FACT SHEET – June 2020



South Australian Power Networks

Revenue decision 2020-25

The Australian Energy Regulator (AER) sets the amount of money that South Australia Power Networks (SAPN) can collect from its customers over five years to provide safe and reliable electricity.

We know energy isn't cheap, so the AER focuses on making sure energy network businesses only spend money on what's important.

Quick fact

SAPN provides energy to 99% of South Australia's population. It has poles and wires spanning over 178,000km and supplies electricity to 860,000 businesses and homes.

SAPN spending in 2020-25

The AER decided that SAPN can have a total of \$3914.2 million from its customers from 1 July 2020 to 30 June 2025. This is 0.5% lower than what SAPN proposed to spend and 5.5% lower than our last decision.

In 2020-25, SAPN will spend this money on:

- Helping South Australians get more out of new energy technologies
- Growing and making the electricity grid stronger and safer
- Maintaining and running their business.

What people told us in making our decision

SAPN said it was important that:

- No one pays too much for electricity
- Customers get the most out of new technologies such as solar
- Energy is reliable and safe.

SAPN customers said it was important that:

- Reliability in regional areas be addressed
- Networks respond to new energy technologies such as solar
- Spending needs to be balanced with customer affordability.

What does this mean for energy bills?

In South Australia network charges make up 30% of an average residential customer bill and 27% of an average small business customer bill.

From 1 July 2020, in the first year on average:

- residential bills will drop by \$40
- small business customer bills will drop by \$166

These prices are indicative and might vary with changes in demand.

Work to support South Australian customers

In our decision we approved that SAPN spend money on key projects and work that will support the network and South Australian customers now and in the future. This includes:

- New solar tariffs that give customers discounted rates in the middle of the day
- Better management of new energy technologies, like solar, so customers get more out of their generation
- Managing system security and bushfire risk
- Investment in improving network reliability where it's needed most, particularly in regional and remote South Australia.

Impact of COVID-19

The impact of COVID-19 on SAPN is right now uncertain. Our 2020–25 decision provides SAPN with the opportunity to recover its efficient costs at this time. If the impacts of COVID-19 are substantial, then a rule change would need to be considered to enable the AER to re-open existing revenue decisions.

We encourage residential and small business customers who may be impacted by COVID-19 to seek support from their retailer if they are having trouble paying their bill.

Want to know more?

You can read the full decision on our website <u>www.aer.gov.au</u>

Want to find a better energy deal? Visit our free Energy Made Easy website www.energmadeeasy.gov.au



More information

Australian Energy Regulator AER Infoline 1300 585 165

Indigenous Infoline Call 1300 303 143

For information in languages other than English Call 13 14 50 Ask for 1300 585 165

National Relay Service—Speak and Listen Call 1300 555 727 Ask for 1300 585 165

National Relay Service—TTY users Call 13 3677 Ask for 1300 585 165

National Relay Service—Internet Relay Go to www.relayservice.com.au Ask for 1300 585 165