

12 April 2018



Mr Sebastian Roberts  
General Manager, Network Expenditure  
Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3001

By email to: [endeavourremittal2014-19@aer.gov.au](mailto:endeavourremittal2014-19@aer.gov.au)

Dear Mr Roberts

### **Endeavour Energy Remittal Proposal**

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact on disadvantaged and marginalised people. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in the NSW energy and water markets.

PIAC welcomes the opportunity to comment on Endeavour Energy's remittal proposal for the 2014-19 regulatory control period. PIAC supports Endeavour Energy's proposal to accept the AER's 2015 final determination and retain some over-recovered revenue with a limit of \$110 million across the period.

### **Endeavour Energy's stakeholder engagement**

PIAC supports the approach Endeavour Energy has taken to stakeholder engagement about the remitted decisions for the 2014-19 period. Endeavour Energy has engaged with the AER, Consumer Challenge Panel and consumer advocates in making its remittal proposal. This built on Endeavour Energy's extended consumer engagement program for their 2019-14 proposal, which PIAC considers have been positive.

### **The proposal**

In PIAC's view, Endeavour Energy's proposal is in the long-term interests of consumers. By proposing to accept the regulator's 2015 final determination, Endeavour Energy will ensure that their customers do not face the increase in bills associated with the opex allowance and rate of return originally sought by Endeavour Energy.

Furthermore, the prompt resolution of this process, and the removal of the potential for judicial review of the AER's re-made decision by Endeavour Energy, is in consumers' interests.

On balance, PIAC considers it reasonable for Endeavour Energy to recover a maximum of \$110 million over the revenue allowance set in the 2015 final determination, on the basis that this appears to be a lower cost than the revenue foregone by Endeavour Energy on opex and rate of return.

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**Continued engagement**

PIAC would welcome the opportunity to meet with the AER and other stakeholders to discuss these issues in more depth.

Yours sincerely

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