



Mr Chris Pattas  
General Manager Networks (Distribution)  
Australian Energy Regulator  
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13 May 2019

Sent via email to [chris.pattas@aer.gov.au](mailto:chris.pattas@aer.gov.au)

Dear Mr Pattas

**RE: Victorian Government intention to change the electricity distribution regulatory year from a calendar to financial year**

The Victorian electricity distribution businesses (AusNet Services, Jemena Electricity Networks, CitiPower, Powercor and United Energy (together, the **Distribution Businesses**)) thank you for making time recently to discuss, among other matters, the Victorian Minister for Energy's intention to amend the jurisdictional energy laws to delay the commencement of the forthcoming regulatory control period to 1 July 2021, thus aligning a regulatory year with a financial year.

We discussed the implementation issues associated with the Minister's proposal, including the possibility that the Distribution Businesses might delay the submission of their regulatory proposals for the 2021-2025 regulatory control period. Currently, the Distribution Businesses must submit their proposals by 31 July 2019 (**Original Submission Date**). However, if the regulatory control period does not commence until 1 July 2021, the latest date for submission would ordinarily be 31 January 2020.

Given our understanding that a legislative package will not be tabled in Parliament before November 2019, our shared view is that it is critical that we resolve this issue with the Australian Energy Regulator (AER) as a matter of priority. Submitting on the Original Submission Date would unnecessarily waste resources – the AER would need to commence its compliance, consultation and assessment processes, and stakeholders would assess and provide feedback on proposals that would later become redundant. Accordingly, the Distribution Businesses request the AER's written agreement that each Distribution Business may submit its regulatory proposal for the 2021-2025 regulatory control period on or before 31 January 2020.

We note that by submitting our regulatory proposals after 31 July 2019, we will fail to comply with clause 6.8.2(b)(1) of the National Electricity Rules. We intend to work with the Department of Environment, Land, Water and Planning (DELWP) to ensure the legislative package preserves the validity of any proposal submitted after the Original Submission Date. Given the significant lead



times required to meet the Original Submission Date, we look forward to your response at the earliest opportunity and ideally by 20 May 2019.

We also seek to meet with the AER to discuss the detailed arrangements associated with the change of electricity distribution regulatory years from calendar to financial year at your earliest convenience.

If you have any questions, please contact a member of the Regulatory team from any one of our businesses.

Yours sincerely

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