Economic regulation of Victoria’s electricity networks: Role model or room for improvement?

Presentation to Australian Institute of Energy Economists

Melbourne

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Contents

• Customer outcomes
  – Retail and network prices
  – Some residential tariff characteristics

• Industry outcomes
  – Revenues
  – Assets
  – Operating factors
  – Efficiency
Household electricity price index (constant currencies of each country/bloc)

- United States of America
- European Union (27 countries)
- Canada
- Japan
- Australia
- Australia (AEMC projections)
Network services charges for average usage households
(PPP-adjusted exchange rates)

Australian cents per kWh

USA: 6
GB: 12
Australia: 14
Regulated assets per connection

- Privately owned
- Government owned

$\{(2013)\}$

$0$ $1,000$ $2,000$ $3,000$ $4,000$ $5,000$ $6,000$ $7,000$ $8,000$ $9,000$ $10,000$

Line Length - Ratio since 2006

- Ergon Energy
- Energex
- Essential Energy
- Ausgrid
- Endeavour Energy
- CitiPower
- Jemena
- Powercor
- SP Ausnet
- United Energy
- Aurora Energy
- SA Power Networks

(ratio)

2006 2007 2008 2009 2010 2011 2012 2013

0.80 0.85 0.90 0.95 1.00 1.05 1.10 1.15
Transformer Capacity - Ratio since 2006

- Ergon Energy
- Energex
- Essential Energy
- Ausgrid
- Endeavour Energy
- CitiPower
- Jemena
- Powercor
- SP Ausnet
- United Energy
- SA Power Networks

(ratio)

2006 2007 2008 2009 2010 2011 2012 2013
RAB - Ratio versus 2006

(Ratio versus 2006)