

MEDIA RELEASE

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POWER PRICE FREEZE FOR ENDEAVOUR ENERGY CUSTOMERS

Endeavour Energy today confirmed that its network electricity price increase for homes and small businesses connected to its network would be below inflation for the coming financial year.

Network costs make up almost half of a typical household electricity bill.

Endeavour Energy's Chief Operating Officer Rod Howard said the NSW Independent Pricing and Regulatory Tribunal's final determination of regulated electricity prices from 1 July 2013 signaled relief for households in the region.

"It's the first time in 10 years that the average increase in network prices will be below inflation," Mr Howard said.

"Since 2008, our network prices – which make up about half of a household electricity bill – have increased by 44%.

"These increases have been due to our investment in replacing ageing network infrastructure and expanding our network to connect new suburbs in our franchise.

"This latest price result is an important step in delivering our commitment to keep our network prices at CPI or below over the next six years."

To keep electricity affordable for customers, Mr Howard said Endeavour Energy had made a voluntary commitment to the Australian Energy Regulator in 2009 to reduce the cost of running its business by 10% over five years.

"You can only control your prices if you control your costs and we have shaved \$72.8m from our operating costs over the past three years," Mr Howard said.

"This has been achieved by reducing spending and increasing the efficiency of our operations without compromising safety or the reliability of our network."

"Our employees have worked hard to identify ways to streamline operations and improve value for customers."

Mr Howard said the main reason for the 0.8% increase in network prices from in 2013-14 would be the ongoing costs of the NSW Solar Bonus Scheme.

"Established under the previous NSW Government, the Solar Bonus Scheme continues to push up network prices and will cost customers connected to our network an additional \$53 million this coming financial year."

Mr Howard said the network component of an electricity bill for a typical Endeavour Energy residential customer will be around \$775 in 2013-14.

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