



## Media Statement

18 September 2012

### **VICTORIA'S DISTRIBUTION BUSINESSES CONTRIBUTE TO SENATE SELECT COMMITTEE ON ELECTRICITY PRICES**

The five Victorian electricity distribution businesses, CitiPower, Jemena, Powercor Australia, SP AusNet and United Energy have delivered real price reductions and improved reliability to consumers since privatisation in the mid-1990s.

In a submission to the Senate Select Committee on Electricity Prices, Victoria's electricity distributors outlined a number of key observations and constructive solutions based on their experience since privatisation.

Importantly, network charges paid by Victorian consumers decreased by 20 per cent in real terms between 1995 and 2010, with the network component (including metering costs) now making up around 32 per cent of the average residential electricity bill.<sup>1</sup>

A key issue covered in the submission is how to effectively manage peak demand. Electricity assets are built, operated and maintained in response to growth in peak demand. The distributors will continue to work with governments, regulators, retailers and consumers on innovative ways to reduce these peaks, and thereby reduce costs to consumers.

The Victorian Government's mandated smart meter rollout gives Victoria's distributors a unique perspective on how we, and others across the electricity and technology supply chain, can deliver increased benefits to consumers. These benefits include technologies which are already giving Victoria's electricity consumers more insight into their electricity consumption patterns, so they can make more informed choices and save money.

In the future, the platform established via advanced metering technology will enable genuine peak demand management, as will the introduction of flexible pricing.

The Senate Select Committee Inquiry comes at an important time for Australian regulated electricity businesses, with a number of reviews already underway. Victoria's electricity distribution businesses understand consumer concerns about rising energy prices and support the intent of these reviews and this Inquiry.

Victoria's distribution businesses emphasise the need for these reviews to focus on ensuring consumers continue to receive safe, efficient and reliable electricity supply that is adapted to their evolving needs.

The distributors strongly support a robust regulatory regime and an independent, capable and accountable regulator to ensure consumers and industry both get a "fair go". While there is scope for incremental improvement in the existing regulatory arrangements, the current framework balances consumer and industry interests.

---

<sup>1</sup> Based on Victorian standing offer contracts

The distributors look forward to making an active and constructive contribution to the Senate Select Committee's Inquiry.

Click [here](#) to view the Victorian electricity distribution businesses' submission.

- Ends -

Media contact:-

Hugo Armstrong, CitiPower and Powercor 0419 311 928