

Friday 4 June 2010

SP AusNet outlines key electricity distribution priorities for 2011-2015

With the Australian Energy Regulator's draft determination for all Victorian electricity distribution businesses due today, SP AusNet takes the opportunity to outline the key aspects of its regulatory submission.

SP AusNet - one of five Victorian electricity distribution businesses – supplies electricity to approximately 620,000 homes and businesses in the north and east of the state.

One of the main areas of focus in SP AusNet's regulatory submission is its commitment to delivering high quality service to end-consumers.

SP AusNet Managing Director Nino Ficca said "with business and household connections in SP AusNet's network expected to increase by around 68,000 by 2015, the proposals outlined in our submission are designed to meet this increased demand, while also maintaining reliability.

"Electricity demand, in particular peak demand, has exceeded forecasts in the last five years, so our plans for the next five years aim to incorporate this forecast growth and meet this increased demand.

"During the current regulatory period, SP AusNet has invested amounts significantly above its regulatory benchmark to improve network reliability, meet increased demand, at the same time ensuring high service and safety levels.

"SP AusNet's regulatory submission includes net capital expenditure of \$1,371 million (adjusted annually for inflation) for the 2011-15 period to meet increased demand growth, continue augmenting and replacing infrastructure, support a greater emphasis on information technology, and meet safety requirements.

"For example, our proposal continues our asset replacement and refurbishment programs designed to maintain the safety and reliability of electricity supply.

"With a changing energy landscape across the country, the need to continue to invest and manage energy use and energy networks safely, reliably and on a sustainable basis is not something unique to Victoria.

"While network costs are only a portion of electricity bills, we are keenly aware of price impacts on consumers. This is why we aim to minimise cost impacts while ensuring the long-term safety and reliability of networks is maintained.

"SP AusNet will carefully assess the draft determination and continue to work with the Australian Energy Regulator to ensure the efficient, reliable and safe supply of electricity to Victorian consumers," he said.

Notes to editors

SP AusNet submitted its regulatory proposal for the regulatory period 2011-2015 to the Australian Energy Regulator (AER) on 30 November 2009.

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This proposal applies to SP AusNet's electricity distribution business that supplies power to approximately 620,000 homes in north and east Victoria. SP AusNet employs more than 1,500 staff to work across its energy networks in regional Victoria.

The AER's final decision is due in October 2010.

The submission can be found at the following link to the AER website:

<http://www.aer.gov.au/content/index.phtml/itemId/732546>

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