

ICRC Work-in Progress

1. Electricity price regulation – form of control review

The Commission is undertaking a review of the form of control it uses to regulate prices for the supply of electricity to small customers on ActewAGL's regulated tariffs. The review will ensure the Commission's form of price control remains effective and appropriate, recognising changes occurring in electricity markets.

On 16 October 2020, the Commission released an issues paper as part of the review. Submissions on the issues paper close Friday 27 November 2020.

Further details are available at <https://www.icrc.act.gov.au/energy/review-of-the-form-of-electricity-price-control>.

2. Water and sewerage services price regulation – review of the rate of return methodology

The Commission is reviewing how it calculates the rate of return on capital that Icon Water can recover from consumers. The review will ensure Icon Water receives an appropriate return on its prudent and efficient investments in infrastructure used for delivering services. Any change to the methodology will apply in the regulatory period commencing 1 July 2023.

On 28 August 2020, the Commission released an issues paper. The Commission intends to release the draft decision in January 2020. Further details are available at <https://www.icrc.act.gov.au/water-and-sewerage/wacc-methodology-review>.

3. Public crematorium facility: competitive neutrality

On 20 December 2019, the Treasurer asked the Commission to provide advice to help ensure that a new crematorium facility to be built and operated by the ACT Public Cemeteries Authority (Canberra Cemeteries) sets prices for its services that are competitively neutral. Competitive neutrality means the public crematorium facility will not have any cost or price advantages or disadvantages from its public ownership; this will result in fair competition with private providers of crematorium services.

There are two stages of work for the advice. For stage one, the Commission developed detailed pricing principles to guide Canberra Cemeteries in developing a costing methodology and prices for its crematorium services and products that will be consistent with the ACT Government's Competitive Neutrality Policy. The Commission completed stage one of the advice in May 2020.

In stage two, the Commission will assess Canberra Cemeteries' pricing proposal for compliance with the pricing principles and the Competitive Neutrality Policy. The Commission will start stage two when it receives Canberra Cemeteries' pricing proposal.

For further information on this project, please visit: <https://www.icrc.act.gov.au/projects/current-projects/public-crematorium-services-competitive-neutrality>

4. Utility licence update

The Commission is updating the licences for utilities licenced to operate in the ACT to ensure they reflect the current regulatory framework and are clear and easy to understand. More details will be provided at the meeting.