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30.09.19

Dale Johansen
Assistant Director, Network Regulation
Australian Energy Regulator
Via email: dale.johansen@aer.gov.au

Dear Dale

RE: POWERCOR 2020 PRICING PROPOSAL

Attached is our pricing proposal for direct control services in 2020 in line with the National Electricity Rules and the AER's final decision on Powercor's Distribution Determination for the 2016 to 2020 regulatory control period.

As summarised in this submission, our network tariffs are proposed to recover efficient distribution costs as determined by the AER, as well as transmission and jurisdictional scheme pass-through costs outside our control.

We estimate that based on typical residential charges (assuming 4,000kWh per annum), distribution and metering charges will comprise 33% of a typical Powercor residential customer's annual electricity bill, or \$430 per annum. This is an increase of \$16 relative to a total estimated default offer retail bill of \$1,318 per annum (GST exclusive). Whether any increase in distribution and metering charges is passed onto customers will depend upon the decisions of retailers.

Powercor has been the lowest cost and most reliable rural network and the most efficient, operating the highest network utilisation in the National Electricity Market.

We remain focussed on supplying safe, reliable and affordable electricity to our customers.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark de Villiers".

Mark de Villiers
Head of Regulatory Strategy