

# Regulatory Proposal Consultation: Electricity Network Plan 2019-24

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11 October 2017

**ActewAGL**

for you

# Presentation Outline

- Network Tariff Strategy
- Framework & Approach update
- Forecasts: Customer numbers, energy
- Consultation Feedback

# Network Tariff Strategy

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# Tariff Structure Statement (TSS)

A second TSS is being developed in conjunction with the regulatory proposal

**Aim:** to continue to move towards cost reflective pricing

**Priorities:**

- Continue to provide cost reflective tariff options
- Transition customers to more cost reflective tariffs in a fair and reasonable way
- Utilise the changing meter requirements
- Provide clear information to help customers understand how to take advantage of new tariffs and therefore reduce their electricity bills
- Continue to consult with customers about the way to further improve the price signals we send customers through network tariffs.

# Framework & Approach

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# Framework and Approach (F&A): Timeline

F&A determines the Australian Energy Regulator's (AER's) position on several matters relating to upcoming regulatory period.

- October 2016: AAD submitted request for AER to open F&A matters
- March 2017: AER published preliminary F&A
- April 2017: AAD responded to preliminary F&A
- July 2017: AER published Final F&A

# Framework and Approach (F&A): Matters

- Form of control (and associated formulae)
- Classification of regulated distribution services
- Application of incentive schemes
- Method of assessing expenditure forecasts
- Use of forecast or actual depreciation in rolling forward regulatory asset base
- Treatment of dual function assets

# Forecasts

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# Forecasts for Regulatory Submission

- In preparation for the regulatory submission, Jacobs (consultants) have been engaged to forecast:
  - customer numbers;
  - energy consumption; and
  - demand.
- Forecasts used to estimate proposed expenditures and network prices

# Consumer Engagement: What we heard

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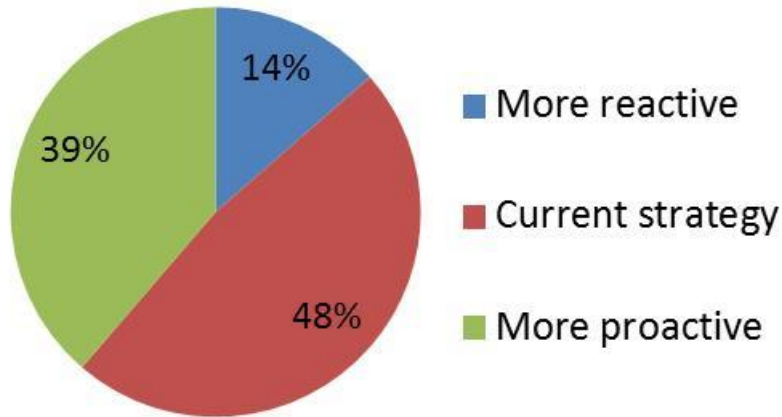
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# Consultation Program

- Issues Paper
- Discussion Paper
  - Submissions
- Website update
- Powerpanel survey (ongoing)
- Customer workshops
- Community Council Meetings
- ECRC meeting updates
- Individual Retailer meetings (October 2017)

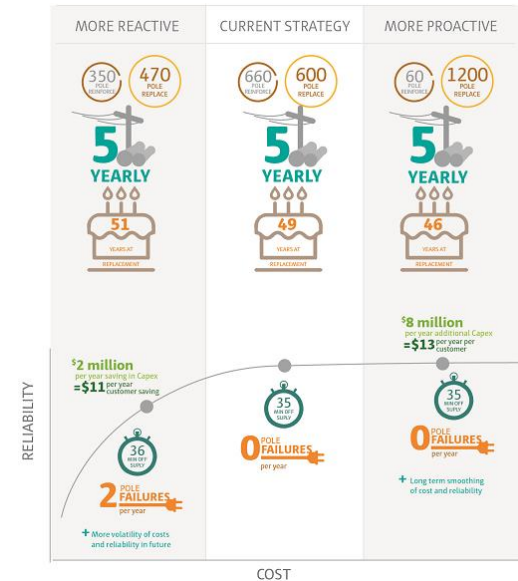
# Key Messages

## Preference for **cost reliability trade-off** strategy



## Technology priorities

- Maintaining security of supply
- Understanding customer impacts



# Key Messages

## Network Pricing

- Over 70% of respondents are willing/able to shift their usage to receive a saving on their electricity bill.

