



MEDIA STATEMENT

STRICTLY EMBARGOED UNTIL 11.00AM FRIDAY 3 FEBRUARY 2006

DRAFT DECISION RELEASED ON RETAIL ELECTRICITY TARIFF

The Independent Competition and Regulatory Commission today released a draft decision in its inquiry into whether there is a continuing need for a regulated tariff for franchise electricity customers in the ACT. The inquiry was requested by Treasurer Ted Quinlan.

Franchise customers are those who consume less than 100MWh of electricity per year and remain on the standard customer contract offered by ActewAGL Retail. These customers are predominantly households in the ACT. Currently, household customers who remain with ActewAGL Retail can opt to receive a tariff regulated by the Commission.

Releasing the draft decision today, Senior Commissioner Paul Baxter said that based on an assessment of the ACT electricity market, the Commission believed on balance there was sufficient evidence to conclude that the market in the ACT is competitive.

“The three electricity retailers currently operating in the ACT are also active in other states and competing efficiently within the retail profit margin that applies to the transitional franchise tariff as of today. Another retailer, offering a prepayment meter service, is also likely to enter the ACT market soon.

“Further, there is ample evidence of actual or potential competition between retailers, as well as innovative products and services, including bundling of several services, being offered by retailers now in the market.

“However, the existing assistance arrangements for households in particular need will continue and the Commission has highlighted the requirement for continued government funding of these arrangements.”

Mr Baxter said the Commission is seeking submissions from interested parties on the Commission’s draft decision. The closing date for submissions is 3 March, with the Commission’s final decision due for release on 7 April.

The draft decision will be available on the Commission’s website at www.icrc.act.gov.au.

STATEMENT ENDS 03/02/06

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