

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

Presentation to Australian Institute of Energy  
Economists

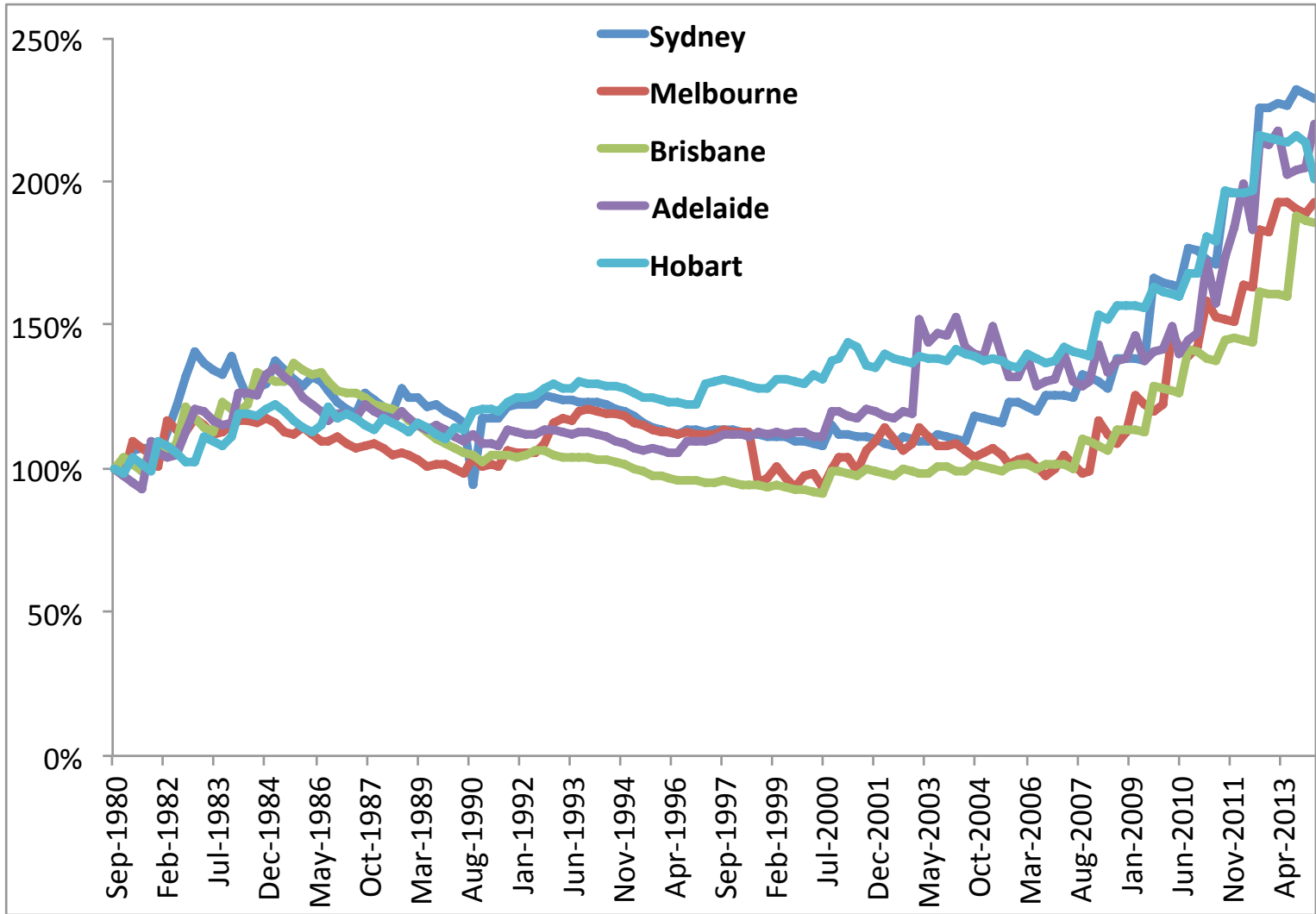
Melbourne

25 June 2014

Bruce Mountain  
Director

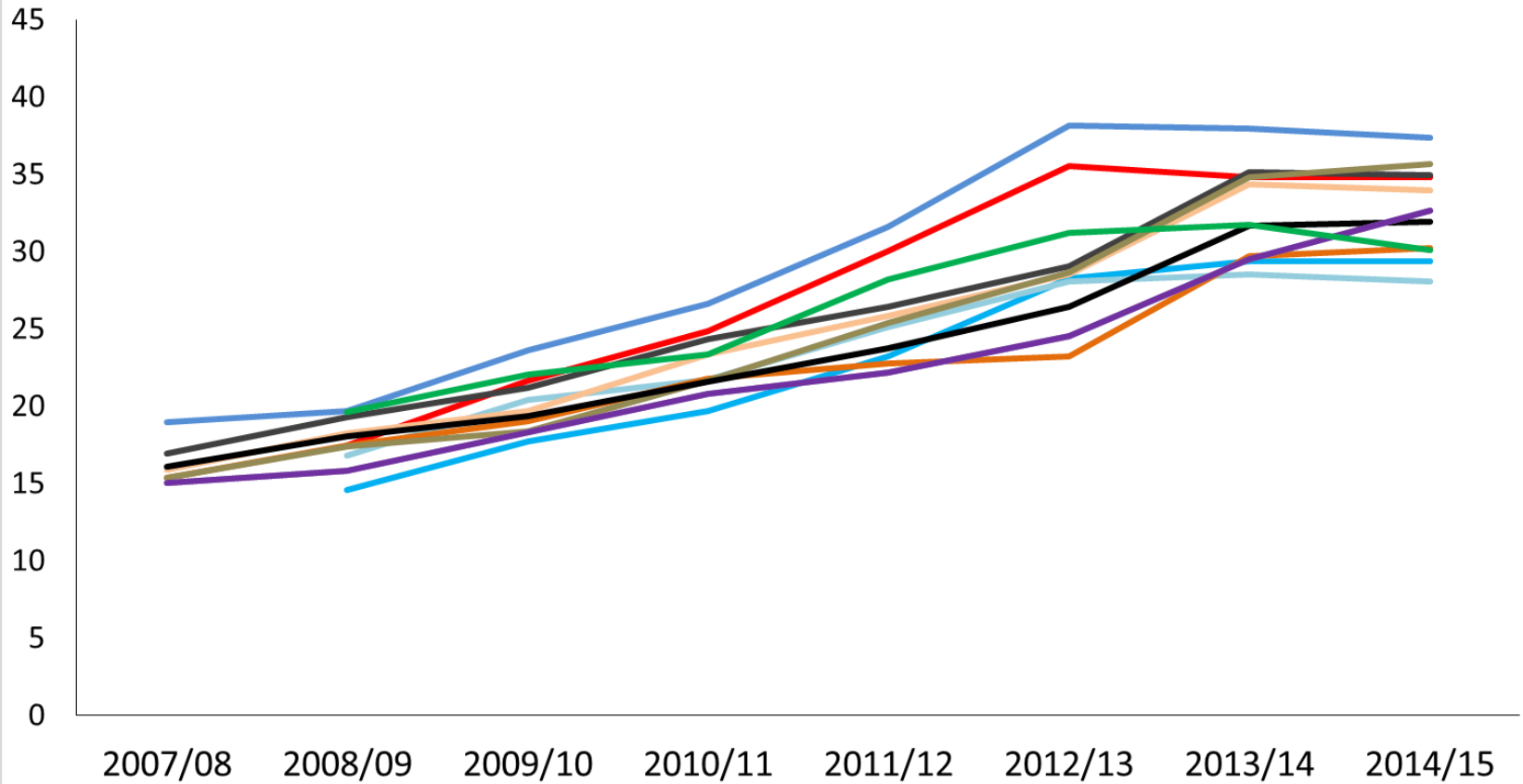
# Contents

- Customer outcomes
  - Retail and network prices
  - Some residential tariff characteristics
  
- Industry outcomes
  - Revenues
  - Assets
  - Operating factors
  - Efficiency



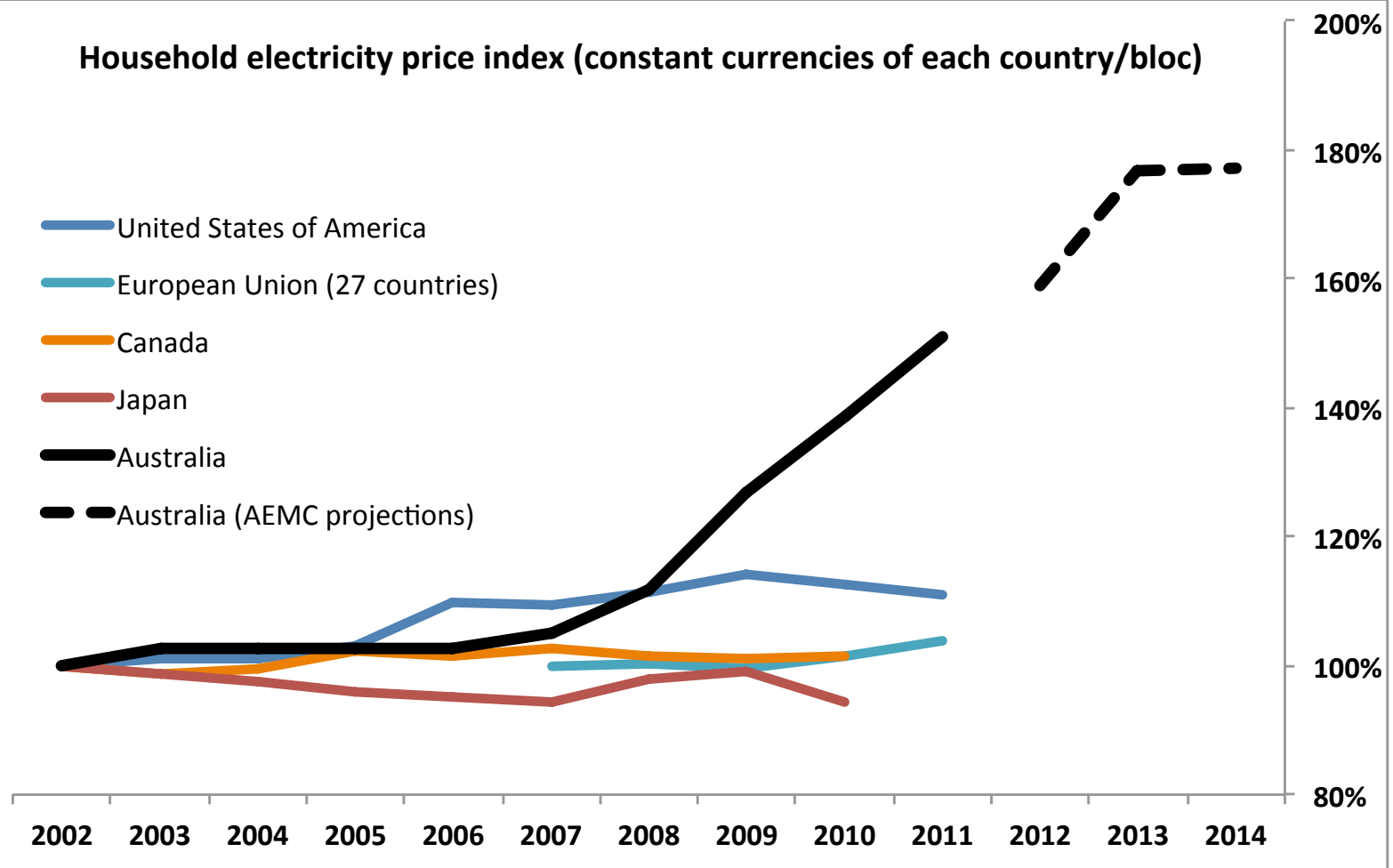
### Average Retail Charge - 2007/08 to 2014/15 (regulated reference tariffs)

- SA Power Networks (SA)    Ausgrid (NSW)    Endeavour Energy (NSW)    Essential Energy (NSW)
  - CitiPower (VIC)    Jemena (VIC)    Powercor (VIC)    SP-Ausnet (VIC)
  - United Energy (VIC)    Energex (QLD)    Ergon Energy (QLD)    Aurora (TAS)
- (cents per kilowatt hour)



## 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

16

14

12

10

8

6

4

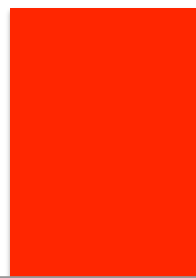
2

0

USA

GB

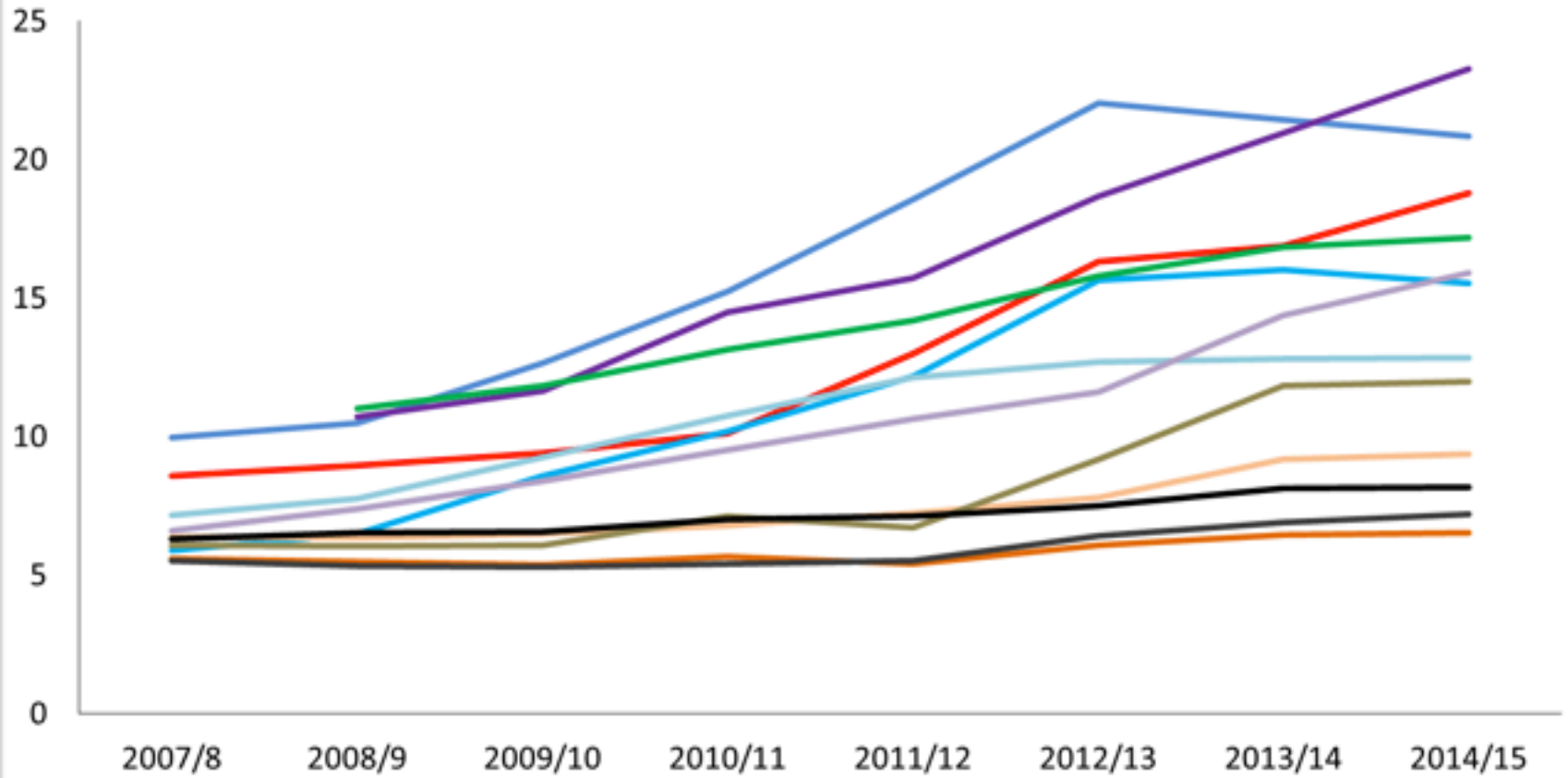
Australia

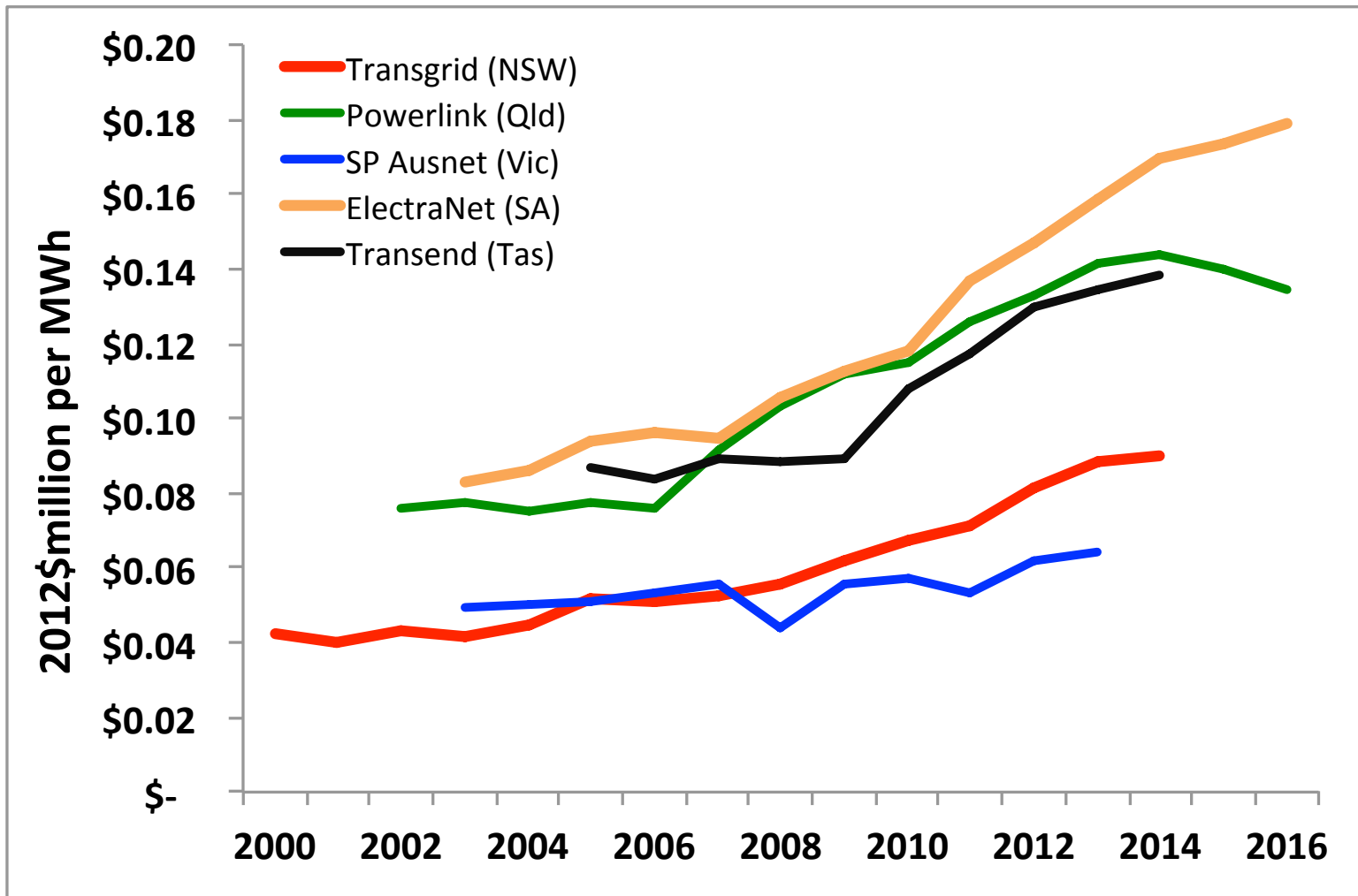


### Average Network Charge - 2007/08 to 2014/15

- SA Power Networks (SA)      Ausgrid (NSW)      Endeavour Energy (NSW)      Essential Energy (NSW)
- CitiPower (VIC)              Jemena (VIC)              Powercor (VIC)              SP-Ausnet (VIC)
- United Energy (VIC)        Energex (QLD)              Ergon Energy (QLD)        Aurora (TAS)

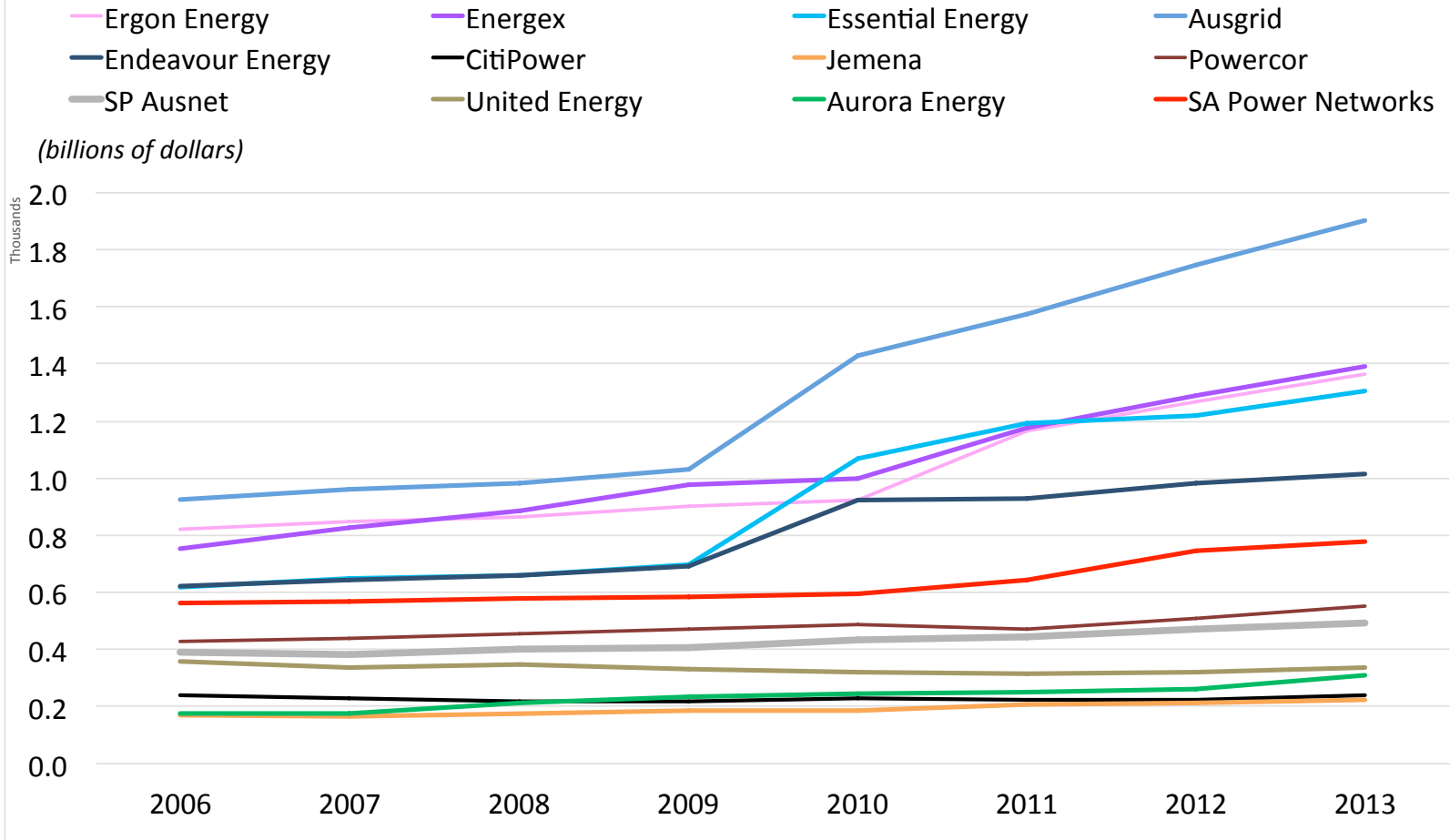
(cents per kilowatt hour)



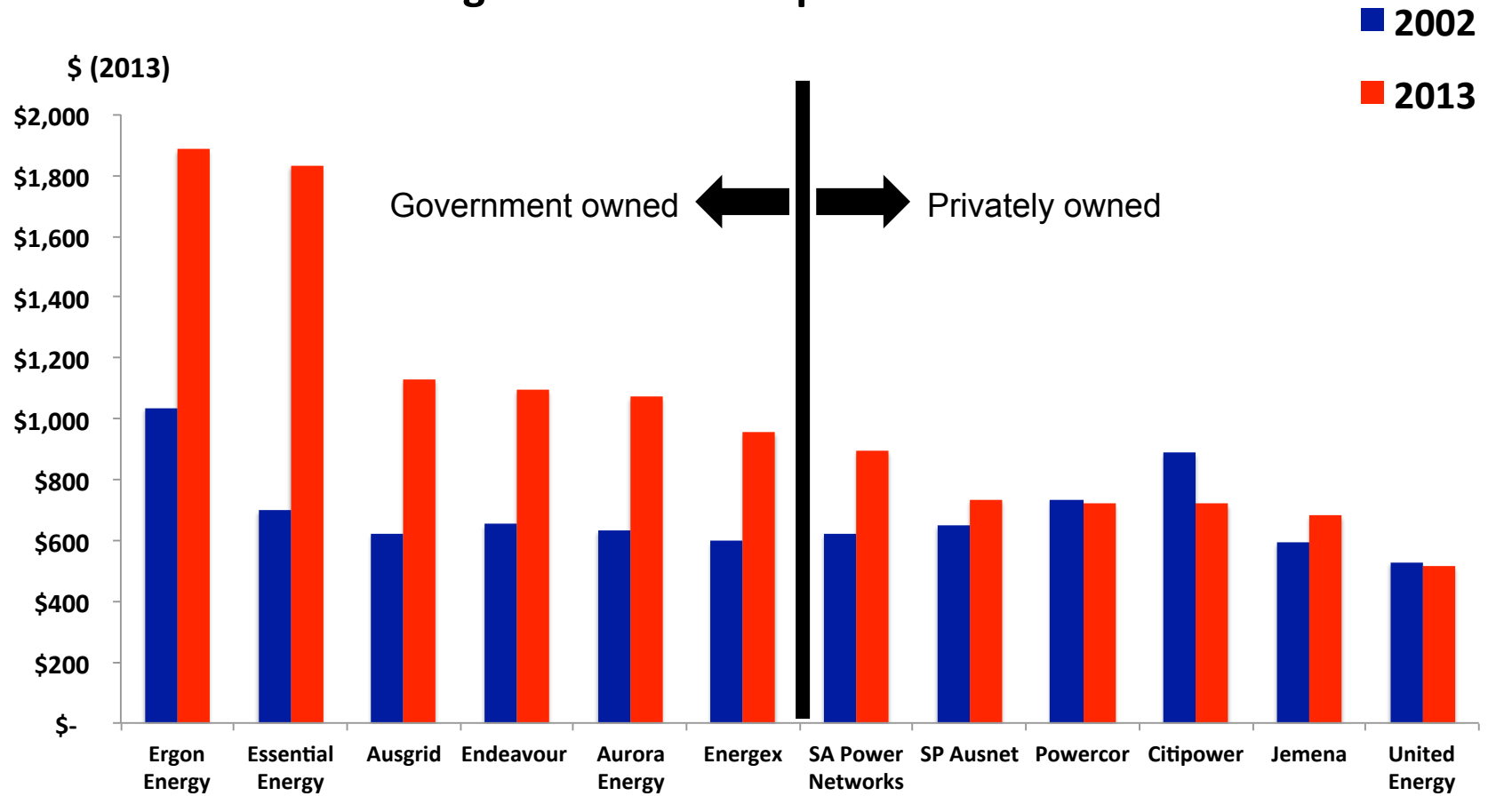




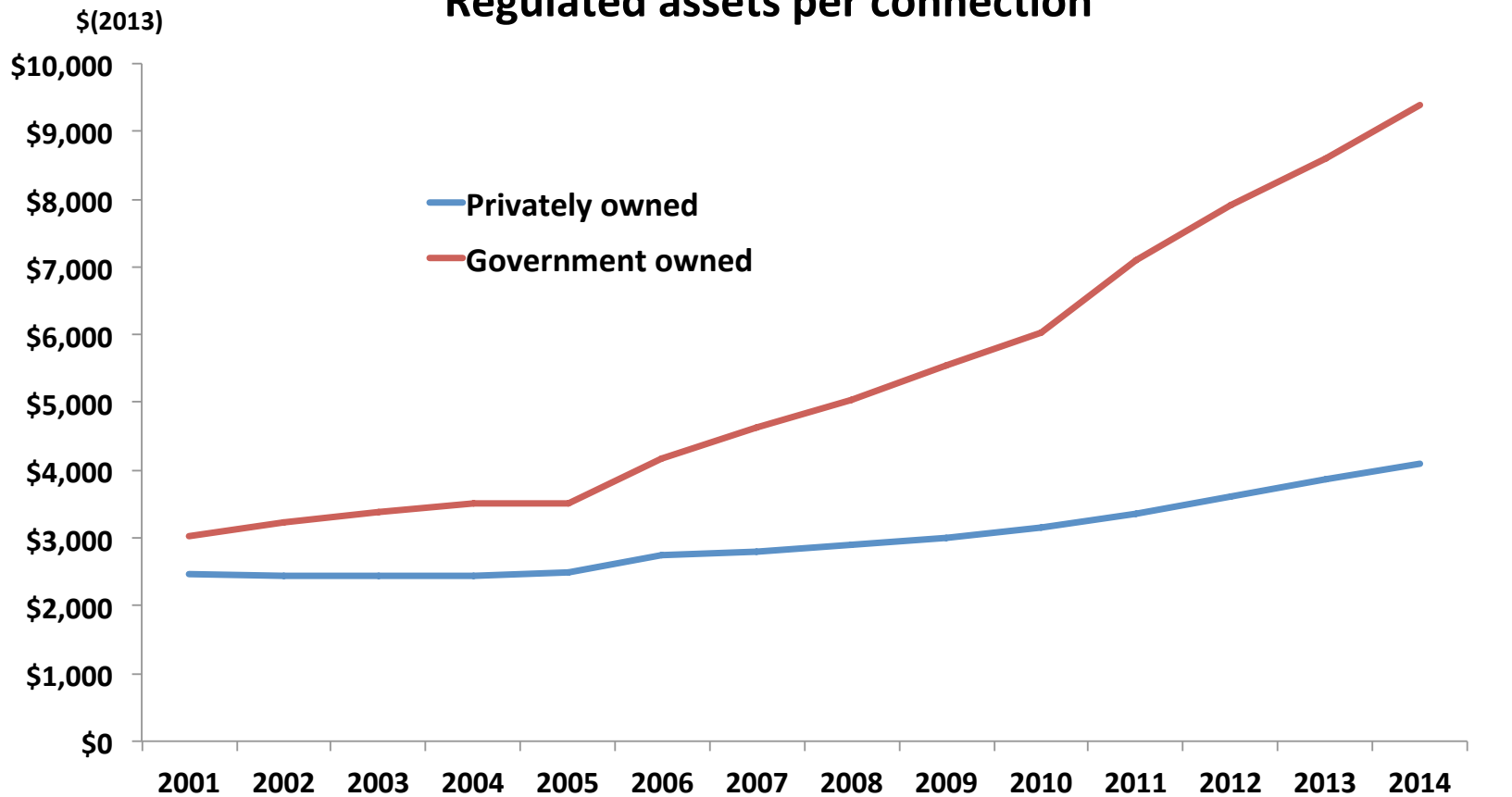
## Revenue Allowed



## Regulated revenue per connection



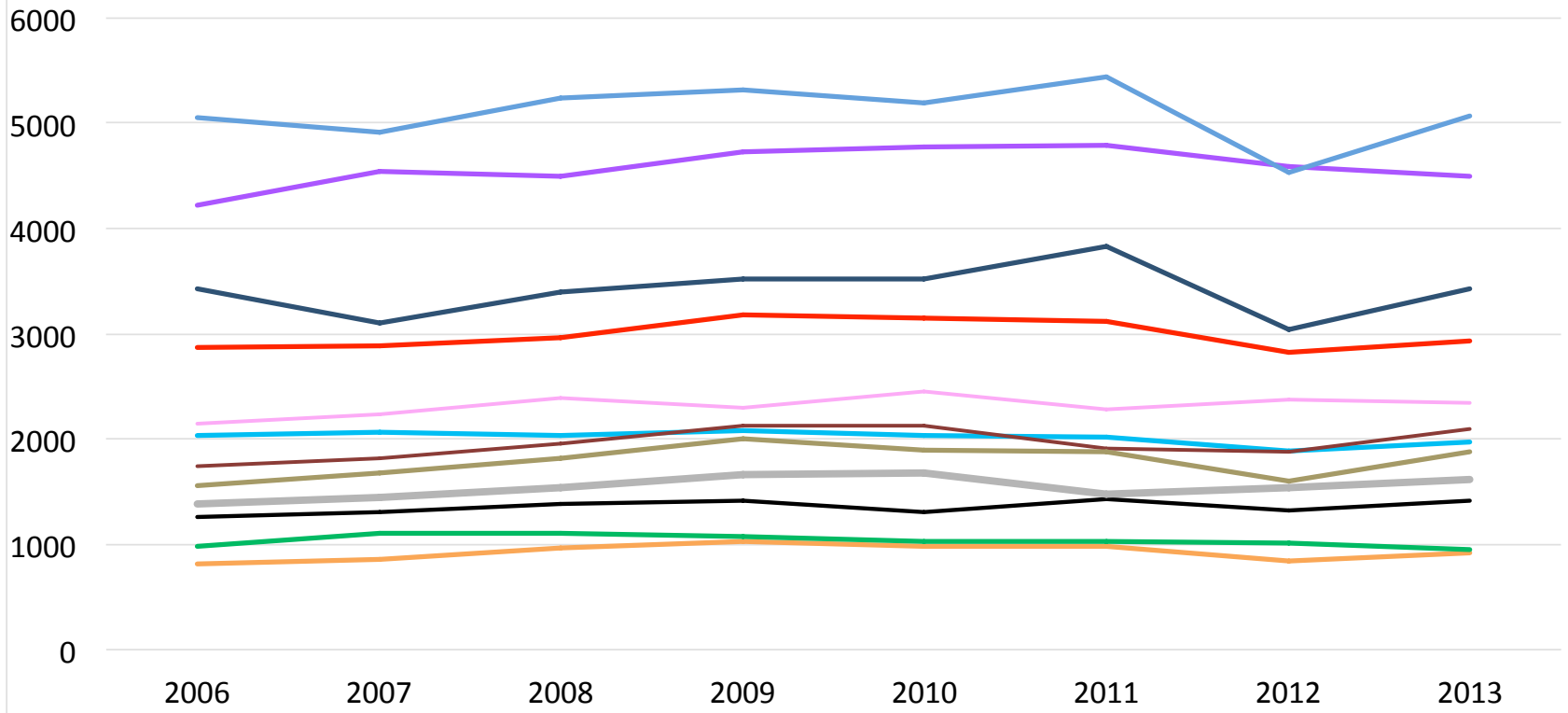
## Regulated assets per connection



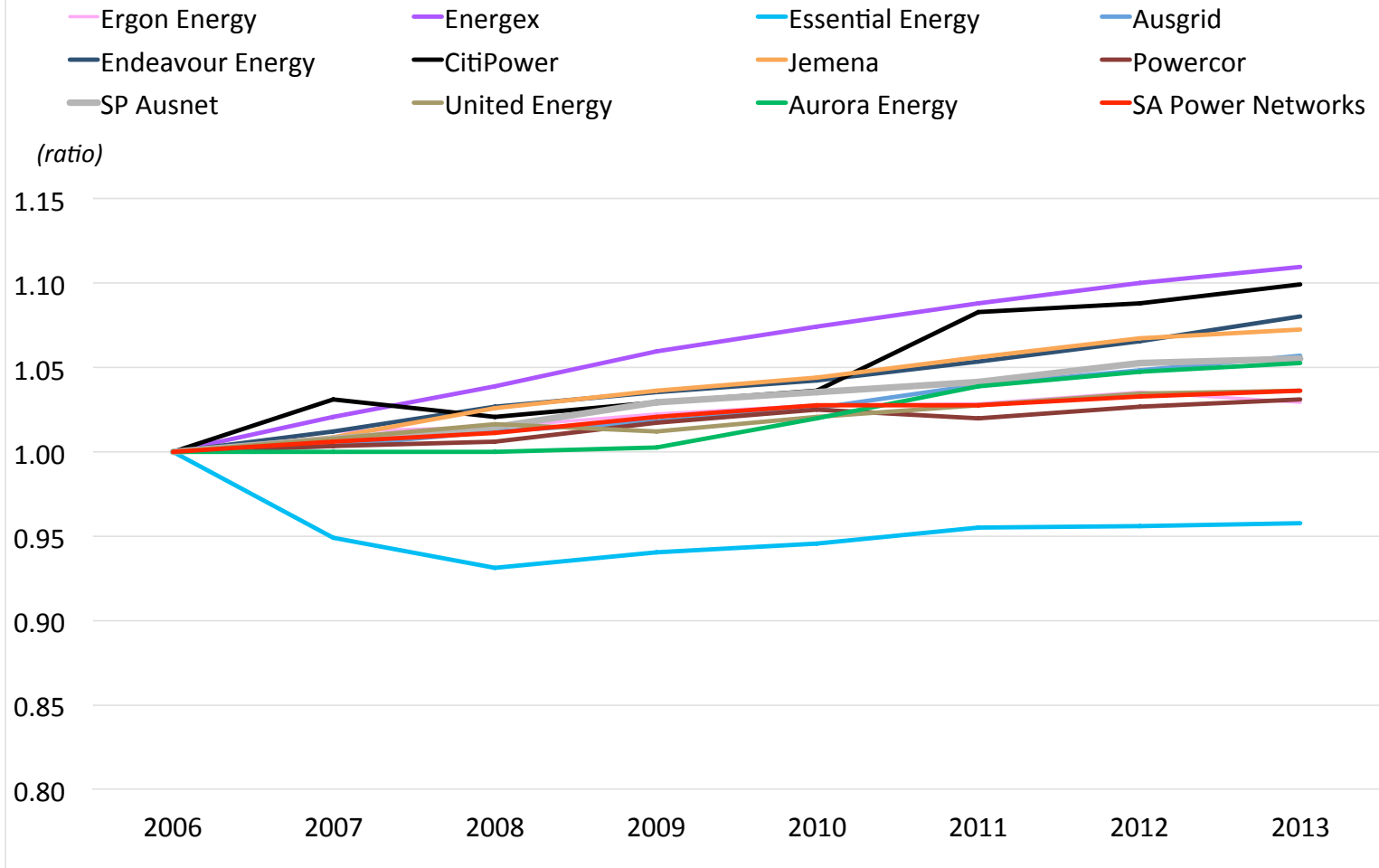
# Peak Demand

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

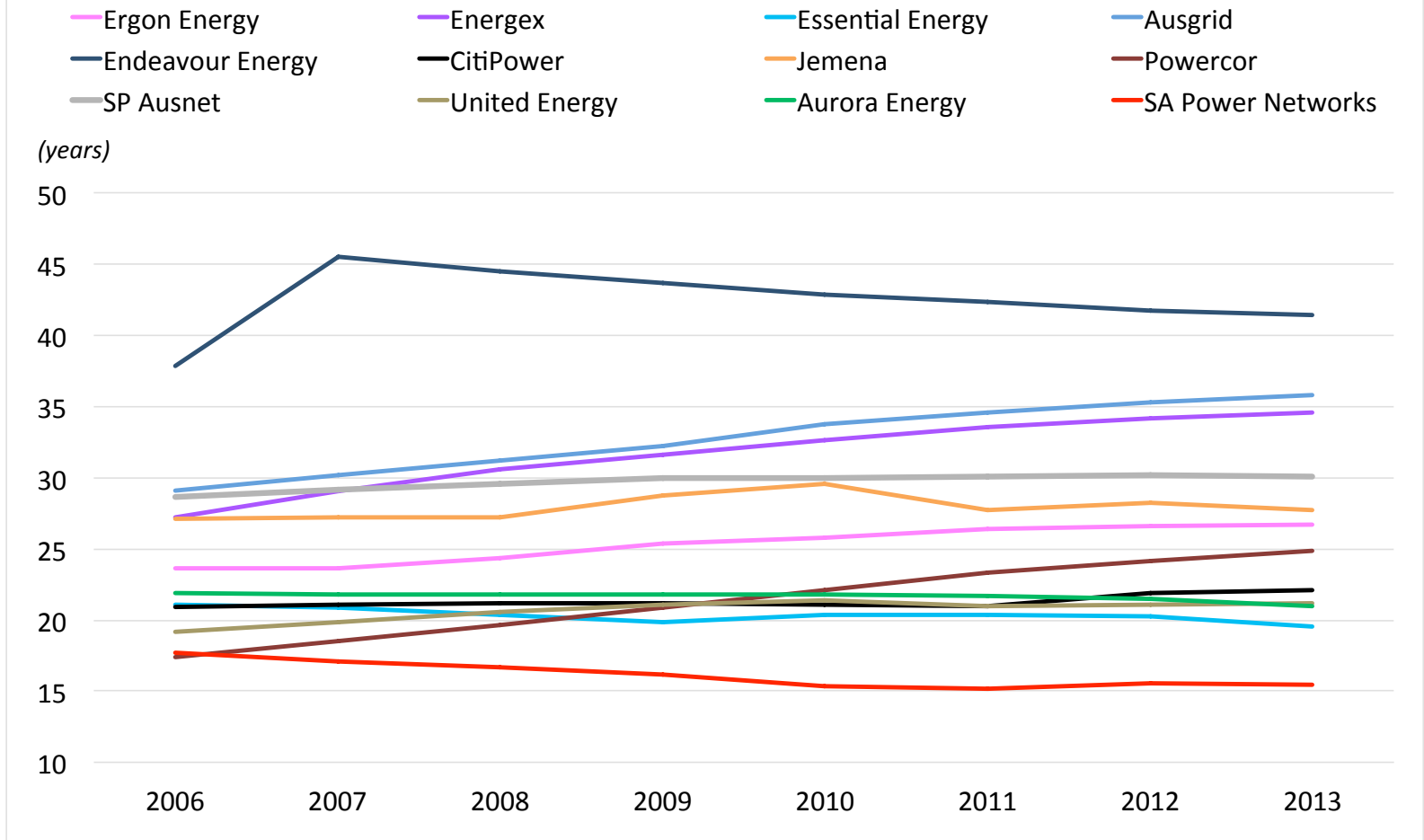
(megawatts)



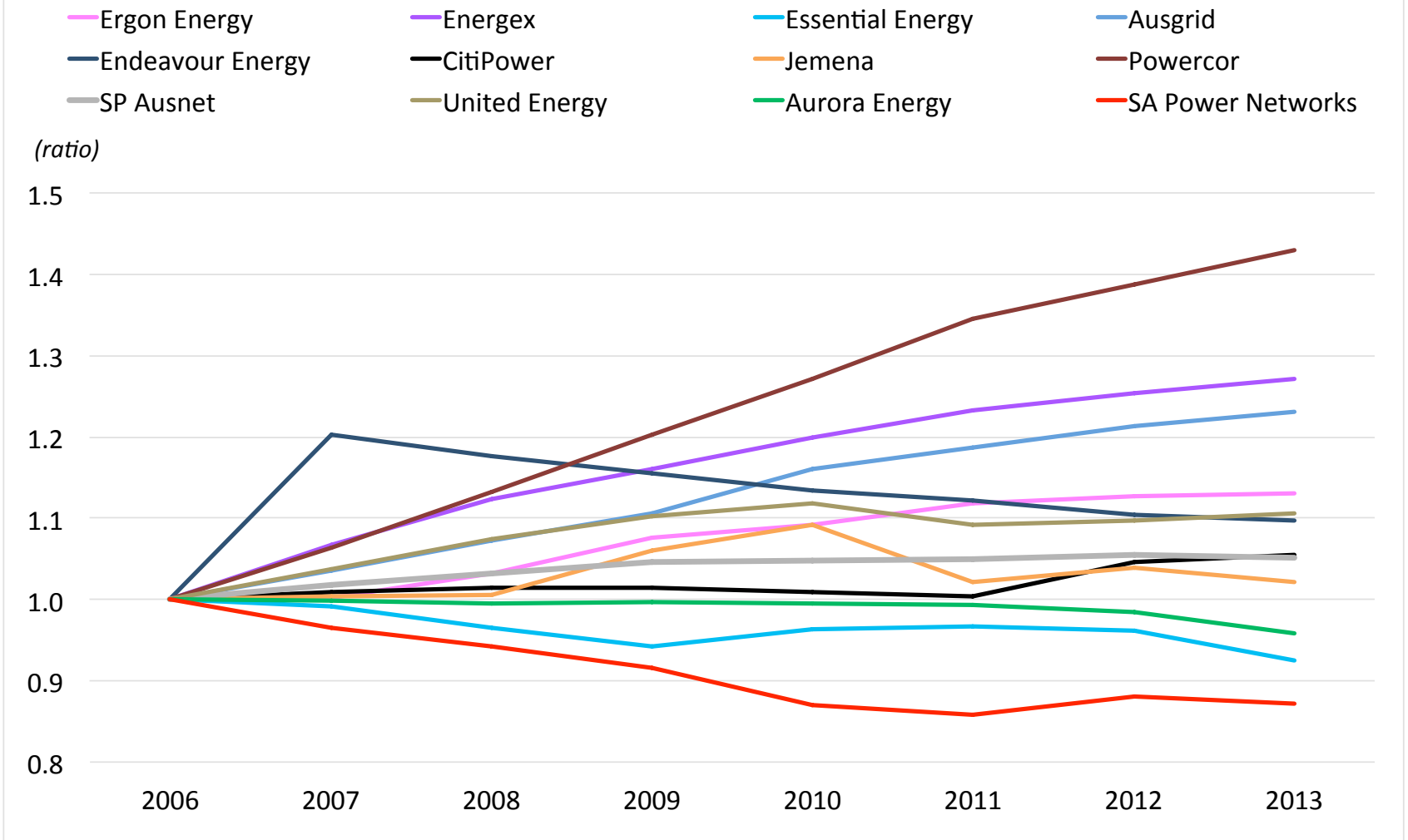
## Line Length - Ratio since 2006



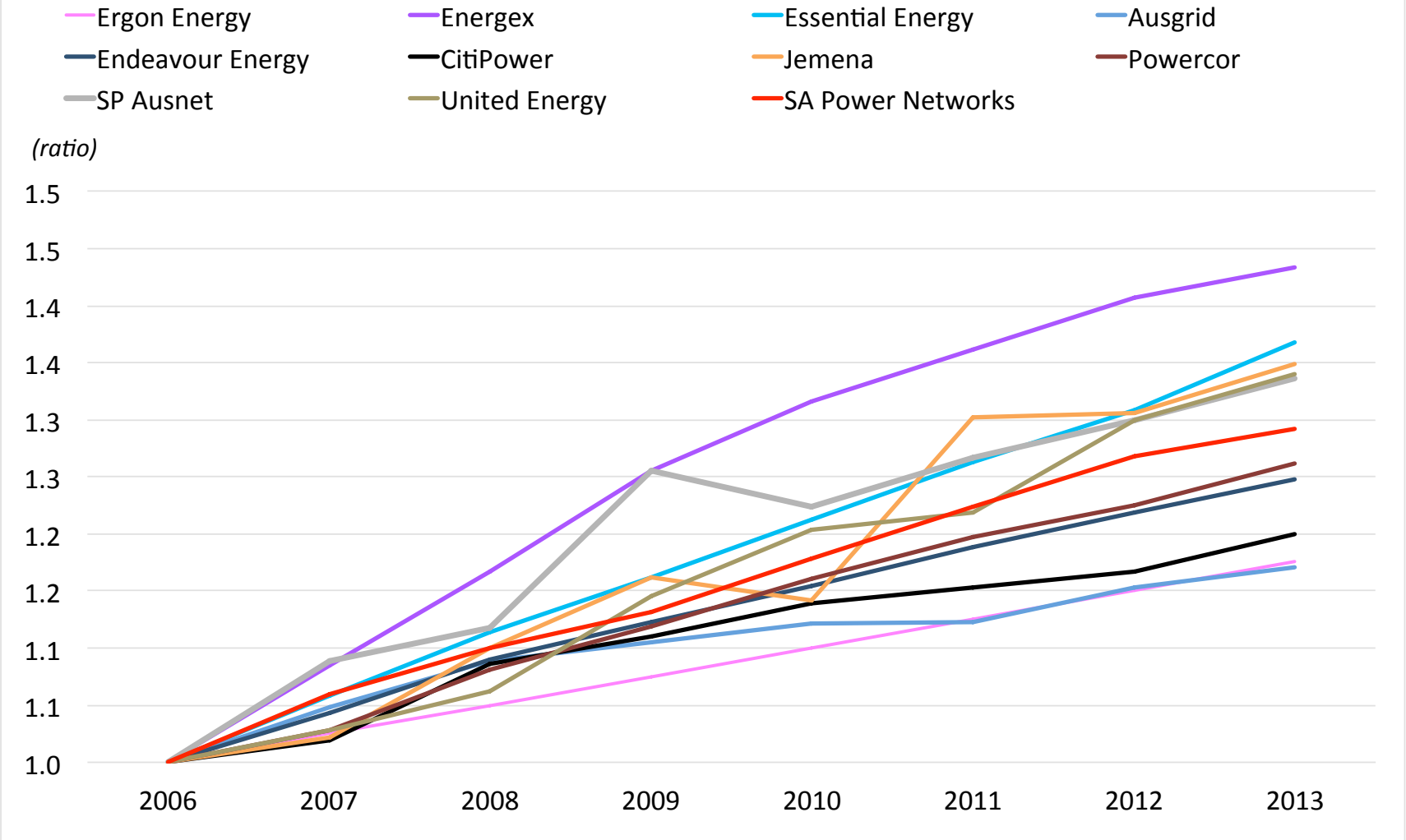
## Weighted Avg Service Life Remaining



## Weighted Avg Service Life Remaining - ratio



## Transformer Capacity - Ratio since 2006





## RAB - Ratio versus 2006

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

(Ratio versus 2006)

