customers with annual consumption greater than 400MWh. The introduction of new tariffs is a resource intensive exercise, which would include consultation and on-going engagement with affected customers to explain the impact of selecting an alternative tariff. Our view is that resourcing this effort is not appropriate unless there is likely to be a net benefit for customers.
- The timeframe to consult and design new tariffs over the nine week Draft Decision response period is not feasible. Since release of the AER Draft Decision on 30 September, we have met with customer representatives to discuss alternative tariff initiatives, however, it takes time to get processes established. As new tariffs will create winners and losers throughout our tariff classes, it is not possible that canvassing of proposals and resolution of issues identified can be satisfactorily resolved in the short period between the Draft Decision and the submission of our Revised Proposal.

Whilst we do not propose any changes to our Initial Proposal in relation to these tariffs, we will commit to keeping this issue under review during the 2022-26 regulatory period. As requested by the AER, we will explore further tariff trials to explore the potential benefits in locational and ICC tariffs. In light of the reasons set out above, we consider our Revised Proposal in relation to medium and large business customer tariffs to be in the best interests of customers at this time.

4.4 Closing and reassigning legacy ToU customers

In the Draft Decision, the AER asked that we consider closing our residential legacy ToU tariffs and reassign those customers to the new ToU and demand tariffs.

In response to the draft decision, from 1 July 2021 we propose to close our residential legacy ToU tariffs (with the exception of customers on NEE24), and reassign these customers to the new ToU tariff. AusNet Services will also introduce dedicated circuit variants of the new ToU price structure, and reassign legacy ToU customers with dedicated circuits to these tariffs. Information relating to tariff assignment is provided in section 5 of this TSS.

We have made an exception for customers on NEE24, as this tariff was established as a ToU tariff for rural customers with heating requirements. NEE24 is discounted in exchange for allowing AusNet Services to control these customers' heating load between 8pm and 8pm. As a consequence, we expect the majority NEE24 customers to be worse off if they are reassigned.

For more information relating to the exclusion of NEE24 from the legacy ToU closure and reassignment, see section 3.7.1 of the accompanying Explanatory Paper.

4.5 Amending medium business peak charging window

In the Draft Decision, the AER was concerned that our proposed peak charging windows (7am to 10am and 4pm to 11pm, Monday to Friday) for our default medium business tariff does not reflect when the network is under its greatest strain and may be too wide to send effective price signals to customers about their impact on the network.

To address this concern, we propose to remove the morning peak and narrow the evening peak charging window in our default medium business tariff (NSP56), to improve the effective price signal to customers in the medium business customer class. We also propose to implement this change from 1 July 2023. This reflects feedback from business customer advocates that a transition is required to provide customers on the default medium business tariff sufficient time to understand and prepare for the change. In the two years leading up to the change, AusNet Services will engage with customers to help them understand and respond to this change.

In light of this change, our default medium business tariff will be modified as follows:

- Morning peak charging window (7am to 10am, Monday to Friday) will be removed;
- Evening peak charging window (4pm to 11pm, Monday to Friday) will be narrowed to a 4pm to 9pm, Monday to Friday evening peak window;
- Shoulder charging window (10am to 4pm, Monday to Friday) will remain unchanged;
- Off-peak charging window will be amended to 12am to 10am and 9pm to 12am, Monday to Friday; and
- Off-peak charging window on weekends will remain unchanged.

All other tariff components of NSP56 will remain unchanged.

The following table outlines the changes to consumption charging windows for the default medium business tariff.

Table 9: Changes to default medium business tariff consumption charging window

Consumption charging windows	Until 30 June 2023 (No change)	On and after 1 July 2023
Peak	7am to 10am and 4pm to 11pm, Monday to Friday	4pm to 9pm, Monday to Friday
Shoulder	10am to 4pm, Monday to Friday	10am to 4pm, Monday to Friday
Off-peak	12am to 7am and 11pm to 12am, Monday to Friday 12am to 12am, Saturday to Sunday	12am to 10am and 9pm to 12am, Monday to Friday 12am to 12am, Saturday to Sunday

For further information on our proposed default medium business peak charging windows, refer to section 5.1 of the accompanying Explanatory Paper.

4.6 Critical peak demand tariffs for medium and large business customers

In the Draft Decision, the AER requested that AusNet Services:

- Outline how the proposed fixed value kVA capacity element for customers on our Critical Peak Demand (CPD) tariffs is determined; and
- Clarify the process for nominating the days in which the CPD charging parameter will apply.

The following section describes:

- the pricing structure of the CPD tariffs for medium and large business customers;
- how CPD days are nominated;
- how customers can request to waive maximum demand on nominated CPD days; and
- how customers can request to review capacity values.

CPD tariffs for medium and large business customers

The table below sets out the pricing structure for our proposed CPD tariffs.

Table 10: CPD pricing structure

Tariff component	Description
Standing charge	Fixed annual charges
Energy charge	Peak and off peak or peak, shoulder and off peak
Capacity charge	1. For low voltage connections the capacity charges assigned is the nameplate rating of the transformer supplying the customer's installation. For sites where the transformer is not dedicated to the customer installation, the charge is set by reference to the portion of the nameplate rating of the transformer that is allocated to the customer's requirements; and 2. For high voltage and sub transmission connections, capacity is assigned according to the rating of the cabling and switchgear that makes the customer's connection point.
Critical peak demand charge	The demand charge is based on the average of the customer's maximum kVA recorded on the 5 nominated peak demand weekdays during the defined critical peak demand period. The average is used as an input into the demand charge for the 12 month period from 1 April to 31 March. For supply points not previously supplied under a CPD tariff, for the initial period from connection until a critical peak demand value is able to be established for that customer, the critical peak demand shall be 60% of the capacity.
Defined critical peak demand period	AusNet Services must nominate the CPD days during the period of December to March. The days will be nominated and communicated to customers with a minimum of one business day's notice. The period during which the demand is to be measured is between 2 pm and 6 pm AEST (or 3 pm to 7 pm AEDT) on the nominated day.

Nomination of Critical Peak Demand (CPD) days

In tariffs for medium and large business customer classes, the demand component is calculated as the average peak demand over the 5 days in the year that are forecast to be the most onerous for the network. These days, which typically occur during heatwave conditions are the CPD days. AusNet Services advises customers one day in advance that a CPD day is declared. This allows customers the opportunity to take a load reduction response, which is the objective of the price signal.

The tariff allows for CPD days to be declared only in the CPD season from December to March. AusNet Services considers weather and network loading trends over these periods to assess whether the network loading on a day in the near-term weather forecast period is likely to lead to one

of the highest network loading days for the year. Other circumstances may also lead to a CPD day being declared such as requests to manage state-wide demand. As the CPD season progresses consideration must be given to the reducing period in which a CPD day can be declared, noting that 5 days must be declared for the purposes of calculating customer demand.

Waiving maximum demand on CPD nominated days

In the 2022-26 regulatory period, customers on a CPD tariff may request that the maximum demand recorded on nominated critical peak days are exempt for the purpose of setting the CPD charges for the subsequent 1 April to 31 March period.

Waiving maximum demand will be considered if:

- An event on the connecting electricity distribution network has occured which affected the customer's ability to respond on a critical peak day; or
- Force majeure event, in which the customer needs to demonstrate a force majeure event prevented the customer from reducing its demand.

Waived network revenue will be recovered under the applicable price control mechanism in subsequent years.

Review of the capacity value

Customers on CPD tariffs may submit a request to AusNet Services to review the capacity value assigned for the capacity element of the tariff, as follows.

(a) Increase to capacity - Where a customer requires increased capacity, an application may be made to AusNet Services for the network to be augmented to cater for the new requirements. Any variation will be made in accordance with AusNet Services' supply extension policy.

(b) Reduction to capacity - Capacity values are not reviewable except in circumstances where a customer's requirement has changed significantly and the assigned capacity will no longer be required.

4.7 Assignment policy for AusNet Services customers

In the Draft Decision, the AER has requested that we more clearly outline policy for assigning our customers to tariffs.

We have sought to address the AER's request by:

- introducing a tariff assignment policy in Appendix C of this TSS.
- including summary tables to describe the treatment of medium and large business and sub-transmission tariffs, in section 5.2 of this TSS.

4.8 Network tariff exemptions in certain circumstances

In the Draft Decision, the AER did not make a decision on tariff treatment of grid-scale batteries but have outlined four options available for consideration. In the Revised TSS Proposal, we have considered the four options available and have sought to offer a similar network tariff exemptions to those proposed by CitiPower, Powercor, and United Energy.

We propose that customers with generation facilities or batteries will be partially or fully exempt from a network tariff if the customer has signed a contract with AusNet Services which permits the exemption. AusNet Services would only enter into such a contract if:

- there is no load at the site other than load associated with the generation facility or battery;
- the generator or battery will be called upon for providing network support services and will not actively engage in any competitive market activities whilst providing this service;

- only the generation facility or battery charging load associated with providing network support services will be eligible for the network tariff exemption, which will be applied as part of the rebate based on the network support services to be provided; and
- the load associated with non-regulated services will be subject to network tariffs consistent with other assets having a similar connection to, and use of, the network.

The exemption from a network tariff may also impact the calculation of the customers' connection cost and require the customer to waive their right to access avoided transmission use of system payments.

All other batteries must be assigned to tariffs according to the tariff class assignment criteria.

Any generation facilities or batteries owned by AusNet Services and installed to manage the distribution network will be exempt from a network tariff. If a distributor-owned battery provides non-regulated services under ring-fencing arrangements the load associated with non-regulated services will be subject to network tariffs consistent with other assets having a similar connection to, and use of, the network.

Network revenue not earned because of the exemption of network tariffs will be recovered under the applicable price control mechanism in subsequent years.

4.9 Integration with demand management and other initiatives

In the Draft Decision, the AER has requested that we provide a statement on how our tariff proposal is integrated with demand management and other initiatives.

In response to this request, AusNet Services' approach to tariff design complements the integration of demand management and broader distributed energy resources (DER) strategies. Our overall pricing approach:

- allows customers to understand how their electricity use patterns contribute to the need for new network infrastructure, and its cost. Through appropriate tariff pricing signals and tariff assignment polices, we are encouraging customers and their retailers to consider how they use electricity, and whether altering their usage patterns and energy system configurations will benefit them.
- sends a clear demand pricing signal to our medium and large commercial and industrial customers. From our analysis, the pricing signal has been effective in obtaining a demand response on our nominated CPD days. For example, in 2018-19 , 30-55 MW of demand reductions occured on CPD days.
- has successfully trialled small customer demand management approaches in parallel to tariff strategies. The trials have shown that such tariff strategies can be readily applied in network hotspots and effectively deliver a demand response.
- have allowed AusNet Services, in areas where network constraint are projected, to consider implementing cost effective targeted demand management solutions to defer augmentation.

As part of our tariff reform strategy over the 2022-26 regulatory period, we will:

- be placing a strong emphasis on our customer communication plan. Examples include improving our CPD program messaging to continue to build on the success of our CPD program, and working with other Victorian distribution businesses, retailers and the Victorian government to produce an information factsheet to complement the introduction of the new ToU tariffs on 1 July 2021;
- learn more about how customers want to engage in demand response;
- commit to consider trials with interested participants to explore alternative tariffs to send pricing signals such as through sophisticated tariffs like locational and individual calculated customer tariffs, and demand management and DER initiatives to drive the efficient use of our network; and

- commit to develop and trial tariffs to complement devices or new technology. For example, AusNet Services' involvement in the recent announcement of an EV charging trial by the Australian Energy Agency (ARENA)[11], and consideration of the voluntary 'prices to devices' cost reflective tariff proposed by the Energy Consumers Australia (ECA) in their written submission to our Initial Proposal.

  We agree that sending strong pricing signals at peak times to reward and incentivise customers to manage their devices' energy usage will help to delay future augmentation of our distribution network. Futher analysis is warranted to identify an appropriate peak period and signal as part of a new cost reflective tariff design. In the 2022-26 regulatory period, we will engage with the ECA and other stakeholders to further develop our thinking, including exploring trials to develop a cost reflective tariff that will complement devices or new technology.

- continue to participate in the two taskforces established by the Electric Vehicle Council to examine tariffs, incentives and connections for household and fast public electric vehicle (EV) charging and work collaboratively to address any issues that may impede the rollout of electric vehicle and charging infrastructure. This was a focus of submissions to the AER's Draft Decision by Evie Networks and the Electric Vehicle Council. AusNet Services will also commit to considering tariff trials to assess any pricing structures proposed by the taskforces.

More information about our tariff reform strategy can be found in section 1.8 in the accompanying Explanatory Paper.

4.10 Including replacement capital expenditure into LRMC

In the Draft Decision, the AER suggested that AusNet Services should consider including replacement capital expenditure in estimating LRMC.

In principle, we agree with the AER that replacement capex may be included in LRMC, particularly in circumstances where demand is falling. Having said that, there is little evidence that demand is falling on our network. We also concur with the AER's comment that our adoption of the AIC approach for estimating LRMC is 'fit for purpose' at this stage of tariff reform.

In the time available between the publication of the Draft Decision and submitting the Revised Proposal there has not been sufficient time to revisit our LRMC calculations. In addition, we note that a reconsideration of the LRMC at this stage is unlikely to lead to a change in our proposed tariffs, given the extensive consultation that has already been conducted with customers and stakeholders on our proposed prices.

In light of the AER's Draft Decision, however, we commit to give further consideration to the inclusion of replacement capital expenditure in our future assessments of LRMC.

[11] AGL Electric Vehicle Orchestration Trial, www.arena.gov.au/projects/agl-electric-vehicle-orchestration-trial/

5 Assigning and reassigning retail customers to network tariffs

5.1 Rules requirements

Clause 6.18.1A(a)(2) of the Rules requires the TSS to state the policies and procedures AusNet Services will apply for assigning retail customers to tariffs or reassigning retail customers from one tariff to another (including any applicable restrictions).

Clause 6.18.4(a) requires the AER to have regard to the following principles in formulating the provisions of a distribution determination governing the assignment or reassignment of retail customers to tariffs:

(1) retail customers *should be assigned to* tariff classes *on the basis of one or more of the following factors:*

(i) the nature and extent of their usage;

(ii) the nature of their connection to the network*;*

(iii) whether remotely-read interval metering or other similar metering technology has been installed at the retail customer's premises as a result of a regulatory obligation or requirement*;*

(2) retail customers *with a similar* connection *and usage profile should be treated on an equal basis;*

(3) however, retail customers *with micro-generation facilities should be treated no less favourably than retail customers without such facilities but with a similar load profile; and*

(4) a Distribution Network Service Provider's *decision to assign a customer to a particular tariff class, or to re-assign a customer from one tariff class to another should be subject to an effective system of assessment and review.*

5.2 Policies and procedures for tariff assignment

The purpose of this section is to summarise the tariff assignment and re-assignment options applicable to our customer classes. A detailed tariff assignment policy for the 2022-26 regulatory period is provided in Appendix C of this TSS compliance document.

Residential customers

For residential customers, AusNet Services proposes to:

- change the default tariff from the current single-rate tariff to a two-rate ToU tariff with a peak period of 3pm-9pm local time, applicable to all days of the week;
- move existing legacy ToU[12] tariff customers onto the new ToU tariff on 1 July 2021;
- remove all legacy ToU tariffs from our tariff schedule[13]; and
- allow existing single-rate customers or their retailer to request transfer to the new ToU tariff on 1 July 2021.

In accordance with clause 6.18.4 of the Rules, AusNet Services will adopt the following assignment and reassignment policies and procedures for residential customers:

- New residential customers:

[12] Exclude NEE24 customers.

[13] Tariff NEE24 will remain on our tariff schedule..

From 1 July 2021, new residential customer connections, customers upgrading to three phase metering, and new solar or battery installations will be assigned to the new ToU price structure. If an EV customer register or other formal means of identification becomes available, EV customers will also be assigned to the new ToU price structure and no longer have access to the flat rate network tariff structure.

- Existing residential customers:

  Customers on the single-rate price structure or their retailer may request to be transferred to the new ToU or demand price structures.

  Customers on the seasonal ToU price structure or their retailer may request to be transferred to the single-rate, new ToU or demand price structures.

  Customers on the demand price structure or their retailer may request to be transferred to the single-rate or new ToU price structures.

- Opt-out provisions:

  New residential customer connections, three-phase upgrade customers and existing legacy ToU customers that are assigned to the new ToU price structure or their retailer may request to be transferred to the single-rate or demand price structures.

  Residential solar customers or their retailer may request transfer to the solar single-rate or demand price structures.

The table below summarises our tariff assignment and reassignment for residential customers.

Table 11: Residential assignment and tariff options

Tariffs	Assignment	Tariff options (upon request from retailer)
New ToU	New connections Supply upgrades to three-phase Customers installing solar or battery Existing legacy ToU customers (excluding NEE24)[14] EV customers[15]	Single-rate[16] or demand
Single-rate[17]	All existing customers remain	New ToU or demand
Legacy ToU[18]	Customers on NEE24 will remain	Single-rate, new ToU or demand
Seasonal ToU[18]	All existing customers remain	Single-rate, new ToU or demand
Demand	All existing customers remain	Single-rate or new ToU

[14] For information relating to the closure of legacy ToU tariffs and re-assignment to the new ToU, refer to section 3.7 and 3.7.1 of the accompanying Explanatory Paper.

[15] If an EV register or other formal means of identification becomes available, EV customers will be assigned to the new ToU pricing structure.

[16] If an EV register or other formal means of identification becomes available, EV customers will no longer be able to access the flat rate network tariff structure.

[17] Includes single-rate tariffs with a dedicated circuit. It is also closed to new entrants.

[18] Closed to new entrants.

Small business customers (consuming not more than 40 MWh per year)

For small business customers consuming not likely to consume more than 40MWh per year, AusNet Services proposes to:

- change the default tariff from the current single-rate tariff to a two-rate ToU tariff with a peak period of 9am-9pm local time on weekdays;
- move all legacy ToU tariff customers onto the new default ToU tariff on 1 July 2021;
- remove all legacy ToU tariffs from our tariff schedule; and
- allow existing single-rate customers or their retailer to request transfer to the new default ToU tariff on 1 July 2021.

AusNet Services will adopt the following assignment and reassignment policies and procedures for small business customers:

- New small business customers:

  From 1 July 2021, new small business customer connections, customers upgrading to three phase metering, and new solar installations will be assigned to the default ToU price structure. If an EV customer register or other formal means of identification becomes available, EV customers will also be assigned to the default ToU price structure and will no longer be able to access the flat rate network tariff structure.

- Existing small business customers:

  Customers on the single-rate price structure or their retailer may request to be transferred to the default ToU or demand price structures.

  Customers on the seasonal ToU price structure or their retailer may request to be transferred to the single-rate, default ToU or demand price structures.

  Customers on the demand price structure or their retailer may request to be transferred to the single-rate or default ToU price structures.

- Opt out provisions:

  New small business customer connections, three-phase upgrade customers and existing legacy ToU customers that are assigned to the default ToU price structure or their retailer may request to be transferred to the single-rate or demand price structures.

  Small business solar customers or their retailer may request to be transferred to the solar single-rate or demand price structures.

The table below summarises our tariff assignment and options for small business customers.

Table 12: Small business consuming 40 MWh or less per year: Assignment and tariff options

Tariffs	Assignment	Tariff options (upon request from retailer)
Default ToU	New connections Supply upgrades to three-phase Businesses installing solar or battery Existing legacy ToU customers EV customers[19]	Single-rate[20] or demand
Single-rate[21]	All existing customers remain	Default ToU or demand
Seasonal ToU[22]	All existing customers remain	Single-rate, default ToU or demand
Demand	All existing customers remain	Single-rate or default ToU

The rationale for our approach, including the details of our consultation with customers, is discussed in detail in the Explanatory Paper that accompanies this TSS.

Small business customers (consuming between 40 MWh to 160 MWh per year)

For small business customers consuming between 40 MWh and 160 MWh per year, we propose to maintain the same pricing structures as detailed in the 2016-20 Tariff Structure Statement, and adopt the following assignment and re-assignment policies:

- New small business customers:

  New small business customers who satisfy the 40 MWh to 160 MWh per year threshold will be re-assigned to demand price structure.

  New small business solar customers who satisfy the 40 MWh to 160 MWh per year threshold will be assigned to a solar demand price structure.

  If an EV customer register or other formal means of identification becomes available, EV customers will also be assigned to the default ToU price structure and will no longer be able to access the flat rate network tariff structure.

- Existing small business customers:

  Small business customers who qualify for the 40 MWh to 160 MWh per year threshold will be re-assigned to the demand price structures.

  Small business solar customers who qualify for the 40 MWh to 160 MWh per year threshold will be re-assigned to a solar demand price structures.

  Small business customers who qualify will be re-assigned at the commencement of each regulatory year in the 2022-26 period.

[19] If an EV register or other formal means of identification becomes available, EV customers will be assigned to the new ToU pricing structure.

[20] If an EV register or other formal means of identification becomes available, EV customers will no longer be able to access the flat rate network tariff structure.

[21] Includes single-rate price structures with a dedicated circuit. It is also closed to new entrants.

[22] Closed to new entrants.

- Opt out provisions:

  Small business customers or their retailer may request to be transferred to the seasonal ToU price structure.

  Small business solar customers or their retailer may request to be transferred to the solar seasonal ToU price structure.

  Small business customers or their retailer who consume not more than 40 MWh in the preceding 12 months, may request to be transferred to the single-rate, default ToU or demand price structures.

  Small business solar customers who consume not more than 40 MWh in the preceding 12 months or their retailer, may request to be transferred to the solar variant of the single-rate, default ToU or demand price structures.

The table below summarises our tariff assignment and options for small business customers consuming between 40 MWh and 160 MWh per year.

Table 13: Small business consuming between 40 MWh to 160 MWh per year: Assignment and tariff options

Tariffs	Assignment	Tariff options (upon request from retailer)
Demand	New customers All existing customers remain Existing customers who qualify	Seasonal ToU[23], single-rate[24], default ToU or demand[25]

Medium and large I&C business customers (consuming greater than 160 MWh per year)

For medium customers on the default medium business tariff, AusNet Services proposes to:

- retain the same pricing structure until the end of FY2023; and
- from 1 July 2023, replace the morning peak charging window with an off-peak charging window, and shorten the evening the peak charging window by 2 hours.

For all other customers consuming greater than 160 MWh per year, we are proposing to maintain the pricing structure from the 2016-20 Tariff Structure Statement.

The assignment arrangements for all customers consuming greater than 160 MWh per year will be retained from the 2016-20 Tariff Structure statement and are as follows:

- New medium and large customers

  New customers will be assigned to a critical peak demand price structure.

- Existing medium and large customers

  Existing customers or their retailer may request to be transferred to another critical peak demand price structure as long as it meets the critical peak demand tariff assignment criteria as set out in Appendix C of this TSS.

[23] Solar customers who opt out will be assigned to a solar variant of the seasonal ToU tariff.

[24] If an EV register or other formal means of identification becomes available, EV customers will no longer be able to access the flat rate network tariff structure.

[25] Small business customers consuming less than 40 MWh in the preceding 12 months can opt-out to a single-rate, default ToU or demand tariff. Small business solar customers consuming less than 40 MWh in the preceding 12 months can opt out to the solar variant of the single-rate, default ToU or demand tariff. For avoidance of doubt, the opt out demand tariffs are the demand tariffs available for small business customers consuming less than 40 MWh per year.

- Customers in alpine regions

  Customers in AusNet Services alpine region or their retailer may request transfer to the snowfield seasonal ToU price structures.

The table below summarises our tariff assignment for customers consuming more than 160 MWh per year.

Table 14: Customers consuming greater than 160 MWh per year: Assignment and tariff options

Tariffs	Assignment	Tariff options (upon request from retailer)
CPD Demand	New customers All existing customers remain	CPD demand or seasonal ToU[26]
Single-rate[27]	All existing customers remain	CPD demand or seasonal ToU[28]
Legacy ToU	All existing customers remain	CPD demand
Seasonal ToU	All existing customers remain	CPD demand

Assessment and review process for tariff assignment

The assessment and review process for tariff assignment is explained below, and is unchanged from the 2016-20 Tariff Structure Statement.

Requests to change a tariff need to be directed to, or come from, a customer's retailer.

AusNet Services requires customers seeking tariff reassignment to remain on the reassigned tariff for a minimum 12-month period. AusNet Services may make exceptions to this requirement at its discretion, where for example, it can be demonstrated that to not do so would impose hardship or unreasonable penalties on the customer. This condition prevents customers changing tariffs to take advantage of variations in prices according to their individual load, thereby bypassing payment that reflects use of the distribution network over a full 12-month cycle.

AusNet Services proposes to notify a customer's retailer in writing (including via email) of the tariff class to which the customer has been assigned or reassigned, prior to the assignment or reassignment occurring. The notice will include advice that the customer or their retailer may request further information from AusNet Services, or that they or their retailer may object to the proposed assignment or reassignment.

If the customer or their retailer objects to the proposed assignment or reassignment and that objection is not resolved to the satisfaction of the customer or their retailer, the customer has access to dispute resolution arrangements. If, as part of any dispute resolution process, AusNet Services receives a request for further information from a customer or their retailer, AusNet Services will provide such information.

AusNet Services will not provide the customer or their retailer with any information that it deems to be of a confidential nature, unless required to under any relevant legal or regulatory obligation. AusNet Services will adjust any tariff assignment or reassignment in accordance with any decision made by a valid dispute resolution mechanism (e.g. the Energy and Water Ombudsman of Victoria).

[26] Customers in AusNet Services' alpine region may request transfer to snowfield seasonal tariff.

[27] Includes single-rate pricing structures with a dedicated circuit. It is also closed to new entrants.

[28] Customers in AusNet Services' alpine region may request transfer to snowfield seasonal tariff.

5.3 Further information

For further information in relation to our policies and procedures on tariff assignment or reassignment please contact:

Pricing Manager
AusNet Services
Level 31, 2 Southbank Boulevard
Melbourne Victoria 3006
Ph: (03) 9695 6000

6 Alternative control services

6.1 Rules requirements

As noted in section 2.1, the TSS provisions in the Rules apply to direct control services[29], which comprise standard control services and alternative control services. The preceding chapters of this TSS addressed the Rules requirements in relation to standard control services. The purpose of this chapter is to address the Rules requirements in relation to alternative control services.

Alternative control services include public lighting, metering and ancillary services. These services can be attributed to a particular customer and therefore the costs of providing the service are recovered from the relevant customer, rather than through our network tariffs.

6.2 Tariff classes for alternative control services

The table below outlines our tariff classes for alternative control services, which reflect the nature of the services we provide and the AER's classification of services in its Final Framework & Approach Paper for the 2022-26 regulatory control period.

Table 15: Tariff classes for alternative control services

Tariff classes	Typical customer	Tariffs
Public lighting	Local councils and other authorities such as Vic Roads	Public lighting tariffs based on lighting type.
Metering services	Retail customers or at the request of a retailer or metering coordinator	Published annual fee based on meter type or an exit fee for meter removal.
	Unmetered services provided to Government organisations or businesses	Annual charges based on unmetered supply.
Connection services	A retail customer requesting a routine connection service or seeking pre-approval of a PV or small generator installation.	Published fee for service.
Ancillary services – fee based	Retail customers requesting standard services, including Basic Connection Services; Service Truck Visits; Wasted Truck Visits; or Meter equipment tests. Embedded generators seeking pre-approval for connection.	Published fee for service.
Ancillary services – quoted	Retail customers requesting non-standard services, such as complex connection services; undergrounding; rearrangement of network assets at the customers' request; and high load escorts.	Quoted fees, based on approved labour rates.

[29] Clause 6.18.1.

6.3 Public lighting tariff structure and charging parameters

AusNet Services provides public lighting services in accordance with the Victorian Public Lighting Code, which is available on the Essential Services Commission website, www.esc.vic.gov.au. The services we provide are:

- operation, maintenance, repair and replacement of shared public lighting assets;
- operation, maintenance and repair – dedicated public lighting assets;
- replacement – dedicated public lighting assets;
- new public lights (that is, new lighting types not subject to a regulated charge, and new public lighting at greenfield sites); and
- alteration and relocation of public lighting assets.

The charging structure is regionally based and is applied on a per light, per annum basis according to the type of lighting provided. Different public lighting fees apply for the Central Region[30] and for the North and East Regions[31]. The regional fees reflect the higher costs of providing lighting services in the North and East regions, which is characterised by lower light density areas and therefore requires greater distances to be travelled by contractors and service agents.

Our most commonly used lights are:

- Mercury Vapour 80W
- HP Sodium 150W
- HP Sodium 250W
- T5 2X14W
- LED 18W
- Compact Fluorescent 32W

As explained in our revised Regulatory Proposal, we plan to replace the majority of the Mercury Vapour public lights during the 2022-26 period with more energy efficient LED lights. The replacement of Mercury Vapour lanterns is likely to be a compliance requirement.

Our indicative price schedule, contained in Appendix E, provides a full price list for our lighting services.

6.4 Metering services tariff structure and charging parameters

The table below summarises the metering services AusNet Services provides and the charging parameters.

[30] Central Region comprises the local Government areas of Banyule, Cardinia, Casey, Darebin, Frankston, Greater Dandenong, Hume, Knox, Manningham, Maroondah, Nillumbik, Whittlesea and Yarra Ranges.

[31] Central Region comprises the local Government areas of Alpine, Bass Coast, Baw Baw, Benalla, Bogong Trading Company, East Gippsland, Falls Creek Resort, Indigo, La Trobe, Mansfield, Mitchell, Moira, Mount Buller Resort, Murrindindi, South Gippsland, Strathbogie, Towong, Wangaratta, Wellington and Wodonga.

Table 16: Metering services tariff structures and charging parameters

Metering service	Service description	Tariff structure and charging parameter
Type 5 and 6 (inc smart metering) services where the distributor remains responsible	• Recovery of the cost of type 5 and 6 metering equipment including communications network (including meters with internally integrated load control devices). • Testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers. • Quarterly or other regular reading of a metering installation. • Metering data services that involve the collection, processing, storage and delivery of metering data, the provision of metering data from the previous two years, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the Rules.	$/meter/pa is levied according to the different meter type: • Single Phase Single Element Meter • Single Phase Two Element Meter With Contactor • Multi Phase Meter • Multi Phase Direct Connected Meter With Contactor • Multi Phase Current Transformer Connected Meter
Meter exit service	• Metering installation removal and disposal at the request of the customer or their agent.	An exit fee will apply for each of the metering types shown above.
Type 7 metering services	• Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. • Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Fixed charge $/NMI/pa Fixed charge $/light/pa
Emergency maintenance of failed metering equipment not owned by the distributor (contestable meters)	• The distributor is called out by the customer or their agent (e.g. retailer, metering coordinator or metering provider) due to a power outage where an external metering provider's metering equipment has failed or an outage has been caused by the metering provider. • This fee will also be levied where a metering provider has requested the distributor to check a potentially faulty network connection and when tested by the distributor, no fault is found.	A fee will apply per site visit

6.5 Connection services – Fee-based services

These services are provided upon request and are typically initiated through a service request from a retailer. AusNet Services' connection fee-based services include:

- Routine connection of new premises that qualify as basic connection services;
- Temporary connections (e.g. metered connection to a builder's pole);
- Connections involving an inspection of current transformer (CT) or group metering installation by a licensed electrical inspector prior to initial energisation; and
- Service truck visit - disconnect / reconnect at pole or pit.

Our charges for connection services are set in accordance with our Connection Policy[32], which complies with the AER's connection charge guidelines and the connection charging principles in the Rules.

A full list of our fee-based connection services is provided in Appendix E, which is our indicative pricing schedule.

6.6 Ancillary services – Fee-based services

These services are provided upon request and are typically initiated through a service request from a retailer. AusNet Services' fee-based services include:

- Wasted Truck Visit – customer not ready for their requested works;
- Meter equipment tests; and
- Pre-approval of a PV or small generator installation.

A full list of our ancillary fee-based services is provided in Appendix E, which is our indicative pricing schedule.

Our charges for the remaining network ancillary services reflect the efficient costs of providing each service. In all cases, the charging structure is a 'fee for service', which means that the customer pays a charge for the service provided. The applicable fees are approved by the AER in its electricity distribution regulatory determination for AusNet Services.

6.7 Ancillary services – Quoted services

These services are provided upon request and are typically initiated through a service request from a retailer. AusNet Services' quoted services are described in Chapter 14 of our revised Regulatory Proposal.

Prices for quoted services are based on quantities of labour and materials required, with the quantities dependent on the particular task. Prices for quoted services are determined at the time of a customer's enquiry and reflect the individual requirements of the customer and the service request. The AER approves the applicable labour rates in its distribution determination for AusNet Services.

6.8 Annual pricing approval process for alternative control services

As explained in the previous sections, AusNet Services' fees for alternative control services reflect the efficient costs of providing each type of service. The 'fee for service' charging structure, together with the AER's approval process in the distribution determination, ensures that the fees for alternative control services comply with the pricing principles.

[32] Our proposed Connection Policy forms part of our Regulatory Proposal and is subject to AER approval.

For each year of a regulatory control period, the fees for alternative control services are subject to either a revenue cap (in the case of metering services) or a price cap. These controls are defined in the AER's distribution determination for AusNet Services.

We will ensure the fees we propose in our Annual Pricing Proposal for alternative control services comply with the relevant revenue and price caps, and that each tariff continues to be set in a manner consistent with the Pricing Principles.

6.9 Further information

For further information on our charging parameters for alternative control services, please refer to the Indicative Pricing Schedule in Appendix E.

7 Appendix A – Key tariff concepts

There are a number of important concepts and terms that are relevant to AusNet Services' system of charging customers for their on-going connection to and use of the network. The following table explains these key concepts and terms.

Table A.1: Description of key tariff concepts and terms

Term	Description
Demand	Demand (kW or kVA) is a measure of the amount of energy that a customer consumes from the network over a half hourly period.
Distribution Use of System (DUoS) tariffs	DUoS tariffs are the groups of tariff components that are combined to create a distribution network tariff, which is in turn used to determine the distribution network charge on the customer's bill.
Kilowatt Hour	Kilowatt hour (kWh) is a measure of the amount of energy that is consumed over any particular period. It the amount of energy that is required to meet a one kW demand for an hour.
Network Use of System (NUoS) tariffs	NUoS tariffs are the combinations of DUoS and TUoS tariffs (and any other costs that a network business is able or required to recover via its network tariffs[33]).
Standing charge	A fixed fee that is charged to a customer to retain their connection to the electricity network. This is generally levied on a daily, monthly or annual basis.
System peak demand	System peak demand is the highest amount of energy that is consumed from the network over a 5 minute interval. The amount of network capacity that needs to be built, and therefore, the cost of the network, is determined by the peak demand.
Tariff	A tariff is a group of tariff components that are combined to determine a customer's network bill. For example, a standing charge plus a consumption charge plus a demand charge.
Tariff class	A tariff class is a way of grouping tariffs that apply to similar types of customers under one broad umbrella. For example, residential customers or small industrial and commercial customers.
Tariff component	A parameter that is used as the basis for charging a customer. The most common parameters are energy consumption (kWh), demand (kVA or kW) and standing charges (¢ per day/per year).
Transmission Use of System (TUoS) tariffs	TUoS tariffs are the group of tariff components that are combined to create a transmission network tariff, which is in turn used to determine the transmission network charge on the customer's bill.

Source: AusNet Services

[33] Jurisdictional Schemes are an example of additional costs that are eligible to be recovered from via NUoS tariffs.

8 Appendix B –TSS compliance with Pricing Principles

B.1 Objective of section

This appendix discusses the key[34] elements of the Pricing Principles that bind AusNet Services when it is developing its future network tariffs. The pricinpal requirements set by the Pricing Principles are:

- The revenue that is generated from a customer or group of customers must be between the stand-alone and avoidable cost.
- Tariffs must be based on the long run marginal cost (LRMC).
- Tariffs must be designed to recover residual costs in a way that minimises distortions to the price signals for efficient use.
- Having regard to the impact on customers of changes in tariffs from the previous year, new cost reflective tariffs can be transitioned to cost-reflective levels over time.
- Tariff structures must be reasonably capable of being understood by customers, having regard to consultation undertaken with customers in development of the TSS.

These are discussed in the sections below. Further information on AusNet Services' approach to setting tariffs in accordance with the Pricing Principles is contained in Appendix A of the accompanying Explanatory Paper.

B.2 Revenue generated must be between the stand-alone and avoidable cost of supply for a tariff class

The Rules require that for each tariff class, the revenue expected to be recovered should lie on or between:

- an upper bound representing the stand-alone cost of serving the retail customers who belong to that class; and
- a lower bound representing the avoidable cost of not serving those retail customers.

The rationale for these parameters is to ensure that inefficient connection and disconnection decisions are not made by users or prospective users of AusNet Services' distribution network.

Therefore, for a tariff to be efficient under the Rules, it must deliver a stream of revenue from a customer, or as a proxy, a class of customers, that is between the upper and lower bounds. This is commonly known as the 'efficient pricing band'. A price within this band is considered to be efficient are:

- *Greater than the avoidable cost*: If the revenue expected to be recovered from a customer or customer class does not exceed the cost that AusNet Services would avoid if it did not provide that customer or class of customers with electricity services, that customer is (a) being subsidised by AusNet Services' remaining customer base, and (b) would tend to over-consume electricity services, relative to efficient levels.
- *Less than the stand-alone cost*: Exceeding the upper bound may incentivise the customer (or group of customers) to bypass AusNet Services' existing distribution network in order to avoid paying AusNet Services' tariffs, despite the fact that the incremental cost to

[34] AusNet Services acknowledges that there are a number of other important aspects of the Rules that is must comply with in relation to the development of its tariffs for Direct Control Services. For example, Rule 6.18.5 (a) contains a the Network Pricing Objective, which is that tariffs '*should reflect the Distribution Network Service Provider's efficient costs of providing those services to the retail customer*'. Whilst AusNet Services has given explicit regard to this, and all of the other components of the Rules affecting the development of tariffs for Direct Control Services, the focus in this section is to discuss the key aspects of the Rules that affect the *structure* and *level* of network tariff components.

AusNet Services of providing these services to that customer (or group of customers) may be less (and therefore more efficient) than the alternative (bypass) option.

AusNet Services considers that if a customer disconnected from its network, the main costs that it would avoid in the future would be related to it not having to design its network to cater for that customer's future coincident peak demands. AusNet Services considers that the most appropriate approach to model this is to apply its estimated LRMC to the recent historical coincident peak demands that were recorded by a selection of customers[35]. For the avoidance of doubt, the LRMC selected reflects the voltage level at which that customer is assumed to be connected.

Regarding the stand-alone cost test, AusNet Services notes that there are a number of methodologies that can be utilised to estimate the stand-alone cost of servicing a customer, or group of customers. In determining which approach should be used. AusNet Services considered a number of practical and theoretical issues. In particular, AusNet Services considered the extent to which the adoption of a theoretical stand-alone cost to serve a group of customers is consistent with the decisions that will be made by individual customers – particularly:

- whether individual customers are likely to cease to obtain supply from the existing system, rather than groups of customers.

As a result, AusNet Services has adopted an approach that focuses on the potential for an individual customer – rather than an entire customer class – to bypass its network. AusNet Services considers this to be a more practical, and robust application of the underlying economic principle that underpins the Rules, as it is likely to be individual customers that make the decision to bypass networks, not customer classes.

AusNet Services has further split its analysis into two categories, reflecting the likely alternative servicing solution that would be taken up by an individual customer:

- Large Customers: AusNet Services has estimated the total network cost of connecting a small selection of (very) large customers to the existing electricity transmission network, and compared this in NPV terms, using a WACC of 4.38% (equivalent to AusNet Services' pre-tax real WACC), to the existing AusNet Services' distribution use of system charges paid by those customers; and
- Small Customers: Assessing the cost, in NPV terms, of installing, operating and maintaining a stand-alone power system (providing an equivalent level of reliability to AusNet Services' distribution network), and comparing this to the NPV of the average retail bills that a selection of large, medium and small usage customers would avoid (inclusive of AusNet Services' proposed network use of system tariffs for that class of customer) if they bypassed the grid.

The approach for large customers focuses on the fact that it is the proximity of the customer to another potential alternative source of electricity that will be the predominant driver of a decision to bypass the network. Further, this acknowledges that the larger the customer, the less economic it is likely to be for it to utilise non-network sources of electricity (e.g. embedded generation).

The analysis for small customers recognises that it will be likely to be individual customers that seek to bypass AusNet Services' existing network to avoid having to pay their retail charges. Moreover, it reflects the fact that given the size of residential and small commercial customers, and the improvement in smaller scale distributed technologies, it will not be a network solution that is utilised to bypass the network.

The results of the analyses are set out in the table below.

[35] For the avoidance of doubt, the same customers were selected for the purposes of the modelling used to underpin the results of both the avoidable cost and stand alone cost test.

Table B.1: Results of stand-alone and avoidable cost modelling

Tariff class	Stand-alone cost ($/kWh)	Avoided distribution costs ($/kWh)	Average DUoS ($/kWh)
Residential	0.980	0.012	0.12
Small I & C	0.911	0.010	0.12
Medium I & C	0.241	0.009	0.11
Large I & C	0.160	0.007	0.07
High voltage	0.106	0.004	0.03
Sub transmission	0.040	0.001	0.01

Source: AusNet Services

B.3 Long run marginal cost

The existing Rules require that each tariff must be based on the Long Run Marginal Cost (LRMC) of providing the service. This requirement reflects a fundamental economic concept – allocative efficiency.

Allocatively efficient outcomes are promoted if customers consume electricity up to the point where the marginal benefit to them of consuming an additional unit of energy (kWh, kW or kVa, depending on the cost driver being priced) equals the marginal cost of providing that extra unit of energy to that customer. When price deviates from the LRMC – customers will consume either:

- more than the efficient level, if the marginal price is less than its true cost (i.e. some customers will consume electricity services, despite the fact that the cost of providing them with an additional unit of that service exceeds the benefit they receive from consuming that service); or
- less than the efficient level, which will occur if the marginal price is greater than its cost of supply (i.e. some customers will *not* consume electricity services, despite the fact that the cost of providing them with an incremental unit of that service is less than the incremental benefit that they would receive from consuming that additional unit).

The LRMC for a network service can be calculated in a number of different ways. These include the Average Incremental Cost (AIC) approach, which is underpinned by a business' forecast of its future costs (numerator) that will change as a result of its forecast change in demand (denominator), with both the numerator and denominator discounted back to create a Net Present Value (NPV). An alternative approach is to use the perturbation approach which, in practical terms, seeks to ascertain how a business' expected future costs would change (in NPV terms) if there was an incremental increase (or decrease) in the future levels of demand for its services. This approach is generally considered to be more suited to wholesale supply systems where there is lumpy capital investment (exhibiting significant scale efficiencies) required to augment the system.

AusNet Services uses the AIC approach to calculate the LRMC outlined in this TSS. AusNet Services has adopted this approach for a number of reasons, including, but not limited to:

- AIC is commonly used by distribution networks, as it is generally considered to be well suited to situations where there is fairly consistent profile of investment over time to service growth in demand.
- AIC does not rely on a forecast of growth in the demand for AusNet Services' services that differs materially from the broader forecasts that underpin other components of AusNet Services' regulatory regulatory.

The AIC approach to determining the LRMC utilises the following formula:

$$LRMC = \frac{\sum NPV(Forecast\ Augmentation\ Capex + Forecast\ Augmentation + Related\ Opex)}{\sum NPV\ (Forecast\ Cumulative\ Growth\ in\ MW)}$$

We note that during periods of relatively low forecast augmentation capital expenditure, estimates of LRMC may tend to understate the marginal cost of higher than expected peak demand, possibly as a result of future growth in EVs. It is important to have regard to this issue in setting each tariffs based on LRMC estimates.

A summary of the results of our LRMC analysis for each tariff class is presented in the following table.

Table B.2: Results of AusNet Services' LRMC analysis

Tariff class	Voltage level	LRMC ($/kW)	LRMC ($/kWh)	Average DUoS ($/kWh)
Residential	Low voltage	62.57	0.26	0.12
Small I & C	Low voltage	62.57	0.26	0.12
Medium I & C	Low voltage	62.57	0.07	0.11
Large I & C	Low voltage	62.57	0.07	0.07
High voltage	High voltage	44.96	0.05	0.03
Sub transmission	Sub transmission	10.48	0.01	0.01

Source: AusNet Services

The table shows that for each tariff class the average revenue per kWh is reasonably aligned with the LRMC. This presentation allows complex tariff structures to be presented in a simplified, noting that the marginal tariff revenue during peak periods will exceed the average revenue, with the exception of our single rate tariffs.

Our approach to estimating the LRMC is discussed in further detail in the accompanying Explanatory Paper.

B.4 Recover residuals in a way that least distorts consumption behaviour

Clause 6.18.5(g)(3) states that clauses 6.18.5(g)(1) and (2) (which relate to recovering the efficient costs of serving retail customers that are assigned to a particular tariff) must be complied with:

> *"in a way that minimises distortions to the price signals for efficient usage that would result from tariffs that comply with the pricing principle set out in [clause 6.18.5](f)".*

Our approach to tariff design is consistent with this principle because our objective is to provide variable charges that reflect the LRMC of providing the service, whilst the residual revenue requirement for each tariff is recovered as a fixed charge. This charging approach – known as a 'two part tariff' – is designed to meet this pricing principle.

B.5 Able to be transitioned to cost-reflective levels over time

Clause 6.18.5(h) states:

> *A* Distribution Network Service Provider *must consider the impact on retail customers of changes in tariffs from the previous* regulatory year *and may vary tariffs from those that comply with paragraphs (e) to (g) to the extent the* Distribution Network Service Provider *considers reasonably necessary having regard to*
>
> *(1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one* regulatory control period*);*
>
> *(2) the extent to which* retail customers *can choose the tariff to which they are assigned; and*
>
> *(3) the extent to which* retail customers *are able to mitigate the impact of changes in tariffs through their usage decision.*

The Explanatory Paper provides details of the customer impacts and how our tariff proposals have been developed to address any issues, particularly in relation to vulnerable customers. In setting our tariffs, our objective is to comply with the pricing principles in clauses 6.18.5(e) to (g) whilst having regard to:

- the existing tariff arrangements and rates, so that we avoid 'price shocks' by providing a reasonable degree of continuity to retail customers and retailers; and
- the feedback from our customers and stakeholders on proposed changes to our tariffs.

B.6 Stakeholder Consultation

Clause 6.18.5(i) states that:

> *The structure of each tariff must be reasonably capable of being understood by* retail customers *that are assigned to that tariff, having regard to:*
>
> *(1) the type and nature of those* retail customers*; and*
>
> *(2) the information provided to, and the consultation undertaken with, those* retail customers*.*

The effect of this Rule, and the broader requirements of the National Electricity Law – in particular the National Electricity Objective - is to require the distribution business to consult with its customers as part of the development of this TSS.

The Explanatory Paper that accompanies this TSS provides details on our extensive consultation with customers and stakeholders.

B.7 Compliance with Applicable Regulatory Instruments

Clause 6.18.5(j) states that:

> *A tariff must comply with the* Rules *and all* applicable regulatory instruments.

Our proposed tariffs comply with this provision. Further information about how we have satisfied our tariff compliance obligations is provided in the Explanatory Paper that accompanies this TSS.

9 Appendix C – Tariff assignment policy

The below table outlines the tariff assignment policy for AusNet Services' tariffs for the 2022-26 period. The customer and their retailer are both able to request a change in tariff assignment.

Table C.1: AusNet Services' tariff assignment policy

Tariff class	Tariff code	Tariff name	Criteria
Residential	NEE11	Small single rate	This tariff is open to residential customers by request.
	NEE11S	Small single rate standard feed in	Solar variant of the residential single-rate tariff. This tariff is open to residential solar customers with standard feed-in by request.
	NEE11P	Small single rate premium feed in	Solar variant of the residential single-rate tariff. This tariff is open to residential solar customers with premium feed-in by request, and is closed to new entrants.
	NEN11	Small single rate within embedded network	This is a shadow tariff and is not open to customers.
	NEE13	Small single rate & dedicated circuit	This tariff is closed to new entrants.
	NEE14	Small single rate & dedicated circuit with afternoon boost	This tariff is closed to new entrants.
	NEE15	Small single rate & dedicated circuit 8:00 to 8:00	This tariff is closed to new entrants.
	NAST11	Small residential time of use	This is the default residential tariff and open to residential customers.
	NAST11S	Small residential time of use standard feed in	Solar variant of the default residential tariff. This tariff is open to all residential solar customer with standard feed-in.
	NAST11P	Small residential time of use premium feed in	Solar variant of the default residential tariff. This tariff is open to residential solar customers with existing premium feed-in, and is closed to new entrants.
	NAST13	Small residential time of use & dedicated circuit	Dedicated circuit variant of the default residential tariff. This tariff is open to residential customers with existing dedicated circuit, and is closed to new entrants.

Tariff class	Tariff code	Tariff name	Criteria
	NAST14	Small residential time of use & dedicated circuit with afternoon boost	Dedicated circuit variant of the default residential tariff. This tariff is open to residential customers with existing dedicated circuit with afternoon boost, and is closed to new entrants.
	NAST15	Small residential time of use & dedicated circuit 8:00 to 8:00	Dedicated circuit variant of the default residential tariff. This tariff is open to residential customers with existing dedicated circuit 8:00 to 8:00, and is closed to new entrants.
	NASN11	Small residential single rate demand	Residential demand tariff open to residential customers by request.
	NASN11S	Small residential single rate demand standard feed in	Solar variant of the residential demand tariff open to residential solar customers with standard feed-in by request.
	NASN11P	Small residential single rate demand premium feed in	Solar variant of the residential demand tariff open to residential solar customers with existing premium feed-in by request, and is closed to new entrants.
	NEN20	Small two rate within embedded network	This is a shadow tariff and is not open to customers.
	NEE24	Small two rate 8:00 to 8:00	This tariff is closed to new entrants.
	NSP20	Small interval meter time of use	This tariff is closed to new entrants.
	NSP23	Small interval meter time of use solar installation standard feed in	This tariff is closed to new entrants.
	SSP23	Small interval meter time of use solar installation premium feed in	This tariff is closed to new entrants.
	NEE30	Small dedicated circuit	This tariff is closed to new entrants.
	NEE31	Small dedicated circuit with afternoon boost	This tariff is closed to new entrants.
	NEE32	Small dedicated circuit 8:00 to 8:00	This tariff is closed to new entrants.

Tariff class	Tariff code	Tariff name	Criteria
Small industrial & commercial	NEE12	Small single rate	This tariff is open to small business customers consuming less than 40 MWh per year by request.
	NEE12S	Small single rate standard feed in	Solar variant of the small business single-rate tariff. This tariff is open to small business solar customers consuming less than 40 MWh per year with standard feed-in by request.
	NEE12P	Small single rate premium feed in	Solar variant of the small business single-rate tariff. This tariff is open to small business solar customers consuming less than 40 MWh per year with premium feed-in by request, and is closed to new entrants.
	NEN12	Small single rate within embedded network	This is a shadow tariff and is not open to customers.
	NEE16	Small single rate & dedicated circuit	This tariff is closed to new entrants.
	NEE17	Small single rate & dedicated circuit with afternoon boost	This tariff is closed to new entrants.
	NEE18	Small single rate & dedicated circuit 8:00 to 8:00	This tariff is closed to new entrants.
	NAST12	Small business time of use	This is the default small business tariff and open to small business customers consuming less than 40 MWh per year.
	NAST12S	Small business time of use standard feed in	Solar variant of the default small business tariff for small business solar customers consuming less than 40 MWh per year. This tariff is open to small business solar customers with standard feed-in.
	NAST12P	Small business time of use premium feed in	Solar variant of the default small business tariff for small business solar customers consuming less than 40 MWh per year. This tariff is open to small business solar customers with existing premium feed-in, and is closed to new entrants.

Tariff class	Tariff code	Tariff name	Criteria
	NASN12	Small business single rate demand	Demand tariff open to small business customers consuming less than 40 MWh per year by request.
	NASN12S	Small business single rate demand standard feed in	Solar variant of the demand tariff open to small business solar customers consuming less than 40 MWh per year with standard feed-in by request.
	NASN12P	Small business single rate demand premium feed in	Solar variant of the demand tariff open to small business solar customers consuming less than 40 MWh per year with existing premium feed-in by request, and is closed to new entrants.
	NASN19	Business > 40 MWh single rate demand	Demand tariff open to small business customers consuming between 40 MWh and 160 MWh per year. Existing small business customers who qualify for the 40 MWh to 160 MWh threshold will be assigned to this tariff if the previous tariff was a single-rate tariff. Existing small business customers who consume not more than 40 MWh in the preceding 12 months, may request to be transferred to the single-rate, default ToU or demand tariff.
	NASN21	Business > 40 MWh two rate demand	Demand tariff open to small business customers consuming between 40 MWh and 160 MWh per year. Existing small business customers who qualify for the 40 MWh to 160 MWh threshold will be assigned to this tariff if the previous tariff was a ToU tariff. Existing small business customers who consume not more than 40 MWh in the preceding 12 months, may request to be transferred to the single-rate, default ToU or demand tariff.
	NASN2S	Business > 40 MWh two rate demand standard feed in	Solar variant of the demand tariff open to small business solar customers consuming between 40 MWh and 160 MWh per year with standard feed-in. Existing small business customers who qualify for the 40 MWh to 160 MWh threshold will be assigned to this tariff if the previous tariff was a ToU tariff with standard feed-in.

Tariff class	Tariff code	Tariff name	Criteria
			Existing small business customers who consume not more than 40 MWh in the preceding 12 months, may request to be transferred to the solar single-rate, default ToU or demand tariff with standard feed-in.
	NASN2P	Business > 40 MWh two rate demand premium feed in	Solar variant of the demand tariff open to small business solar customers consuming between 40 MWh and 160 MWh per year, with premium feed-in, and is closed to new entrants. Existing small business customers who qualify for the 40 MWh to 160 MWh threshold will be assigned to this tariff if the previous tariff was a ToU tariff with premium feed-in. Existing small business customers who consume not more than 40 MWh in the preceding 12 months, may request to be transferred to the solar single-rate, default ToU or demand tariff with premium feed-in.
	NEN21	Small two rate within embedded network	This is a shadow tariff and is not open to customers.
	NSP21	Small interval meter time of use	This tariff is closed to new entrants.
	NSP27	Small interval meter low peak time of use	Seasonal ToU tariff open to small business customers opting out of NASN19 or NASN21, and is close to new entrants.
	SSP27	Small interval meter time of use solar installation standard feed in	Seasonal ToU tariff open to small business customers opting out of NASN2S, and is closed to new entrants.
	SSP21	Small interval meter time of use solar installation premium feed in	Seasonal ToU tariff open to small business customers opting out of NASN2P, and is closed to new entrants.
Medium industrial & commercial	NEE40	Medium single rate	This tariff is closed to new entrants.
	NEE41	Medium single rate & dedicated circuit	This tariff is closed to new entrants.
	NEE42	Medium single rate & dedicated circuit with afternoon boost	This tariff is closed to new entrants.

Tariff class	Tariff code	Tariff name	Criteria
	NEE43	Medium single rate & dedicated circuit 8:00 to 8:00	This tariff is closed to new entrants.
	NEE51	Medium two rate	This tariff is closed to new entrants.
	NEE52	Medium unmetered	Available to unmetered supplies.
	NEE55	Medium snowfields	Snowfield seasonal ToU tariff is open to medium business customers consuming between 160 MWh and 400 MWh per year in AusNet Services' alpine region.
	NSP55	Medium interval meter time of use snowfields	Snowfield seasonal ToU tariff is open to medium business customers consuming between 160 MWh and 400 MWh per year in AusNet Services' alpine region.
	NSP56	Medium critical peak demand 160 MWh to 400 MWh	Critical peak demand tariff open to customers consuming between 160 MWh and 400 MWh per year, and demand greater than 50 kVA.
	NEN56	Medium critical peak demand 160 MWh to 400 MWh within embedded network	This is a shadow tariff and is not open to customers.
	NEE60	Medium seven day two rate	This tariff is closed to new entrants.
Large industrial & commercial	NEE74	Large two rate	This tariff is closed to new entrants.
	NSP75	Large critical peak demand 400 MWh to 750 MWh	Critical peak demand tariff open to customers consuming between 400 MWh and 750 MWh per year, and demand greater than 150 kVA.
	NSP76	Large critical peak demand 750 MWh to 2000 MWh	Critical peak demand tariff open to customers consuming between 750 MWh and 2 GWh per year, and demand greater than 280 kVA.
	NSP77	Large critical peak demand 2000 MWh to 4000 MWh	Critical peak demand tariff open to customers consuming between 2 GWh and 4 GWh per year, and demand greater than 550 kVA.
	NSP78	Large critical peak demand over 4000 MWh	Critical peak demand tariff open to customers consuming greater 4 GWh per year, and demand greater than 850 kVA.

Tariff class	Tariff code	Tariff name	Criteria
High voltage	NSP81	High voltage critical peak demand	Critical peak demand tariff open to customers using 6.6 kV, 11 kV & 22 kV supplies, and demand greater than 1.15 MVA.
	NSP82	High voltage critical peak demand traction	Critical peak demand tariff open to traction load only.
	NSP83	High voltage critical peak demand low energy use	Critical peak demand tariff open to customers using 6.6 kV, 11 kV & 22 kV supplies, and demand less than 1.15 MVA.
Sub transmission	NSP91	Sub transmission critical peak demand < 25 MVA & < 20 km from TS	Critical peak demand tariff open to customers using 66 kV supplies, demand less than 25 MVA and less than 20 km from the terminal station.
	NEE93	Large Labtrobe Valley open cut supplies	This tariff is open to Latrobe Valley mines supplies only.
	NSP94	Sub transmission critical peak demand > 25 MVA & < 20 km from TS	Critical peak demand tariff open to customers using 66 kV supplies, demand greater than 25 MVA and less than 20 km from the terminal station.
	NSP95	Sub transmission critical peak demand < 25 MVA & > 20 km from TS	Critical peak demand tariff open to customers using 66 kV supplies, demand less than 25 MVA and greater than 20 km from the terminal station.

10 Appendix D – Transition details

Table D.1: AusNet Services' detailed transition strategy

Tariff	Will AusNet retain this tariff?	Number of customers	Detailed commentary on transition strategy
NGT11	No	9	Propose to close tariff. Transition customers to NEE11.
NEN13	No	0	Propose to close tariff as there are no customers assigned to it.
NGT13	No	0	Propose to close tariff as there are no customers assigned to it.
NEN14	No	0	Propose to close tariff as there are no customers assigned to it.
NGT14	No	0	Propose to close tariff as there are no customers assigned to it.
NEN15	No	0	Propose to close tariff as there are no customers assigned to it.
NGT15	No	0	Propose to close tariff as there are no customers assigned to it.
NAST11	Yes	0	New ToU tariff. Residential customers to be assigned to this tariff when the following services are requested: - new connnections; - upgrades to three phase metering; and - new battery installations. When an EV register or other formal means of identification becomes available, EV customers will also be assigned to this tariff. Existing legacy ToU residential customers will be transferred to this tariff on 1 July 2021. Existing NGT26 customers will be transferred to this tariff on 1 July 2021. Residential customers may opt out to single-rate or demand tariffs. If an EV register or other formal means of identification becomes available, EV customers will no longer be able to access the flat rate network tariff structure.

Tariff	Will AusNet retain this tariff?	Number of customers	Detailed commentary on transition strategy
NAST11S	Yes	0	Solar variant of the new ToU tariff. Residential customers to be assigned to this tariff when a new solar installation is requested. Existing legacy solar (Standard feed-in) ToU residential customers will be transferred to this tariff on 1 July 2021. Solar residential customers may opt out to a solar single-rate or demand tariff.
NAST11P	No	0	Solar variant of the new ToU tariff. Existing legacy solar (Premium feed-in) ToU residential customers will be transferred to this tariff on 1 July 2021. Solar residential customers may opt out to a solar single-rate or demand tariff. Customers will be transition to NAST11S once the Premium Feed-in scheme ends and propose to close tariff.
NAST13	Yes	0	Dedicated circuit variant of the new ToU tariff. Existing NGT23 customers will be transferred to this tariff on 1 July 2021. Existing residential customers with dedicated circuit may request to transfer to this tariff.
NAST14	Yes	0	Dedicated circuit variant of the new ToU tariff. Existing NGT24 customers will be transferred to this tariff on 1 July 2021. Existing residential customers with dedicated circuit afternoon boost may request to transfer to this tariff.
NAST15	Yes	0	Dedicated circuit variant of the new ToU tariff. Existing NGT25 customers will be transferred to this tariff on 1 July 2021. Existing residential customers with dedicated circuit 8:00 to 8:00 may request to transfer to this tariff.
NASN11P	No	3	Residential customers on this tariff will be transition to NASN11S once the Premium Feed-in scheme ends and propose to close tariff.
NEE20	No	53,056	Propose to close and reassign residential customers on this tariff to NAST11 on 1 July 2021.

Tariff	Will AusNet retain this tariff?	Number of customers	Detailed commentary on transition strategy
NEE26	No	115,505	Propose to close and reassign residential customers on this tariff to NAST11S on 1 July 2021.
SUN23	No	29,046	Propose to close and reassign residential customers on this tariff to NAST11P on 1 July 2021.
NEE24	Yes	2,235	Propose that tariff will be close to new entrants.
NEE23	No	3,132	Propose to close and reassign residential customers on this tariff to NAST11S on 1 July 2021.
NSP20	No	14	Propose to close tariff when all customers have transition to another tariff.
NSP23	No	235	Propose to close tariff when all customers have transition to another tariff.
SSP23	No	26	Customers will be transition to NSP23 once the Premium Feed-in scheme ends and propose to close tariff.
NGT26	No	1,619	Propose to close and reassign residential customers on this tariff to NAST11 on 1 July 2021.
NGT23	No	104	Propose to close and reassign residential customers on this tariff to NAST13 on 1 July 2021.
NGT24	No	9	Propose to close and reassign residential customers on this tariff to NAST14 on 1 July 2021.
NGT25	No	2	Propose to close and reassign residential customers on this tariff to NAST15 on 1 July 2021.
NSP30	No	0	Propose to close tariff as there are no customers assigned to it.
NSP31	No	0	Propose to close tariff as there are no customers assigned to it.
NEN16	No	0	Propose to close tariff as there are no customers assigned to it.
NEN17	No	0	Propose to close tariff as there are no customers assigned to it.
NEN18	No	0	Propose to close tariff as there are no customers assigned to it.

Tariff	Will AusNet retain this tariff?	Number of customers	Detailed commentary on transition strategy
NAST12	Yes	0	Default ToU tariff. Small business customers to be assigned to this tariff when the following services are requested: - new connnections; - upgrades to three phase metering; and - new battery installations. When a register or other formal means of identification becomes available, EV customers will also be assigned to this tariff. Existing legacy ToU small business customers will be transferred to this tariff on 1 July 2021 Existing small business customers on a single-rate tariff can opt into this tariff. Small business customers may opt out to the single-rate or demand tariffs. If an EV register or other formal means of identification becomes available, EV customers will no longer be able to access the flat rate network tariff structure.
NAST12S	Yes	0	Solar variant of the default ToU tariff. Small business customers to be assigned to this tariff when a new solar installation is requested. Existing legacy solar (Standard feed-in) ToU small business customers will be transferred to this tariff on 1 July 2021. Solar small business customers may opt out to a solar single-rate or demand tariff.
NAST12P	No	0	Solar variant of the default ToU tariff. Existing legacy solar (Premium feed-in) ToU small business customers will be transition to this tariff. Solar customers may opt out to a solar single-rate or demand tariff. Customers will be transition to NAST12S once the Premium Feed-in scheme ends and propose to close tariff.
NASN12P	No	0	Customers will be transition to NASN12S once the Premium Feed-in scheme ends and propose to close tariff.
NASN2P	No	74	Customers will be transition to NASN2S once the Premium Feed-in scheme ends and propose to close tariff.

Tariff	Will AusNet retain this tariff?	Number of customers	Detailed commentary on transition strategy
NEE27	No	109	Propose to close tariff and reassign small business customers to NAST12S on 1 July 2021.
NEE21	No	27,803	Propose to close tariff and reassign small business customers to NAST12 on 1 July 2021.
NEE28	No	3,513	Propose to close tariff and reassign small business customers to NAST12S on 1 July 2021.
SUN21	No	395	Propose to close tariff and reassign small business customers to NAST12P on 1 July 2021.
NEE25	No	7	Propose to close tariff and reassign small business customers to NAST12 on 1 July 2021.
NSP21	No	23	Propose that tariff will be close to new entrants. Propose to close tariff when all customers have transition to another tariff.
SSP21	No	2	Customers will be transition to SSP27 once the Premium Feed-in scheme ends and propose to close tariff.
NEE40	No	687	Propose to close tariff when all customers have transition to another tariff.
NEE41	No	17	Propose to close tariff when primary tariff is close and all customers have transition to another tariff.
NEE42	No	5	Propose to close tariff when primary tariff is close and all customers have transition to another tariff.
NEE43	No	0	Propose to close tariff when primary tariff is close and all customers have transition to another tariff.
NEE51	No	688	Propose to close tariff when all customers have transition to another tariff.
NEE60	No	508	Propose to close tariff when all customers have transition to another tariff.
NEE74	No	7	Propose to close tariff when all customers have transition to another tariff.

Source: AusNet Services

11 Appendix E – Indicative pricing schedule

E.1. Indicative tariff levels

The indicative tariffs presented in this appendix are consistent with the proposed structures set out in this TSS, and are modelled using 2020 tariffs as the starting point, and applying an annual CPI and x-factor adjustments.

E.2. Factors that may cause tariff levels to vary from these indicative levels

There are number of factors that are outside of AusNet Services' control that may affect the implementation of the proposed tariffs over the period covered by this TSS.

For instance, actual tariffs may vary from these indicative tariff levels in any given year as a result of:

- The AER's distribution determination, which will determine the amount of revenue AusNet Services is able to collect in each year of the 2022-26 regulatory control period to cover its efficient costs of providing Standard Control Services;
- Unders or overs in revenue collection in any individual year (e.g. due to energy volumes or energy demand varying from forecast, and variation in uptake of new cost reflective tariffs from forecast uptake), which under the applicable price control (revenue cap) must be corrected for in subsequent years;
- Future regulatory decisions applying to transmission services;
- Unders and overs in any individual year as a result of transmission services being regulated via a revenue cap form of price control;
- The outcome of a number of incentive schemes (e.g. STPIS for reliability, and F-factor for bushfire safety) that apply to AusNet Services;
- Any successful cost pass through applications; and
- Actual CPI varying from the forecast used by AusNet Services.

Tables E.1 – E.3 below set out the structure and indicative component levels for the main network tariffs applicable in the 2022-26 period, presented as Network Use of System (NUoS) tariffs. This provides an overview of the indicative tariffs provided in Table E.4.

Table E.1: Structure and indicative FY2022 NUoS tariff levels for main residential tariffs

Tariff	Description	Standing charge $/year	Anytime c/kWh	Block 1 c/kWh	Block 2 c/kWh	Peak c/kWh	Shoulder c/kWh	Off peak c/kWh	Monthly peak kW demand $/kW/mth	Monthly off peak kW demand $/kW/mth
NEE11	Small single rate	111.74		11.7596	13.1840					
NASN11	Small residential single rate demand	111.74	7.9629						9.7252	2.4263
NAST11	Small residential time of use	111.74				20.1490		4.2459		

Source: AusNet Services

Table E.2: Structure and indicative FY2022 NUoS tariff levels for main small business (less than 40 MWh per year) tariffs

Tariff	Description	Standing charge $/year	Anytime c/kWh	Block 1 c/kWh	Block 2 c/kWh	Peak c/kWh	Shoulder c/kWh	Off peak c/kWh	Monthly peak kW demand $/kW/mth	Monthly off peak kW demand $/kW/mth
NEE12	Small single rate	111.74		15.4950	18.1977					
NASN12	Small business single rate demand	111.74	14.1777						9.2748	2.3139
NAST12	Small business time of use	111.74				18.9812		4.3300		

Source: AusNet Services

Table E.3: Structure and indicative FY2022 NUoS tariff levels for main small business (consuming between 40 MWh to 160 MWh per year) tariffs

Tariff	Description	Standing charge	Anytime	Block 1	Block 2	Peak	Shoulder	Off peak	Monthly peak kW demand	Monthly off peak

										kW demand
		$/year	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	c/kWh	$/kW/mth	$/kW/mth
NASN19	Business > 40 MWh single rate demand	111.74	16.1468						7.4198	1.8511
NASN21	Business > 40 MWh two rate demand	111.74				16.1251		4.1651	7.4198	1.8511

Source: AusNet Services

The table below shows the indicative tariff rates for NUoS tariffs.

Table E.4: Indicative tariff rates for NUoS tariffs

Tariff	Charging parameter	FY2022	FY2023	FY2024	FY2025	FY2026
NEE11	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	11.7596	11.9464	12.1496	12.3552	12.5928
	Block 2 (c/kWh)	13.1840	13.0318	12.8816	12.7253	12.5928
NEE11S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	11.7596	11.9464	12.1496	12.3552	12.5928
	Block 2 (c/kWh)	13.1840	13.0318	12.8816	12.7253	12.5928
NEE11P[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	11.7596	11.9464	12.1496	12.3552	12.5928
	Block 2 (c/kWh)	13.1840	13.0318	12.8816	12.7253	12.5928
NEN11	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	8.1838	8.2449	8.3345	8.4253	8.5358
	Block 2 (c/kWh)	8.7290	8.7934	8.8841	8.9759	9.0890
NEE13	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	11.7596	11.9464	12.1496	12.3552	12.5928
	Block 2 (c/kWh)	13.1840	13.0318	12.8816	12.7253	12.5928
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE14	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	11.7596	11.9464	12.1496	12.3552	12.5928
	Block 2 (c/kWh)	13.1840	13.0318	12.8816	12.7253	12.5928

	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE15	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	11.7596	11.9464	12.1496	12.3552	12.5928
	Block 2 (c/kWh)	13.1840	13.0318	12.8816	12.7253	12.5928
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NAST11	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	20.1490	20.3695	20.6892	20.9792	21.1589
	Off peak (c/kWh)	4.2459	4.2886	4.3543	4.4150	4.4558
NAST11S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	20.1490	20.3695	20.6892	20.9792	21.1589
	Off peak (c/kWh)	4.2459	4.2886	4.3543	4.4150	4.4558
NAST11P[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	20.1490	20.3695	20.6892	20.9792	21.1589
	Off peak (c/kWh)	4.2459	4.2886	4.3543	4.4150	4.4558
NAST13	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	20.1490	20.3695	20.6892	20.9792	21.1589
	Off peak (c/kWh)	4.2459	4.2886	4.3543	4.4150	4.4558
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NAST14	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	20.1490	20.3695	20.6892	20.9792	21.1589

[36] Solar customers to receive a premium FiT of 60 c/kWh till 1 November 2024.

	Off peak (c/kWh)	4.2459	4.2886	4.3543	4.4150	4.4558
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NAST15	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	20.1490	20.3695	20.6892	20.9792	21.1589
	Off peak (c/kWh)	4.2459	4.2886	4.3543	4.4150	4.4558
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NASN11	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	7.9629	8.0006	7.9797	7.9263	7.9145
	Demand peak season ($/kW/mth)	9.7252	9.7848	9.8048	9.8217	9.8683
	Demand off peak season ($/kW/mth)	2.4263	2.4411	2.4461	2.4503	2.4620
NASN11S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	7.9629	8.0006	7.9797	7.9263	7.9145
	Demand peak season ($/kW/mth)	9.7252	9.7848	9.8048	9.8217	9.8683
	Demand off peak season ($/kW/mth)	2.4263	2.4411	2.4461	2.4503	2.4620
NASN11P[3][6]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	7.9629	8.0006	7.9797	7.9263	7.9145
	Demand peak season ($/kW/mth)	9.7252	9.7848	9.8048	9.8217	9.8683
	Demand off peak season ($/kW/mth)	2.4263	2.4411	2.4461	2.4503	2.4620

NEN20	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	13.0108	13.1015	13.2010	13.3002	13.4338
	Off peak (c/kWh)	4.4469	4.4753	4.5040	4.5325	4.5722
NEE24	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	10.4606	10.5357	10.6299	10.7247	10.8461
	Off peak (c/kWh)	4.3468	4.3745	4.4031	4.4314	4.4706
NSP20	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	44.0022	44.2829	44.4458	44.5990	44.8810
	Summer shoulder (c/kWh)	38.8383	39.0873	39.2396	39.3839	39.6411
	Winter peak (c/kWh)	34.3252	34.5466	34.6897	34.8261	35.0617
	Off peak (c/kWh)	4.5939	4.6232	4.6522	4.6810	4.7214
NSP23	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	44.0022	44.2829	44.4458	44.5990	44.8810
	Summer shoulder (c/kWh)	38.8383	39.0873	39.2396	39.3839	39.6411
	Winter peak (c/kWh)	34.3252	34.5466	34.6897	34.8261	35.0617
	Off peak (c/kWh)	4.5939	4.6232	4.6522	4.6810	4.7214
SSP23[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	44.0022	44.2829	44.4458	44.5990	44.8810
	Summer shoulder (c/kWh)	38.8383	39.0873	39.2396	39.3839	39.6411
	Winter peak (c/kWh)	34.3252	34.5466	34.6897	34.8261	35.0617

	Off peak (c/kWh)	4.5939	4.6232	4.6522	4.6810	4.7214
NEE30	Standing charge ($/year)	0.00	0.00	0.00	0.00	0.00
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE31	Standing charge ($/year)	0.00	0.00	0.00	0.00	0.00
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE32	Standing charge ($/year)	0.00	0.00	0.00	0.00	0.00
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE12	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	15.4950	15.9790	16.5156	17.0755	17.6563
	Block 2 (c/kWh)	18.1977	18.0731	17.9554	17.8177	17.6563
NEE12S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	15.4950	15.9790	16.5156	17.0755	17.6563
	Block 2 (c/kWh)	18.1977	18.0731	17.9554	17.8177	17.6563
NEE12P[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	15.4950	15.9790	16.5156	17.0755	17.6563
	Block 2 (c/kWh)	18.1977	18.0731	17.9554	17.8177	17.6563
NEE16	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	15.4950	15.9790	16.5156	17.0755	17.6563
	Block 2 (c/kWh)	18.1977	18.0731	17.9554	17.8177	17.6563
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE17	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72

	Block 1 (c/kWh)	15.4950	15.9790	16.5156	17.0755	17.6563
	Block 2 (c/kWh)	18.1977	18.0731	17.9554	17.8177	17.6563
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE18	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	15.4950	15.9790	16.5156	17.0755	17.6563
	Block 2 (c/kWh)	18.1977	18.0731	17.9554	17.8177	17.6563
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEN12	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Block 1 (c/kWh)	20.7963	20.9291	21.0800	21.2261	21.3698
	Block 2 (c/kWh)	23.7693	23.9194	24.0822	24.2390	24.3925
NAST12	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	18.9812	19.1034	19.2471	19.3867	19.5244
	Off peak (c/kWh)	4.3300	4.3566	4.3915	4.4258	4.4600
NAST12S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	18.9812	19.1034	19.2471	19.3867	19.5244
	Off peak (c/kWh)	4.3300	4.3566	4.3915	4.4258	4.4600
NAST12P[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	18.9812	19.1034	19.2471	19.3867	19.5244
	Off peak (c/kWh)	4.3300	4.3566	4.3915	4.4258	4.4600
NASN12	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	14.1777	14.2719	14.3963	14.5187	14.6407

	Demand peak season ($/kW/mth)	9.2748	9.3287	9.3659	9.3991	9.4296
	Demand off peak season ($/kW/mth)	2.3139	2.3274	2.3366	2.3449	2.3525
NASN12S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	14.1777	14.2719	14.3963	14.5187	14.6407
	Demand peak season ($/kW/mth)	9.2748	9.3287	9.3659	9.3991	9.4296
	Demand off peak season ($/kW/mth)	2.3139	2.3274	2.3366	2.3449	2.3525
NASN12P[3][6]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	14.1777	14.2719	14.3963	14.5187	14.6407
	Demand peak season ($/kW/mth)	9.2748	9.3287	9.3659	9.3991	9.4296
	Demand off peak season ($/kW/mth)	2.3139	2.3274	2.3366	2.3449	2.3525
NASN19	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	16.1468	16.2525	16.3848	16.5142	16.6427
	Demand peak season ($/kW/mth)	7.4198	7.4630	7.4927	7.5193	7.5437
	Demand off peak season ($/kW/mth)	1.8511	1.8619	1.8693	1.8759	1.8820
NASN21	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	16.1251	16.2307	16.3629	16.4923	16.6207
	Off peak (c/kWh)	4.1651	4.1908	4.2250	4.2588	4.2924

	Demand peak season ($/kW/mth)	7.4198	7.4630	7.4927	7.5193	7.5437
	Demand off peak season ($/kW/mth)	1.8511	1.8619	1.8693	1.8759	1.8820
NASN2S	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	16.1251	16.2307	16.3629	16.4923	16.6207
	Off peak (c/kWh)	4.1651	4.1908	4.2250	4.2588	4.2924
	Demand peak season ($/kW/mth)	7.4198	7.4630	7.4927	7.5193	7.5437
	Demand off peak season ($/kW/mth)	1.8511	1.8619	1.8693	1.8759	1.8820
NASN2P[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	16.1251	16.2307	16.3629	16.4923	16.6207
	Off peak (c/kWh)	4.1651	4.1908	4.2250	4.2588	4.2924
	Demand peak season ($/kW/mth)	7.4198	7.4630	7.4927	7.5193	7.5437
	Demand off peak season ($/kW/mth)	1.8511	1.8619	1.8693	1.8759	1.8820
NEN21	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	14.1305	14.2245	14.3488	14.4710	14.5928
	Off peak (c/kWh)	6.2871	6.3250	6.3678	6.4091	6.4498
NSP21	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	42.0882	42.3447	42.5810	42.8034	43.0171
	Summer shoulder (c/kWh)	37.1634	37.3914	37.6079	37.8127	38.0102

	Winter peak (c/kWh)	32.8594	33.0623	33.2616	33.4509	33.6343
	Off peak (c/kWh)	4.4307	4.4579	4.4932	4.5279	4.5624
NSP27	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	24.5993	24.7541	24.9203	25.0800	25.2363
	Summer shoulder (c/kWh)	21.8943	22.0334	22.1888	22.3388	22.4862
	Winter peak (c/kWh)	19.5317	19.6571	19.8029	19.9445	20.0841
	Off peak (c/kWh)	7.0873	7.1299	7.1759	7.2201	7.2633
SSP27	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	24.5993	24.7541	24.9203	25.0800	25.2363
	Summer shoulder (c/kWh)	21.8943	22.0334	22.1888	22.3388	22.4862
	Winter peak (c/kWh)	19.5317	19.6571	19.8029	19.9445	20.0841
	Off peak (c/kWh)	7.0873	7.1299	7.1759	7.2201	7.2633
SSP21[36]	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Summer peak (c/kWh)	24.5993	24.7541	24.9203	25.0800	25.2363
	Summer shoulder (c/kWh)	21.8943	22.0334	22.1888	22.3388	22.4862
	Winter peak (c/kWh)	19.5317	19.6571	19.8029	19.9445	20.0841
	Off peak (c/kWh)	7.0873	7.1299	7.1759	7.2201	7.2633
NEE40	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	25.3325	25.4916	25.6607	25.8231	25.9818
NEE41	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72

	Anytime (c/kWh)	25.3325	25.4916	25.6607	25.8231	25.9818
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE42	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	25.3325	25.4916	25.6607	25.8231	25.9818
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE43	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Anytime (c/kWh)	25.3325	25.4916	25.6607	25.8231	25.9818
	Dedicated circuit (c/kWh)	4.1706	4.1963	4.2306	4.2643	4.2980
NEE51	Standing charge ($/year)	111.74	120.82	130.40	140.68	151.72
	Peak (c/kWh)	22.2513	22.3926	22.5493	22.7006	22.8492
	Off peak (c/kWh)	5.2148	5.2465	5.2850	5.3225	5.3596
NEE52	Standing charge ($/year)	0.00	0.00	0.00	0.00	0.00
	Peak (c/kWh)	19.5078	19.6331	19.7789	19.9203	20.0598
	Off peak (c/kWh)	9.6016	9.6589	9.7149	9.7682	9.8197
NEE55	Standing charge ($/year)	343.74	352.82	362.40	372.68	383.72
	Peak (c/kWh)	16.6947	16.8069	16.9437	17.0772	17.2093
	Off peak (c/kWh)	4.6673	4.6986	4.7368	4.7741	4.8110
NSP55	Standing charge ($/year)	343.74	352.82	362.40	372.68	383.72
	Summer peak (c/kWh)	41.7059	41.9635	42.2006	42.4237	42.6380
	Summer shoulder (c/kWh)	36.7569	36.9858	37.2030	37.4084	37.6065
	Winter peak (c/kWh)	32.4318	32.6356	32.8354	33.0253	33.2092

	Off peak (c/kWh)	2.9863	3.0079	3.0393	3.0706	3.1020
NSP56	Standing charge ($/year)	2,961.72	2,977.37	2,988.16	2,997.81	3,006.65
	Peak (c/kWh)	13.1427	13.2343	16.9508	17.0843	17.2142
	Shoulder (c/kWh)	10.1411	10.2153	11.6342	11.7488	11.8629
	Off peak (c/kWh)	4.3590	4.3886	5.0396	5.0779	5.1155
	Demand capacity ($/kVA/year)	19.2090	19.3207	19.3976	19.4665	19.5296
	Demand critical peak ($/kVA/year)	32.0182	32.2044	32.3327	32.4475	32.5527
NEN56	Standing charge ($/year)	2,961.72	2,977.37	2,988.16	2,997.81	3,006.65
	Peak (c/kWh)	10.9552	11.0341	11.1479	11.2608	11.3741
	Shoulder (c/kWh)	8.2726	8.3359	8.4389	8.5422	8.6467
	Off peak (c/kWh)	4.4238	4.4538	4.4910	4.5274	4.5635
	Demand capacity ($/kVA/year)	19.2090	19.3207	19.3976	19.4665	19.5296
	Demand critical peak ($/kVA/year)	32.0182	32.2044	32.3327	32.4475	32.5527
NEE60	Standing charge ($/year)	343.74	352.82	362.40	372.68	383.72
	Peak (c/kWh)	12.2410	12.3274	12.4463	12.5639	12.6814
	Off peak (c/kWh)	4.5290	4.5596	4.5972	4.6340	4.6704
NEE74	Standing charge ($/year)	419.89	420.76	421.36	421.90	422.39
	Peak (c/kWh)	27.1815	27.3548	27.5336	27.7046	27.8712
	Off peak (c/kWh)	7.7114	7.7604	7.8108	7.8590	7.9059
NSP75	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	5.2800	5.3259	5.4169	5.5095	5.6041
	Shoulder (c/kWh)	4.2558	4.2957	4.3827	4.4716	4.5628

	Off peak (c/kWh)	1.8143	1.8291	1.8559	1.8829	1.9104
	Demand capacity ($/kVA/year)	46.6701	46.9415	47.1286	47.2958	47.4492
	Demand critical peak ($/kVA/year)	78.2723	78.7274	79.0412	79.3216	79.5789
NSP76	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	5.0817	5.1264	5.2167	5.3085	5.4025
	Shoulder (c/kWh)	4.0552	4.0940	4.1801	4.2683	4.3589
	Off peak (c/kWh)	1.6934	1.7075	1.7337	1.7603	1.7875
	Demand capacity ($/kVA/year)	48.6614	48.9443	49.1394	49.3137	49.4737
	Demand critical peak ($/kVA/year)	82.2944	82.7729	83.1028	83.3976	83.6681
NSP77	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	5.0394	5.0839	5.1740	5.2657	5.3595
	Shoulder (c/kWh)	4.0401	4.0787	4.1648	4.2529	4.3435
	Off peak (c/kWh)	1.6352	1.6489	1.6750	1.7014	1.7283
	Demand capacity ($/kVA/year)	53.3472	53.6574	53.8712	54.0624	54.2377
	Demand critical peak ($/kVA/year)	88.5553	89.0703	89.4252	89.7425	90.0336
NSP78	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	4.7391	4.7819	4.8707	4.9614	5.0542
	Shoulder (c/kWh)	3.8430	3.8805	3.9658	4.0532	4.1431
	Off peak (c/kWh)	1.4964	1.5093	1.5348	1.5607	1.5872
	Demand capacity ($/kVA/year)	58.6869	59.0281	59.2634	59.4736	59.6665
	Demand critical peak ($/kVA/year)	97.0949	97.6595	98.0486	98.3965	98.7157

NSP81	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	2.6796	2.7103	2.7909	2.8742	2.9603
	Off peak (c/kWh)	0.8197	0.8287	0.8515	0.8750	0.8992
	Demand capacity ($/kVA/year)	38.4833	38.7071	38.8613	38.9992	39.1257
	Demand critical peak ($/kVA/year)	63.0701	63.4369	63.6897	63.9157	64.1230
NSP82	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	2.6178	2.6482	2.7286	2.8116	2.8975
	Shoulder (c/kWh)	2.6178	2.6482	2.7286	2.8116	2.8975
	Off peak (c/kWh)	1.0249	1.0351	1.0587	1.0829	1.1079
	Demand capacity ($/kVA/year)	35.2772	35.4823	35.6237	35.7501	35.8661
	Demand critical peak ($/kVA/year)	57.7299	58.0656	58.2970	58.5039	58.6936
NSP83	Standing charge ($/year)	6,287.84	6,322.84	6,346.96	6,368.52	6,388.30
	Peak (c/kWh)	11.6022	11.6848	11.8012	11.9164	12.0318
	Shoulder (c/kWh)	5.4271	5.4738	5.5655	5.6586	5.7537
	Off peak (c/kWh)	1.6217	1.6353	1.6613	1.6877	1.7145
	Demand capacity ($/kVA/year)	4.1013	4.1252	4.1416	4.1563	4.1698
	Demand critical peak ($/kVA/year)	6.7761	6.8155	6.8427	6.8670	6.8893
NSP91	Standing charge ($/year)	21,718.25	21,842.98	21,928.95	22,005.79	22,076.30
	Peak (c/kWh)	2.6174	2.6477	2.7281	2.8111	2.8970
	Off peak (c/kWh)	0.6349	0.6428	0.6649	0.6877	0.7113
	Demand capacity ($/kVA/year)	2.5658	2.5807	2.5910	2.6002	2.6086

	Demand critical peak ($/kVA/year)	4.2301	4.2547	4.2717	4.2868	4.3007
NEE93	Standing charge ($/year)	0.00	0.00	0.00	0.00	0.00
	Peak (c/kWh)	2.3683	2.3918	2.4462	2.5021	2.5595
	Off peak (c/kWh)	2.3682	2.3917	2.4461	2.5020	2.5594
NSP94	Standing charge ($/year)	21,718.25	21,842.98	21,928.95	22,005.79	22,076.30
	Peak (c/kWh)	2.5841	2.6142	2.6945	2.7774	2.8632
	Off peak (c/kWh)	0.6175	0.6253	0.6472	0.6700	0.6936
	Demand capacity ($/kVA/year)	1.9120	1.9231	1.9308	1.9376	1.9439
	Demand critical peak ($/kVA/year)	3.1800	3.1985	3.2113	3.2227	3.2331
NSP95	Standing charge ($/year)	21,718.25	21,842.98	21,928.95	22,005.79	22,076.30
	Peak (c/kWh)	2.6496	2.6802	2.7607	2.8439	2.9298
	Off peak (c/kWh)	0.6554	0.6634	0.6855	0.7084	0.7321
	Demand capacity ($/kVA/year)	3.9726	3.9957	4.0116	4.0258	4.0389
	Demand critical peak ($/kVA/year)	6.5978	6.6362	6.6626	6.6863	6.7080

Source: AusNet Services

Further definitional information for the application of charging parameters is provided in the notes to Tables E.1, E.2 and E.3 above for the main network tariff structures, and the information for specific tariffs can be accessed via AusNet Services tariff schedule published on AusNet Services website.

E.3. Alternative control services indicative tariffs

The following tables contain AusNet Services' indicative tariffs for its alternative control services for FY2022. Tariffs are escalated by CPI and an X factor for each of the remaining regulatory years covered by the TSS.

Table E.5: Proposed alternative control connection services fees

Connection service	2021-22
Single Phase Overhead – Business Hours	498.35
Single Phase Overhead – After Hours	872.12

Connection service	2021-22
Single Phase underground – Business Hours	219.01
Single Phase underground with a directly connected meter on group metering panel – Business Hours	472.23
Single Phase underground – After Hours	383.27
Multi-phase overhead with a directly connected meter – Business Hours	566.34
Multi-phase overhead with a directly connected meter – After Hours	991.10
Multi-phase overhead with a CT connected meter – Business Hours	1,081.27
Multi-phase overhead connection with a CT connected meter – After Hours	1,822.22
Multi-phase underground with a directly connected meter – Business Hours	347.11
Multi-phase underground with a directly connected meter on group metering panel – Business Hours	604.57
Multi-phase underground with a directly connected meter – After Hours	1,307.29
Multi-phase underground with a CT connected meter – Business Hours	862.04
Multi-phase underground connection with a CT connected meter – After Hours	1,508.57
95mm^2 overhead service from LVABC – Business Hours	852.49
95mm^2 overhead service from LVABC – After Hours	1,491.86
Establish temporary supply connection – Business Hours	494.11
Establish temporary supply connection – After Hours	864.69
Appointment – inspection of group or CT metering prior to connection – Business Hours	514.93
Service truck - Disconnect / Reconnect at pole or pit – Business Hours	567.41
Service truck - Disconnect / Reconnect at pole or pit – After Hours	NA

Source: AusNet Services

Table E.6: Proposed ancillary services (fee based)

Network ancillary services	2021-22
Meter equipment test	311.67
Meter equipment test - each additional meter at same site	71.86
Wasted Truck Visit – customer not ready for their requested works	211.04
Manual assessment of PV & small generator installation enquiry, 4.6kW to 15kW.	325.79

Network ancillary services	2021-22
Manual assessment of PV & small generator installation enquiry, 15kW to 30kW.	325.79
Security and watchmen lights	60.88

Source: AusNet Services

Table E.7: Quoted alternative control services charge-out rates for FY2022

Labour category	Service description	2021-22 business hours	2021-22 after hours
Labour—wages	Construction Overhead Install	121.21	147.21
Labour—wages	Construction Underground Install	118.39	143.78
Labour—wages	Construction Substation Install	118.39	143.78
Labour—wages	Electrical Tester Including Vehicle & Equipment	174.55	238.63
Labour—wages	Planner Including Vehicle	162.72	N/A
Labour—wages	Supervisor Including Vehicle	162.72	N/A
Labour—design	Design	138.93	168.73
Labour—design	Drafting	106.76	129.66
Labour—design	Survey	125.76	152.74
Labour—design	Tech Officer	125.76	152.74
Labour—design	Line Inspector	121.21	147.21
Labour—design	Contract Supervision	125.76	152.74
Labour—design	Protection Engineer	138.93	168.73
Labour—design	Maintenance Planner	125.76	152.74
Labour—design	Senior Engineer	200.26	299.02

Source: AusNet Services

Table E.8: Public lighting fees (Nominal)

Central Region	2021-22	2022-23	2023-24	2024-25	2025-26
Mercury Vapour 80W	$60.88	$62.05	$64.86	$70.45	$71.68

Central Region	2021-22	2022-23	2023-24	2024-25	2025-26
HP Sodium 150W	$112.86	$115.23	$118.08	$125.60	$128.25
HP Sodium 250W	$115.69	$118.11	$121.18	$128.88	$131.59
Mercury Vapour 50W	$93.15	$94.93	$99.23	$107.79	$109.68
Mercury Vapour 125W	$89.50	$91.21	$95.34	$103.57	$105.38
Mercury Vapour 250W	$121.47	$124.01	$127.24	$135.33	$138.17
Mercury Vapour 400W	$126.10	$128.73	$132.09	$140.48	$143.44
HP Sodium 100W	$120.77	$123.30	$126.35	$134.39	$137.23
HP Sodium 400W	$164.27	$167.71	$172.08	$183.01	$186.86
Metal Halide 70W	$265.76	$270.85	$283.10	$307.53	$312.91
Metal Halide 100W	$269.49	$275.14	$281.94	$299.89	$306.22
Metal Halide 150W	$306.16	$312.58	$320.30	$340.69	$347.88
HP Sodium 50W	$50.04	$51.09	$52.35	$55.68	$56.86
T5 2X14W	51.71	$54.69	$57.30	$59.71	$61.72
T5 2X24W	55.22	$58.32	$61.05	$63.58	$65.69
LED 18W standard power	$29.46	$31.57	$33.38	$35.01	$36.28
LED non-standard low power ~14W	$31.28	$33.43	$35.29	$36.96	$38.28
LED 70W-125W (L1)	$45.36	$49.02	$52.14	$54.91	$57.03

Central Region	2021-22	2022-23	2023-24	2024-25	2025-26
LED 155W-250W (L2)	$46.04	$49.85	$53.10	$55.98	$58.17
LED 275W-400W (L4)	$52.06	$57.31	$61.74	$65.58	$68.36
Compact Fluorescent 32W	$45.49	$48.10	$50.40	$52.52	$54.29
Compact Fluorescent 42W	$45.49	$48.10	$50.40	$52.52	$54.29
Smart lighting L1	$59.98	$63.95	$67.39	$70.49	$72.95
Smart lighting L2	$60.65	$64.78	$68.35	$71.56	$74.09
Smart lighting L4	$66.68	$72.24	$76.99	$81.15	$84.28

Source: AusNet Services

North & East	2021-22	2022-23	2023-24	2024-25	2025-26
Mercury Vapour 80W	$66.94	$68.19	$68.81	$74.49	$75.82
HP Sodium 150W	$132.16	$134.97	$136.17	$144.17	$147.34
HP Sodium 250W	$131.93	$134.82	$136.50	$144.58	$147.71
Mercury Vapour 50W	$99.07	$100.92	$101.83	$110.25	$112.22
Mercury Vapour 125W	$99.07	$100.92	$101.83	$110.25	$112.22
Mercury Vapour 250W	$137.21	$140.21	$141.96	$150.37	$153.62
Mercury Vapour 400W	$141.16	$144.25	$146.05	$154.70	$158.05
HP Sodium 100W	$141.41	$144.42	$145.71	$154.26	$157.66
HP Sodium 400W	$187.34	$191.44	$193.83	$205.31	$209.75
Metal Halide 70W	$254.65	$259.42	$261.77	$283.40	$288.46
Metal Halide 100W	$279.91	$285.87	$288.42	$305.36	$312.08
Metal Halide 150W	$318.01	$324.78	$327.67	$346.91	$354.55
HP Sodium 50W	$60.10	$61.37	$61.92	$65.56	$67.00
T5 2X14W	$57.56	$60.67	$63.41	$65.97	$68.13

North & East	2021-22	2022-23	2023-24	2024-25	2025-26
T5 2X24W	$61.62	$64.87	$67.75	$70.43	$72.72
LED 18W	$31.58	$33.73	$35.58	$37.26	$38.58
LED non-standard low power ~14W	$33.33	$35.52	$37.41	$39.13	$40.50
LED 70W-125W (L1)	$51.24	$55.02	$58.28	$61.20	$63.48
LED 155W-250W (L2)	$51.91	$55.86	$59.25	$62.27	$64.62
LED 275W-400W (L4)	$57.94	$63.32	$67.88	$71.87	$74.81
Compact Fluorescent 32W	$50.63	$53.36	$55.78	$58.02	$59.92
Compact Fluorescent 42W	$50.63	$53.36	$55.78	$58.02	$59.92
Smart lighting L1	$67.82	$71.97	$75.59	$78.89	$81.57
Smart lighting L2	$68.49	$72.80	$76.56	$79.96	$82.71
Smart lighting L4	$74.52	$80.27	$85.19	$89.56	$92.90

Source: AusNet Services