

Australian Capital Territory

Utilities (Energy industry levy – base amount) Determination 2017

Notifiable Instrument NI2017–509

made under the

Utilities Act 2000, section 54C (Energy industry levy–imposition) and section 54GA(2) (Regulatory cost – determinations (base amount for an energy industry sector))

EXPLANATORY STATEMENT

In June 2017 amendments were made to the *Utilities Act 2000* as they relate to the calculation of the energy industry levy. These changes took effect on 1 July 2017.

One of the changes requires the Levy Administrator to determine a base amount (B) of costs to be recover to be applied to each energy utility's energy industry levy. B is defined in section 54C(2) in the levy formula as 'the base amount for the levy year determined under section 54GA(2)'. This notifiable instrument sets out the determination of the base amount under 54GA(2) as \$1,200 for each utility.

The base amount represents the minimum marginal cost of regulating a utility in the sector regardless of how much energy it might sell. This costs is essentially the base cost of administering the energy industry levy for each utility in the sector.

Subject to the Levy Administrator amending this determination in extraordinary circumstances under section 54GA(3), the base amount will apply for the levy determination years 2017-18 to 2021-22.