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## Electricity distribution prices to rise \$20 for SA customers in 2010-2011

ETSA Utilities CEO Rob Stobbe has responded to the release of the independent Regulator's final determination on distribution network pricing for 2010-2015, with news of the specific impact for customers.

"Following the determination, our next task is to set our tariffs for 2010-2011. We'll finalise these in a few weeks and, with various adjustments that moderate the impact of the regulator's decision, we expect the impact will be an increase of about \$20 for the typical residential customer in 2010-2011 and of a similar order for a typical small business customer," Mr Stobbe said.

He said ETSA Utilities expects distribution costs to increase the final price paid by customers by about 3% p.a. (including CPI estimate of 2.52% p.a.) over the five years of the regulatory period. (Note: distribution costs make up about 35% of the bill for South Australian residential electricity customers).

"This will mean distribution cost increases for residential customers averaging about \$50 per year," Mr Stobbe said.

"While it has not agreed to all that we proposed, the Australian Energy Regulator (AER) has approved a capital program of \$1.65 billion that is essential for supporting the State's growth and ongoing prosperity.

"In doubling our investment in the next five years, we will be able to build the capacity of the network to meet growing demand as South Australia grows; to upgrade ageing assets; improve security of supply; and maintain reliability," Mr Stobbe said.

"The increases announced today are considerably lower than those determined or proposed for interstate and ensure ETSA Utilities remains a national cost efficiency leader in electricity distribution," Mr Stobbe said.

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Background: Every five years, the Regulator (now the *Australian Energy Regulator*) must make a pricing determination regarding electricity distribution services for South Australia. The AER today issued its final determination in preparation for a 1 July commencement for the 2010-2015 regulatory period.

### About ETSA Utilities

ETSA Utilities is South Australia's electricity distributor, delivering electricity to more than 800,000 customers. We are one of South Australia's largest organisations, employing about 1800 people throughout metropolitan and regional SA. ETSA Utilities is 51 percent owned by Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings, which form part of the Cheung Kong Group of companies. The remaining 49 percent is owned by ASX-listed Spark Infrastructure.