

27 June 2018

Mr Slavko Jovanoski
Assistant Director
Australian Energy Regulator
Level 20, 175 Pitt Street
Sydney NSW 2000

By email: slavko.jovanoski@aer.gov.au

Dear Mr Jovanoski

Evoenergy 2014-2019 Determination: Remittal Proposal

I write as the independent Chair of Evoenergy's Energy Consumer Reference Council (ECRC) in support of the distributor's remittal proposal for the remaking of their 2014-2019 electricity distribution determination.

The ECRC was established in late 2014 to promote the development of strengthened relationships between the then ActewAGL Distribution and their customers by facilitating a regular, open and frank dialogue. Our council, recently increased from 10 to 12 members, represents a broad spectrum of ACT community and business groups. The current membership of the ECRC is provided as an attachment to this letter. The group meets every second month and we held our 24th meeting in mid-June.

As our first ECRC meeting was in early December 2014, our members were not directly involved in the distributor's submissions leading up to the AER's draft determination for the 2014-19 regulatory period, which was released in late November of that year. However, from our first meeting we have been fully briefed on the issues surrounding the determination, initially and from time to time by CEO Michael Costello and also frequently by his senior staff. Our ECRC minutes confirm that the 2014-2019 determination was an agenda item at no fewer than 10 of our meetings to date, including a further detailed presentation by senior management and extensive discussion at our last meeting on 13 June 2018. We have of course been involved since mid-2016 in extensive briefings and discussions on the 2019-24 regulatory price review.

At our most recent meeting, it was the firm view of our council's consumer representatives that they are supportive of Evoenergy's holistic remittal proposal, which is designed to bring this ongoing process to a satisfactory conclusion and which we consider to be a very good compromise between the interests of the ACT consumer and the reasonable requirements of Evoenergy. Over the past three and a half years, our ECRC members have gained a much better understanding of the way the energy distribution system works and of the challenges faced by a regulated distributor. It would be fair to say that the starting point in late 2014 was that

all our members were seeking stable or cheaper electricity prices for their constituents, whether they were large or small businesses or aged pensioners. Extensive briefings and two way dialogue with the ActewAGL/Evoenergy staff has resulted in a much better understanding on our members part of what makes up an energy bill and the balance between price, reliability and business sustainability.

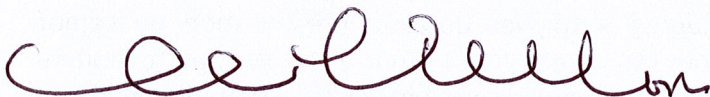
We note that the Evoenergy remittal proposal:

- delivers a reduction in real operating expenditure of some 22% compared with the previous regulatory period
- provides consumers with the benefits of efficiency gains made during the 2014-2019 period, while allowing Evoenergy to recover the bona fide costs of staff redundancies
- limits revenue recovered under a remade determination to \$26m, delivering a consumer benefit of \$98m
- provides price stability and certainty for consumers
- guarantees reduced distribution charges in the current regulatory period, with reductions in operating expenditure flowing through to the 2019-24 determination
- maintains Evoenergy's position whereby their distribution charges for ACT consumers represent the lowest share of the total electricity bill of all NEM jurisdictions

We believe that the Evoenergy ECRC is a highly representative body on behalf of ACT energy consumers and our members would welcome the AER's favourable consideration of Evoenergy's remittal proposal.

If you have any questions in relation to this letter, please do not hesitate to contact me on 0418 112 084 or allanwilliams4@gmail.com.

Yours sincerely



Allan Williams

Chair, Evoenergy Energy Consumer Reference Council

Attachment: ECRC membership:

Tuggeranong Community Council
Australian National University (ANU)
Engineers Australia
Canberra Business Council
Master Builders Association
See-Change
Gungahlin Community Council
Council of the Ageing (COTA)
Property Council of Australia (ACT)
ACT Council of Social Services (ACTCOSS)
ACT Youth Advisory Council
Canberra Urban and Regional Futures (CURF)