

**AUSTRALIAN CAPITAL TERRITORY
INDEPENDENT PRICING AND REGULATORY COMMISSION ACT 1997**

REFERENCE FOR AN INVESTIGATION UNDER SECTION 15

AND

**SPECIFIED REQUIREMENTS IN RELATION TO INVESTIGATION
UNDER SECTION 16**

INSTRUMENT NO. 65 OF 2001

Reference for Investigation Under Section 15

Pursuant to subsection 15(1) of the *Independent Pricing and Regulatory Commission Act 1997* (“the Act”), I refer to the Independent Competition and Regulatory Commission (the “Commission”) the matter of an investigation into natural gas prices within the Territory for domestic, commercial and industrial consumers using less than 10 terajoules of natural gas per annum.

Specified Requirements in Relation to Investigation Under Section 16

Pursuant to subsection 16(1) of the Act, I specify the following requirement in relation to the conduct of the investigation:

- A report in relation to prices for domestic, commercial and industrial consumers using less than 10 terajoules of natural gas per annum is to be provided to the Minister for Urban Services by 31 May 2001.
- The Commission in conducting its investigation into gas prices shall take into consideration but not be limited to:
 - a review of the delivered price of gas to ACT gas consumers that includes an assessment of the costs of producing and delivering natural gas to the ACT market and the retail margin for the supply of gas;
 - the impact of retail contestability, including the determination of a suitable safety net price that addresses an appropriate balance in the period of transition to retail contestability between customer protection and the encouragement of the longer term benefits of contestability;
 - the impact of recent changes to the ACT gas regulatory framework on gas prices;
 - the impact of alternative gas supplies;

- the extent of any cross subsidies between the ACT and NSW sections of the gas distribution system;
- whether ring fencing requirements of the National Gas Pipelines Access Code are met by ActewAGL;
- the appropriate period of time for which a price path or other regulatory mechanism should be determined;
- any other issues the Commission considers relevant to the investigation.

Date this 22 day of March 2001

Brendan Smyth MLA
Minister for Urban Services