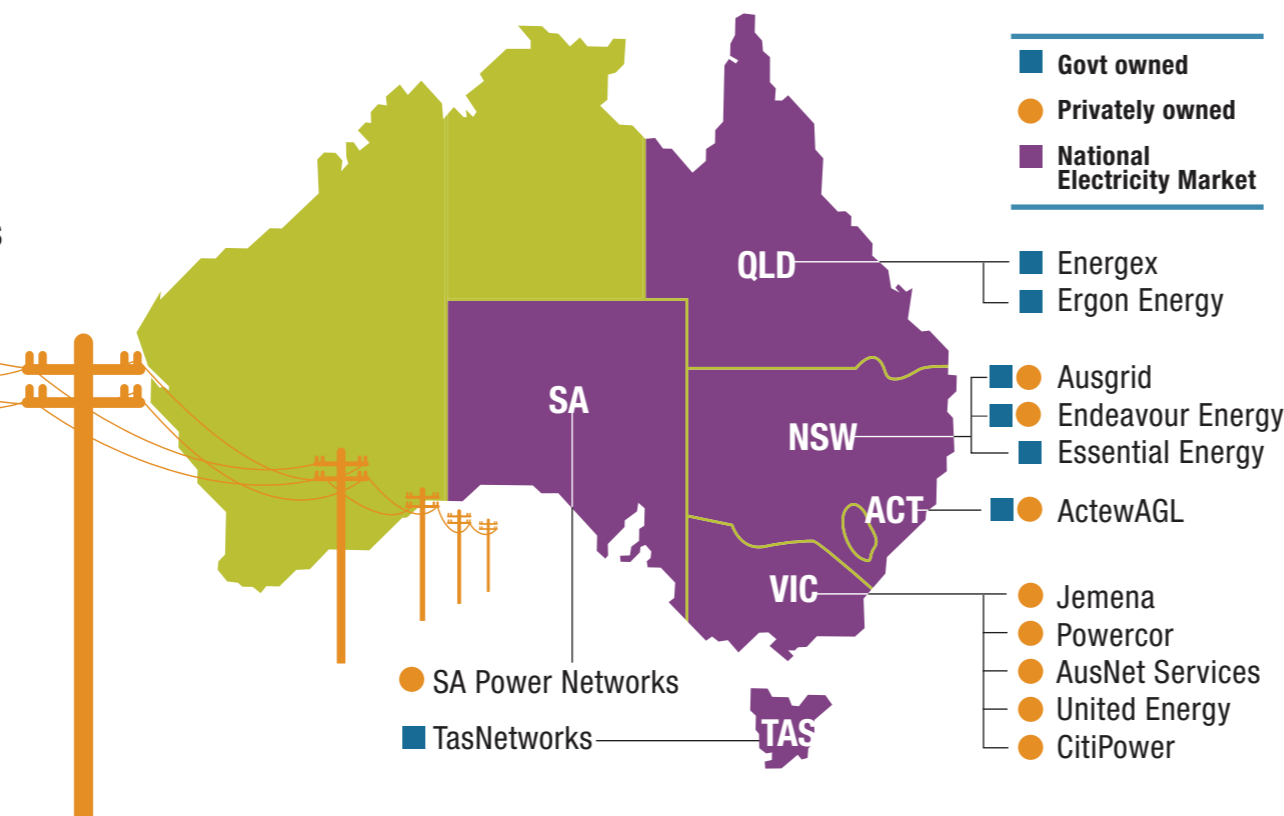


HOW ELECTRICITY DISTRIBUTION NETWORKS' REVENUES ARE SET AND REVIEWED

NETWORK CHARGES ARE REGULATED

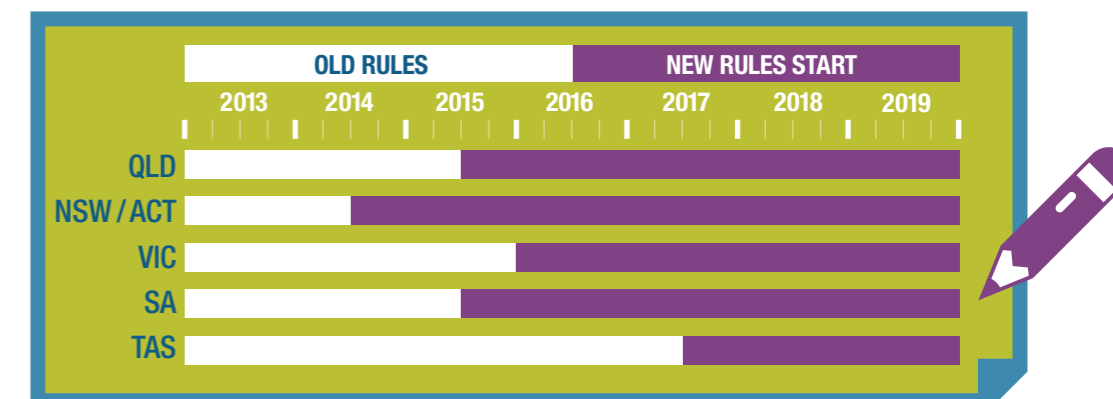
Distribution network businesses manage billion dollar investments in electricity poles and wires. They are natural monopolies. Their revenue is regulated.

Distribution network charges make up about 40% of the bill for a typical residential customer.



AER CONDUCTS FIVE YEARLY REVIEWS

The Australian Energy Regulator sets the revenue allowances that network businesses recover from consumers for poles and wires services. Revenues are generally reviewed every five years. In 2012 the AEMC made new rules to improve the strength and capacity of the AER to approve appropriate revenue allowances for network businesses.



AER DETERMINATIONS CAN BE REVIEWED BY THE AUSTRALIAN COMPETITION TRIBUNAL UNDER THE LIMITED MERITS REVIEW REGIME

