

17 June 2016

United Energy appeals AER's final decision for the 2016-20 EDPR

United Energy (UE) has lodged a merits appeal relating to the Australian Energy Regulator's (AER) final decision on UE's 2016-2020 Electricity Distribution Pricing Review (EDPR) proposal. The first matter is the AER decision on the valuation of taxation credits (gamma).

The AER applied a figure of 0.4 to the valuation of gamma in preference to United Energy's proposal of 0.25. In doing so, the AER rejected the Australian Competition Tribunal's (ACT) decision on the matter for Networks NSW released in March this year and the ACT's decision for gamma in 2011 for UE's last EDPR reset.

United Energy Chief Executive Officer Tony Narvaez said: "It is regrettable that we must appeal this matter, given the ACT has already ruled in favour of our position on two previous occasions."

The second matter relates to the AER's inflation forecast. Mr Narvaez said that while he was concerned by other aspects of the final determination, such as the reduced allowance for replacement capital expenditure and the approach to estimating the cost of debt, these had been accepted.

"We look forward to these matters being considered by the Australian Competition Tribunal and anticipate the appeal being resolved in 2017. We remain committed to providing safe and reliable electricity to our 660,000 customers at the lowest reasonable cost."

Media enquiries:

Samantha Porter
United Energy
0418 307 139