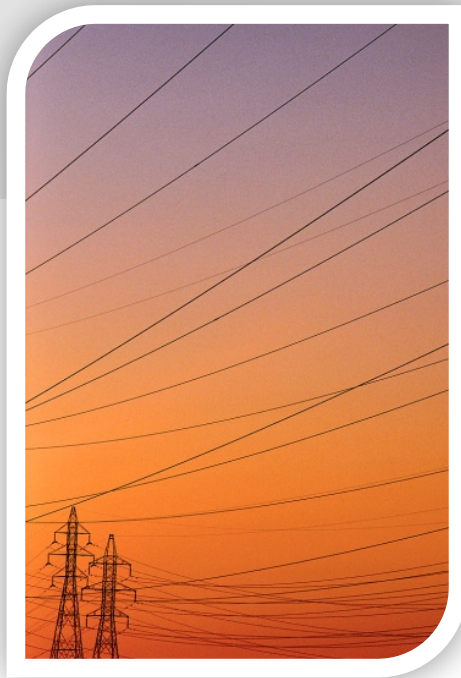


Rule changes - new distribution pricing framework

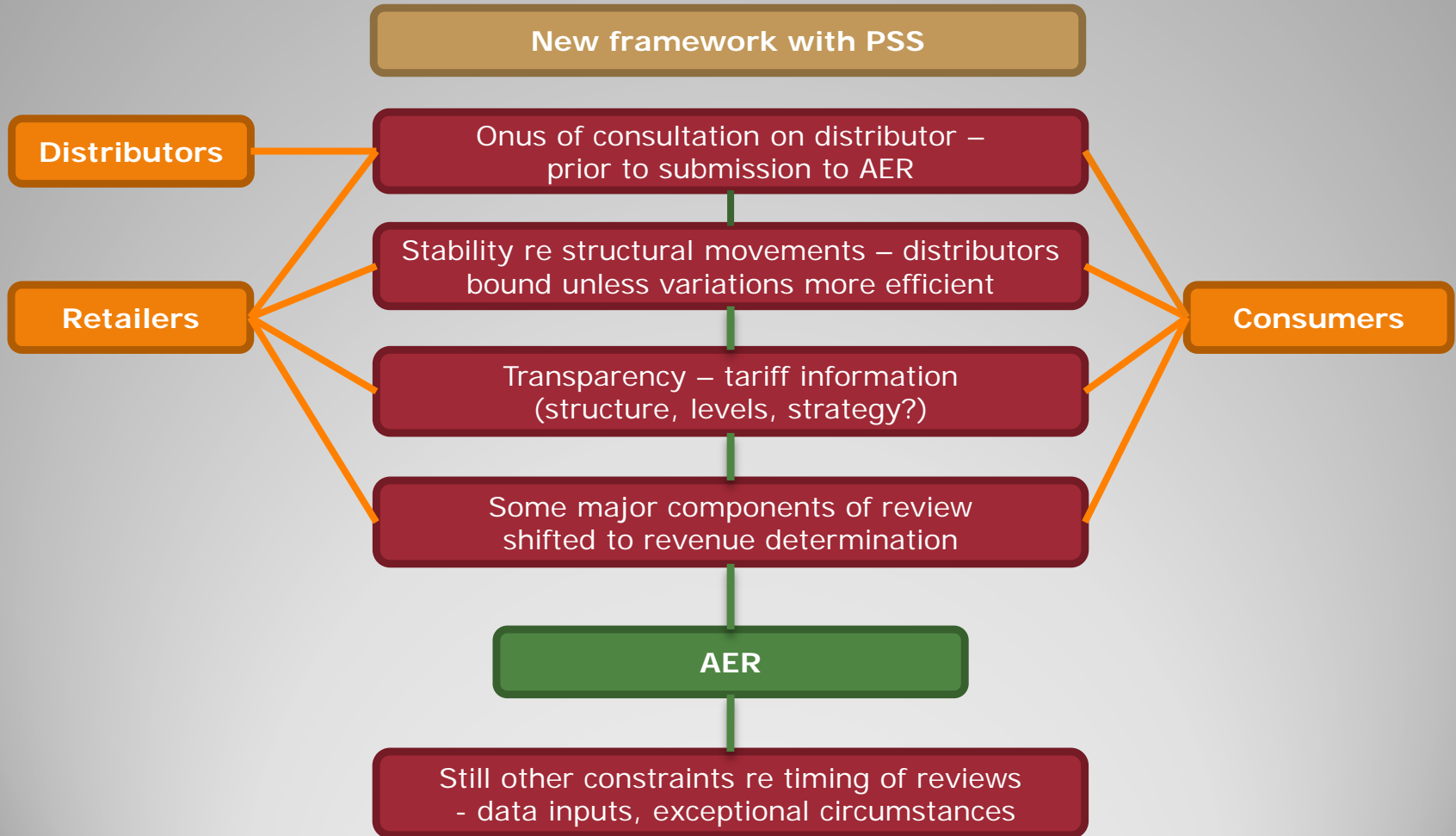
AEMC public forum,
November 2013



Andrew Reeves
AER chairman

AER AUSTRALIAN
ENERGY
REGULATOR

New tariff setting process



PSS components & consultation

- AER guideline on pricing consultation
 - Need explore consultation / engagement expectations of stakeholders > will likely vary for retailers & consumers
 - Standardisation possible?
- Linkage > AER guideline specifications & required components of PSS
- Need explore PSS scope > fix in NER or approach flexibly via AER guideline
- PSS should ideally extend to tariff strategy:
 - Problems being addressed
 - Stakeholder impacts
 - Transition approach

Transition to efficient tariffs

- More efficient (cost reflective) & flexible (time & location varying) tariffs required but...
- How manage transition - price volatility / certainty



END