

## Electricity prices set to rise in 7 weeks' time

Today the Australian Energy Regulator (AER) has released its final decision on the distribution pricing that ETSA Utilities, the South Australian electricity distributor, has proposed for the period 1 July 2010 - 30 June 2015.

Based on the figures in today's determination, based on the typical residential customer's annual retail electricity charges of \$1400 in 2009–10, that customer can expect to pay 6% or around \$84 more in charges in 2010–11. Beyond 2010–11, further price rises for residential customers will be around 3.4% or \$52 each year.

"What is now critical is how ETSA responds," said SACOSS Executive Director Ross Womersley.

"ETSA Utilities, which is the sole distribution provider in SA, now has about three weeks to submit for approval its Pricing Proposal. Until that is accepted by the AER we won't know the exact price impact for households," said Womersley.

"It is also critical how these rises are introduced," continued Womersley. "A significant price 'shock' or jump in the first instance will severely impact on low-income households, which spend a greater proportion of their total weekly household budget on energy than wealthier households".

"By July 2012, according to pre-election announcements made by the Premier in February, energy concessions to vulnerable South Australians will have increased by \$45 from their current level."

"These concession increases are a welcome step forward, but they compare to an expected increase of around \$155 for electricity distribution charges alone, over the same period." Womersley said. "The concession increase will be more than spent before it is received."

"A reasonable amount of energy is essential for all households but it is clearly becoming less and less affordable," said Womersley.

"We know energy prices will continue to rise" Womersley said. "The tragedy is that schemes such as the federal Home Insulation Program and Green Start initiatives that would have given more people, especially low-income South Australians, the opportunity to achieve lower power bills have either failed to achieve full potential or been deferred".

Distribution — the process of delivering electricity to the home or business — makes up approximately 35% of every electricity bill. The rest of the bill is made up of charges for generation, transmission, distribution, and retail costs.

For clear information on energy pricing and related issues, visit  
[www.sacoss.org.au/essential-services](http://www.sacoss.org.au/essential-services)

The AER SA Final distribution determination is available at  
<http://www.aer.gov.au/content/index.phtml/itemId/736240>