



Statement of methodology

1. Legislative requirement

This statement of methodology (statement) is set out pursuant to section 21(1)(c)(iii) of the *Independent Competition and Regulatory Commission Act 1997* (the ICRC Act). The statement sets out the methodology used in determining the Price Direction for the supply of electricity by ActewAGL Retail 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 customers by ActewAGL Retail for the period commencing 1 July 2014 to 30 June 2017.¹ 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 10 months, with the major steps under Part 3 of the ICRC Act summarised as follows:

The Commission released an issues paper on 4 October 2013 and a draft report on 14 February 2014. The Commission sought public comment on the draft report and proposed price direction. Notification stating that the draft report was available for public inspection and that interested persons may submit written comments was also set out pursuant to sections 18(1) to (3) of the Act.

The Commission received eight 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 are provided in Appendix 2 of the final report.

All material submitted by interested parties in response to the 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 these submissions in Chapter 2 of the final report.

The Commission scheduled a public hearing for 10 April 2014. The Commission did not receive any registrations to appear at the hearing and no members of the public attended.

On 13 June 2014, the Commission released its final report on the investigation as per Part 4A of the ICRC Act. The Commission also issued the Price Direction for the report as per Part 4 of the ICRC Act.²

¹ DI2014-10: Independent Competition and Regulatory Commission (Price Direction for the Supply of Electricity to Certain Small Customers) Terms of Reference Determination 2014

² Final Report Standing offer prices for the supply of electricity for small customers 1 July 2014 to 30 June 2017 Report 4 of 2014 and Price Direction Standing offer prices for the supply of electricity to small customers 1 July 2014 to 30 June 2017 Report 5 of 2014.