

**ENERGY
CONSUMERS
AUSTRALIA**

A Suite 2, Level 14, 1 Castlereagh Street
Sydney NSW 2000
T 02 9220 5500
W energyconsumersaustralia.com.au
🐦 @energyvoiceau
in /energyconsumersaustralia
f /energyconsumersaustralia

ABN 96 603 931 326

18 October 2018

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

By email: ActewAGLremittal2014-19@aer.gov.au

Draft decision: Evoenergy (ActewAGL) 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 ACT electricity distributor, Evoenergy, for the 2014-19 regulatory control period.

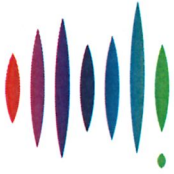
We supported Evoenergy's remittal proposal in our letter of 25 June 2018 to the Chief Executive Officer of Evoenergy, with the view that the benefits of the proposal outweighed the costs. Our understanding in this letter was that the Evoenergy would propose:

- A revenue allowance in accordance with the AER's set aside 2015 determination
- A retention of approximately \$26 million in over recovery of revenue (due to the application of the undertakings during the 2014-19 period), returning \$1 million to consumers in the 2019-24 period
- A reduced Service Target Performance Incentive Scheme penalty of \$1.2 million.

The AER's draft decision is to accept Evoenergy's proposal, which will see Evoenergy recovering total revenues of \$815.6 million (\$, nominal) from consumers over the 2014-19 regulatory control period. This includes \$26 million (which is additional to the 2015 revenue allowance); and an estimated additional \$1 million that will be returned to consumers in the 2019-24 regulatory control period.

We support this decision for the reasons outlined in our 25 June 2018 letter to Evoenergy, which is that consumers stand to benefit from:

- The resolution of the proposed price path, with Evoenergy forgoing to re-open the contentious issues arising from the Federal court decision
- The significant reduction in real operating expenditure, which is reflected appropriately in Evoenergy retaining \$26 million to meet costs associated with achieving this reduction, in particular redundancy costs
- No real increase in prices (for standard control services) over the period 2019-24 as a result of the proposal.



If you would like to discuss this submission further, please contact Chris Alexander, Director Advocacy and Communications on (02) 9220 5506 or by email at chris.alexander@energyconsumersaustralia.com.au.

Yours sincerely,

Rosemary Sinclair AM
CEO
Energy Consumers Australia