

ICRC Consumer Consultative Committee

Meeting 2/2022

Wednesday 17 August 2022

Work in-progress

1. ACT Retail Electricity (Transparency and Comparability) Code

On 24 June 2022, the commission varied the ACT Retail Electricity (Transparency and Comparability) Code.

The commission decided to make the variation following the Australian Energy Regulator (AER)'s publication on 31 March 2022 of its Better Bills Guideline (AER Guideline). The AER Guideline imposes obligations that are similar to the better offer obligation contained in the Code.

Varying the Code to remove the better offer obligation will minimise the administrative costs to retailers and avoid any confusion to consumers caused by having two schemes operating.

To ensure that consumers in the ACT continue to receive the benefits of the better offer obligation in the Code until the AER Guideline comes fully into effect, the transitional arrangements in the Code will continue until either a retailer becomes compliant with the AER Guideline or the AER Guideline comes into effect on 31 March 2023.

We have revised our guideline and factsheet to reflect the variation to the Code. Information about the code and the fact sheet is at: <https://www.icrc.act.gov.au/energy/act-retail-electricity-transparency-and-comparability-code>

Monitoring compliance

We are monitoring how retailers comply with the Code. We encourage customers to share their experiences with us, particularly if they believe a retailer is not complying with the requirements of the code.

To date, the commission has investigated one complaint that a retailer was not compliant with the Code. The outcome of the investigation was that the commission was satisfied that the retailer was compliant with the Code.

2. New utility licence issued

On 10 May 2022 the commission received an application seeking a utility licence for the transmission of electricity from Transgrid Services Pty Limited as trustee of Transgrid Services Trust (ABN 94 121 353 950) trading as 'Lumea Infrastructure Services'.

On 22 July 2022 the commission granted Lumea a utility licence for a period of 20 years.

Information about the Lumea application can be found on the commission's website: [Licence Applications, Surrenders, Variations and Revocations - Independent Competition and Regulatory Commission \(act.gov.au\)](#)

3. Utility licence annual report 2020-21

On 5 May 2022, we published our monitoring report on the utility licence annual report for 2020–21. This was the first time that the licenced utilities and energy retailers had to report about the automatic payments due under the consumer protection code when guaranteed service levels are not met.

The utilities and energy retailers paid 1460 rebates totalling \$116,370 to consumers over the year.

The whole report is available on the commission website: [Utility Licence Annual Reports - Independent Competition and Regulatory Commission \(act.gov.au\)](https://www.icrc.act.gov.au/utility-licence-annual-reports)

4. Retail electricity price reset for 2022–23

On 6 June 2022, we released the annual update of regulated retail electricity prices for ActewAGL's small customers for 2022–23.

The reset has resulted in the price of ActewAGL's basket of standing offer tariffs falling, on average, by 1.25% in 2022-23. This will translate to an annual bill saving of \$23 for an average residential customer consuming 6,500kWh. For an average non-residential customer consuming 25,000kWh, the decrease in the annual bill will be around \$88.

These price reductions only apply to ActewAGL's standing offers. We encourage consumers to regularly compare these tariffs to other offers that are in the market.

Information about the annual update is at: <https://www.icrc.act.gov.au/energy/electricity/retail-electricity-prices-2020-24>

5. Water and sewerage services price reset for 2022–23

On 15 June 2022, we announced the maximum prices that Icon Water can charge for its regulated water and sewerage services from 1 July 2022.

Maximum water and sewerage charges for 2022–23 will decline for both residential and non-residential customers.

An average residential customer consuming 200kL of water per annum will see a saving in their annual water and sewerage services bill of \$26 (a reduction of 2.2%). Non-residential customers will see their combined annual bills decrease by \$384 to \$4,437, depending on water consumption and the number flushable fixtures installed.

Information about the annual update is at: <https://www.icrc.act.gov.au/water-and-sewerage/regulated-water-and-sewerage-services-prices-201823>

6. Water and sewerage services price investigation for 2023–28

On 30 June 2023, the current price direction for water and sewerage services prices will expire.

In December 2021, we received terms of reference from the ACT Government to start an investigation into regulated water and sewerage services prices. From this investigation, we will determine the amount of revenue Icon Water can earn, and what prices it can charge, over the period 1 July 2023 to 30 June 2028. We will consult with the ACT community in making the price determination.

We released an issues paper outlining our approach to the price investigation. Submissions on the issues paper close on Friday 8 April 2022. We received 9 submissions to the issues paper, including 7 submissions from the hospitality sector as well as Icon Water and the ACT Council of Social Services.

We have engaged Marsden Jacob Associates to assist us in reviewing Icon Water's operating expenditure and capital expenditure program. We will ensure that Icon Water's expenditure program is necessary to provide high-quality, reliable and safe water and sewerage services to the ACT community at the lowest feasible cost.

On 30 June 2022 Icon Water provided their pricing proposal for the 2023-28 regulatory period, which we are currently reviewing. Information about the price investigation including Icon Water's proposal is at: <https://www.icrc.act.gov.au/water-and-sewerage/regulated-water-and-sewerage-services-prices-202328>

7. Strategic plan update for 2022-23 priorities

The commission's Statement of Intent for 2022-23 was published in the ACT Government's budget papers (see Budget Statement B on <https://www.treasury.act.gov.au/budget/budget-2022-23/budget-2022-23>). Our updated strategic plan showing our priorities for 2022-23 is attached for your information and will be published on our website.