



**ENERGY
CONSUMERS
AUSTRALIA**

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2 January 2019

Mr Sebastian Roberts
General Manager, Transmission and Gas
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Via email: AusgridRemittal2014-19@aer.gov.au

Draft Decision: Ausgrid 2014-19 Electricity Distribution Determination remittal

Dear Mr Roberts,

Energy Consumers Australia is the national voice for residential and small business energy consumers. Established by the Council of Australian Governments Energy Council in 2015 our objective is to promote the long-term interests of energy consumers with respect to price, quality, reliability, safety and security of supply.

We appreciate the opportunity to respond to the Australian Energy Regulator's (AER) remade draft decision on the distribution determination for the NSW electricity distributor, Ausgrid, for the 2014-19 regulatory control period.

We supported Ausgrid's remittal proposal in [our letter](#) of 10 August 2018 to the Chief Executive Officer of Ausgrid. Our view was that, on balance, we were prepared to accept Ausgrid's proposal to follow the AER's 2015 determination and return \$288 million to consumers. We believe that consumers would stand to benefit from the lower, more efficient levels of operating expenditure into the future and lower prices from 1 July 2019.

Consistent with the reasons in our August 2018 letter to Ausgrid, we support the AER's draft decision to accept Ausgrid's proposal, which we understand from the AER is subject to modelling adjustments. This means that:

- Ausgrid can recover total revenues of \$9,126.3 million. This is the total of the AER's original decision of \$8,785.2 million and an additional \$341.1 million; and
- Ausgrid will return an estimated \$310.9 million to consumers. This figure is greater than the \$288 million proposed by Ausgrid.

We support this decision and acknowledge that, in its draft decision, the AER states that it has discussed the modelling changes with Ausgrid who has no further issues¹.

As stated in our letter to Ausgrid, it is unfortunate that it has taken so long for this matter to be resolved. Particularly as we are now a significant way through the revenue determination process for the next regulatory period, 2019-24.

In our letter, we stated our expectation that Ausgrid would engage in sincere and meaningful consideration of the impacts on consumers stemming from future revenue determination processes.

¹ AER Draft Decision: Ausgrid 2014-19 electricity distribution determination, page 14, <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausgrid-determination-2014-19-remittal/draft-decision>



We are currently engaging with Ausgrid on its revised proposal for the 2019-24 regulatory period, and during this time, Ausgrid has demonstrated an improvement in its engagement with us. We look forward to continue to engage with Ausgrid to get better consumer outcomes into the future.

If you would like to discuss this matter further, please do not hesitate to contact me or Shelley Ashe, Associate Director Advocacy and Communications at shelley.ashe@energyconsumersaustralia.com.au or on 02 9220 5514.

Yours sincerely,
Chris Alexander
A/ CEO
Energy Consumers Australia