

Notice inviting submissions: Queensland and South Australian electricity distribution businesses – Framework and approach

The Framework and approach (F&A) is the first step in a process to determine efficient prices for electricity distribution services. The F&A determines, amongst other things, which services the Australian Energy Regulator (AER) will regulate and the broad nature of any regulatory arrangements as prescribed by the National Electricity Rules. This includes how the AER will set prices for electricity distribution services and the application of any incentive schemes. It also facilitates early public consultation and assists Ergon Energy, Energex and SA Power Networks prepare their regulatory proposals.

In accordance with the National Electricity Rules, the AER invites submissions on whether it is necessary or desirable to amend or replace the current:

- Queensland F&A paper for Energex and Ergon Energy for the next regulatory control period of 1 July 2015 to 30 June 2020
- South Australian F&A paper for SA Power Networks (formerly ETSA Utilities) for the next regulatory control period of 1 July 2015 to 30 June 2020.¹

The matters the AER may amend or replace in its F&A paper are listed in clause 6.8.1(b) of the National Electricity Rules. Briefly, these include:

- distribution service classification (which services the AER will regulate)
- control mechanisms (how the AER will determine prices for regulated services) and the formulae that give effect to the control mechanisms
- the application of a range of incentive schemes that encourage things like service quality, improvements in network reliability or efficient capital and operative expenditure
- dual function assets (how the AER will treat transmission type assets).

The current Final Framework and approach for Ergon Energy and Energex can be found at <http://www.aer.gov.au/node/4461> or <http://www.aer.gov.au/node/3811>.

The current Final Framework and approach for SA Power Networks (then ETSA Utilities) can be found at <http://www.aer.gov.au/node/4>.²

More information about the purpose of the F&A can be found in the AER's Framework and Approach Information Sheet.

¹ NER, cl. 6.8.1(c)(2) and 11.60.3(c),

² There are limited circumstances where we may change our likely approach from that contained in the Final F&A. Refer to the AER's Final Determinations for our final regulatory decisions at the respective web links listed above.

How to make submissions

The AER invites submissions on whether it is necessary or desirable to amend or replace the Queensland or South Australian Framework and approach papers. This consultation will inform the AER's approach to the development of the Framework and approach papers. Submissions close at 5pm on 31 July 2013.

Submissions should be sent electronically to: QLDelectricity2015@aer.gov.au or SAelectricity2015@aer.gov.au.

Alternatively, you may mail submissions to:

Mr Warwick Anderson
General Manager, Network Regulation
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

The AER prefers that all submissions be publicly available to facilitate an informed and transparent consultative process. The AER will treat submissions as public documents unless otherwise requested. Parties wishing to submit confidential information are requested to:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission in a form suitable for publication.

All non-confidential submissions will be placed on the AER's website at www.aer.gov.au. For further information regarding the AER's use and disclosure of information provided to it, see the *ACCC/AER Information Policy*, October 2008 available on the AER's website.

Enquiries should be directed to:

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