



# ICRC

independent competition and regulatory commission

## Statement of methodology

### 1. Legislative requirement

This statement of methodology (statement) is required under section 21(1)(c)(iii) of the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act or the Act). The statement sets out the methodology used in determining the price direction for the supply of electricity by ActewAGL<sup>1</sup> to small customers.

### 2. The investigation under Part 3 of the ICRC Act

As per the terms of the industry reference, the Commission conducted an investigation into regulated retail tariffs for the supply of electricity to small customers by ActewAGL for the period commencing 1 July 2020 to 30 June 2024.<sup>2</sup> The Commission notes in particular its adherence to, and consideration of, the procedural requirements set out under sections 17 and 18 of the Act.

The investigation was conducted over 12 months, with the major steps under Part 3 of the ICRC Act summarised as follows.

The Commission released an issues paper on 2 September 2019 and a draft report on 4 February 2020. The Commission sought public comment on the issues paper, the draft report and the proposed price direction. Notification stating that the draft report was available for public inspection and that interested persons may submit written comments was set out pursuant to sections 18(1) to (3) of the Act.

The Commission received six submissions on the issues paper and five submissions on the draft report. The submissions were made available on the Commission's website. A summary of the submissions received is provided in Appendix 3 of the final report.

All material submitted by interested parties in response to the issues paper and draft report was taken into consideration by the Commission in the preparation of the final report in accordance with section 18(6) of the ICRC Act. The Commission addresses the submissions in Chapters 2, 3 and 7 of the final report.

The Commission held a public hearing on 5 March 2020. Representatives from ActewAGL, the ACT Civil and Administrative Tribunal, ACT Council of Social service, ACT Government, a hot water system supplier, and a member of the public attended the hearing. On 5 June 2020, the Commission released its final report on the investigation in accordance with Part 4A of the ICRC Act. The Commission issued the price direction for the report in accordance with Part 4 of the ICRC Act.

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<sup>1</sup> 'ActewAGL' means the partnership of Icon Retail Investments Limited (ABN 23 074 371 207) and AGL ACT Retail Investments Pty Ltd (ABN 53 093 631 586).

<sup>2</sup> DI2019-72: Independent Competition and Regulatory Commission (price direction for the Supply of Electricity to Certain Small Customers on Standard Retail Contracts) Terms of Reference Determination 2019