

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)

EXPLANATORY STATEMENT

The purpose of the instrument is to refer to the Independent Competition and Regulatory Commission ('the Commission') the provision of an reference for a price direction for the supply of electricity to certain small customers from 1 July 2014 to 30 June 2017, with provision for annual reviews by 30 June 2015 and 30 June 2016. The current pricing direction expires on 30 June 2014.

This reference for a price direction will replace the Disallowable Instrument *Independent Competition and Regulatory Commission (Price Direction for the Supply of Electricity to Franchise Customers) Terms of Reference Determination 2013 (DI2013-244)* which is shortly to be repealed. It is required to contemporise terminology in response to recent national energy market reform.

In particular, the terms of reference has been amended to: change the definition of 'franchise customer' to 'small customer', consistent with the *National Energy Retail Law (ACT) 2012*; and make it clear that the reference for a price direction only applies to ActewAGL Retail. The amendments are not intended to change the substantive operation of the previous reference for a price direction made under DI2013-244, which will shortly be repealed and are not intended to alter the range of customers who would be subject of the price direction under this replacement reference for a price direction.

Under Section 8 of the Act, the Commission has the responsibility for the provision of price directions for regulated industries in the ACT. The current price direction expires on 30 June 2014. The Terms of Reference outline the matters that must be considered by the Commission when setting the next price direction.

The Commission is required to produce its final report in time 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.