



MEDIA STATEMENT

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COMMISSION RELEASES ISSUES PAPER ON RETAIL ELECTRICITY TARIFF

The Independent Competition and Regulatory Commission (the Commission) today released an Issues Paper as the first step in determining retail electricity prices in the ACT from 1 July 2009.

'The Commission has been asked by the ACT Government to determine the price of electricity for consumers who continue to purchase their electricity from ActewAGL Retail under 'transitional franchise tariff' (TFT) arrangements', Mr Paul Baxter, Senior Commissioner said today.

'In effect, these are consumers who have not availed themselves of a negotiated tariff offered by a competing electricity retailer operating in the ACT,' Mr Baxter said.

Under the competition rules applying to the sale of electricity in the ACT, consumers who use less than 100 MWh per year can purchase their electricity under a standard price tariff (a TFT). Alternatively, these consumers are able to buy their electricity from one of 17 licensed electricity retailers in the ACT at an agreed price. This agreed price is usually a discount on the TFT.

'This investigation represents the fifth time the Commission will be responsible for setting the TFT. The Issues Paper sets out some of the history from these investigations and discusses the key matters to be considered', Mr Baxter said.

'While the Commission is keen to maintain a consistent approach to calculating the TFT, a number of issues have emerged over the last 12 months which will need to be taken into account. The most notable of these is the ACT Government's feed-in tariff and the manner in which subsequent cost increases will be factored into the TFT.'

'The Issues Paper provides interested parties with the opportunity to make a submission to the investigation. The Commission will take into account each of the submissions it receives when preparing the Draft Decision which is expected to be released in early April. There will also be an opportunity for further comment following the release of the Draft Decision', said Mr Baxter.

Copies of the Issues Paper can be found on the Commission's website, www.icrc.act.gov.au or by contacting the Commission on 02 6205 0799.

Submissions on the Issues Paper are due by 6 March 2009.

The Commission intends releasing its Final Decision in early June with electricity tariffs to be adjusted from 1 July 2009.

STATEMENT ENDS 11/02/09

For further information, please contact Paul Baxter on 0418 633 396.