



ICRC

independent competition and regulatory commission

██████████
A/g General Manager
ActewAGL Retail
GPO Box 366
CANBERRA ACT 2601

Dear ██████████

Electricity Model and Methodology Review 2018–19: Information Request

Thank you for meeting with the Commission on 10 October 2018 to discuss the Commission's review of its retail electricity pricing model and methodology (Review) and my information request of 5 October 2018 for retail cost data and supporting information provided to the Australian Competition and Consumer Commission (ACCC) for its recent Retail Electricity Pricing Inquiry. We appreciate your willingness to assist us in this Review and your offer to present to the Commission on ActewAGL Retail (AAR)'s response to the information request.

At the meeting, you asked for further clarification of the information requested.

The Commission specifically requests the information and data regarding retail costs and retail margin that AAR provided to the ACCC. This may include, without being limited to, the following information:

- a) Cost to serve data (i.e., retail operating costs) - such costs include costs relating to customer care and call centre operation, billing and charging, sales and marketing, collection and default, administration (business overheads such as finance, human resource management and regulatory administration) and retail competition activities such as churn management and advertising for new customers.
- b) Administrative costs associated with wholesale energy trading such as the costs of managing an energy trading desk, the costs of holding renewable energy certificates and any mark-ups applied by AAR.
- c) Any other costs that AAR considers may be categorised as cost to serve/retail operating costs.
- d) Retail margin information, EBITDA margins and any other related data provided to the ACCC.
- e) Customer numbers and energy usage for regulated and non-regulated customers provided to the ACCC to help us understand any economies of scale.

Please indicate clearly which information is provided on a commercial-in-confidence basis. As discussed, I am agreeable to extending the date for AAR's response to the information request by two weeks, to no later than 5 November 2018.

The Commission intends to use the requested information to assist it in better understanding the nature and relative importance of the various components of the costs incurred by AAR in supplying retail electricity services to small customers in the ACT.

AAR is welcome to provide comments or additional information with the requested information if it considers such comments and/or information would assist the Commission.

As discussed during the meeting on 10 October 2018, AAR will have opportunities during the Review to provide submissions on the issues for the Review. The Commission released its issues paper for the Review on 15 October 2018; submissions are due on 16 November 2018.

Please contact [REDACTED], Director of Economic Regulation on [REDACTED] or [REDACTED] should your staff have any queries about this information request.

Yours sincerely

[REDACTED]

Dr Annette Weier
Chief Executive Officer
15 October 2018