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Independent decisions focused on needs of electricity customers

A Federal Court decision today confirms the essential role of the Australian Competition Tribunal in protecting the interests of energy customers.

The Federal Court has upheld the Australian Competition Tribunal decision to set aside key aspects of the Australian Energy Regulator's (AER) original 2014-2019 revenue determination for NSW and ACT Networks.

Energy Networks Australia Chief Executive Officer John Bradley welcomed the independent confirmation that the original decisions could be improved to ensure sufficient funding for sustainable services.

"While the decisions still need to be analysed, New South Wales electricity businesses do not expect a price shock or material impacts on customer bills," Mr Bradley said.

"The energy networks initiated these appeals to ensure they can meet customer needs, to keep the lights on, energy reliable and to manage bushfire and other safety risks.

"Australia has a high quality, expert energy regulator in the AER and the oversight of the Competition Tribunal provides quality assurance to protect customers' interests.

"Energy networks and their customers both want to achieve lower prices while maintaining the safe, reliable and secure electricity service that customers value.

"The Competition Tribunal and the Federal Court have played a key role in ensuring a careful balance in their robust independent decisions."

By law, the Tribunal cannot overturn decisions unless it results in a better outcome for customers.

The relevant energy networks will work closely with the AER following today's Federal Court decision.

Mr Bradley said customer bills would not be impacted in the short term by the Federal Court decision and regulatory changes would allow phasing in over five years.

"The decisions still need to be implemented by the AER and businesses. However, Endeavour Energy expects network charges to remain steady, Ausgrid expects it may lead to a small increase for its customers of 1.5% a year for five years, and Essential Energy indicates it is unlikely to impact the current regulatory period to 2019," Mr Bradley said.

"Any bill impacts to fund sustainable network services are likely to be outweighed by the savings most customers could make today by shopping around for a better retail energy deal.

"The AER has estimated an average NSW household could save up to \$77 per annum by switching to the average market deal."

Networks will not be passing on the costs of taking part in this review process, and cannot do so by law.

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Media contact: Taryn Bevege (02) 6272 1524 or 0447569029

tbevege@energynetworks.com.au

Background Information

The NSW and ACT Networks appealed parts of the AER's original revenue decision in order to maintain vital customers services and to ensure that customers and workers are safe.

The appeals were made through the Australian Competition Tribunal. This appeal process is known as limited merits review.

The AER then applied to have the Tribunal's findings reviewed by the Federal Court which handed down its decision today.

Energy Networks Australia represents Australia's electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.