

14 August 2018



Mr Slavko Jovanovski
Assistant Director
Australian Energy Regulator
GPO Box 3648
SYDNEY NSW 2000

By email to: EndeavourRemittal2014-19@aer.gov.au

Dear Mr Jovanovski,

Endeavour Energy Remittal – Draft Determination

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 respond to the AER's Draft Determination on Endeavour Energy's remitted 2014-19 revenue determination. 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. Therefore, we support the AER's draft determination to accept this proposal.

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 effectively 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 AER's draft determination

PIAC contends that the AER's draft determination promotes the long-term interests of consumers. By re-making the decision in accordance with the 2015 final determination, the AER will ensure that Endeavour Energy's customers do not face the increase in bills associated with the opex allowance and return on debt originally sought by Endeavour Energy.

PIAC concurs with the AER that the timely resolution of this process, and the removal of the potential for judicial review of the 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

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determination, on the basis that this appears to be a lower cost than the revenue foregone by Endeavour Energy on opex and return on debt.

Continued engagement

We look forward to continued engagement with the AER. Please contact Tim Harrison or me should you wish to discuss any of these matters further.

Yours sincerely,

Miyuru Ediriweera
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Public Interest Advocacy Centre

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