

# Independent Competition and Regulatory Commission (Price Direction for the Supply of Electricity to Certain Small Customers) Terms of Reference Determination 2014

Disallowable instrument DI2014–10

made under the

*Independent Competition and Regulatory Commission Act 1997* ('the Act'), Section 15 (Nature of industry references) and Section 16 (Terms of industry references).

## 1. Interpretation

In this instrument:

“*National Energy Retail Law (ACT)*” has the same meaning as in the *National Energy Retail Law (ACT) Act 2012*.

“*small customer*” has the same meaning as in the *National Energy Retail Law (ACT)*.

“*standing offer prices*” has the same meaning as in the *National Energy Retail Law (ACT)*.

“*ActewAGL Retail*” means the partnership of ACTEW Retail Ltd (ACN 074 371 20) and AGL ACT Retail Investments Pty Ltd (ACN 093 631 586).

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## 2. Reference for investigation under Section 15

Pursuant to section 15(1) of the Act, I refer to the Independent Competition and Regulatory Commission (the ‘Commission’) the provision of a price direction for the standing offer prices for the supply of electricity to those persons who are a *small customer*, and who consume less than 100MWh of electricity over any consumption period of 12 consecutive months.

The price direction will be for the period of 1 July 2014 to 30 June 2017 with provision for annual reviews by 30 June 2015 and 30 June 2016. Pursuant to section 15(4) of the Act, the price direction determined by the Commission under these terms of reference is to apply only to the authorised electricity retailer *ActewAGL Retail*.

### ***3. Terms of reference for investigation under section 16***

Pursuant to section 16(1) of the Act, I require that the Commission consider the following matters in relation to the conduct of the investigation:

1. The Commission should consider the following matters:
  - a. The impact on electricity costs of changes in government policies and pass through of those costs to regulated prices including, but not restricted to:
    - i. the Commonwealth Government's carbon pricing mechanism;
    - ii. Commonwealth and ACT retailer obligation energy efficiency schemes;
    - iii. the Commonwealth Government's Large-scale Renewable Energy Target and Small-scale Renewable Energy Scheme; and
    - iv. any other schemes implemented to address climate change relevant to electricity pricing.
  - b. The efficient and prudent cost of managing risk in the cost of purchasing electricity.
2. The Commission must identify and report on the cost allowance of the ACT Feed-in Tariffs (small and large scale) for the year(s) or period for which its determination is being made.
3. The Commission must identify and report on the efficient costs of complying with the *Energy Efficiency (Cost of Living) Improvement Act 2012*.
4. The Commission must produce its final report in time reasonably sufficient to allow **ActewAGL Retail** to make any necessary changes to its billing system and to provide information on the new tariff to customers for implementation effective 1 July 2014.

Katy Gallagher MLA

Acting Treasurer

2 February 2014