

Utilities (Annual Licence Fees Determination 2015-16) Variation Notice 2015

Notifiable Instrument NI2015-692

made under the

***Utilities Act 2000*, s 52 (Public notice of licence decisions) (see also s 45 (Determination of fee) and s 53 (Public access to licences etc))**

1 Name of instrument

This instrument is the *Utilities (Annual Licence Fees Determination 2015-16) Variation Notice 2015*.

2 Commencement

This instrument commences on the day after it is notified.

3 Variation of 2015-16 Annual Licence Fee Determination

The Independent Competition and Regulatory Commission (Commission) has varied the Annual Utilities Licence Fees Determination 2015-16 as notified by the Commission on 23 September 2015 (NI2015-563). The variation being made is to the estimated costs for 2015-16 for the Commission for the regulation of Icon Water. The new estimation is \$603,438 (previously estimated at \$133,000).

The result of the variation in estimated costs for the Commission is an increase in Icon Water's licence fee for 2015-16 from \$870,546.96 to \$1,340,984.96. The variation and resulting change to total figures and Icon Water's licence fee are outlined (highlighted) below in the tables in the schedule to this instrument. The explanation for the variation is set out in the explanatory statement to this instrument. All other costs and licence fees remain as notified in NI2015-563.

4 Regulatory costs and derivation of licence fees

The Commission has set out in the schedule to this notice the tables as set out in the schedule to NI2015-563 with updated figures (highlighted) resulting from the variation. Note that figures in the tables may not add up due to rounding.

Tables 1 sets out the licence fees for 2015-16 payable by:

- East Australian Pipeline Limited (licensed to supply gas transmission services);
- Icon Water Limited (licensed to supply water and sewerage services); and
- TransGrid (licensed to provide electricity transmission services).

Table 2 sets out the derivation of the licence fees payable including the adjustment for the difference between the total estimated regulatory costs for 2014-15 and the total actual regulatory costs for 2014-15.

In determining the licence fee payable by each utility, the Commission had regard to:

- what it considered the utilities should make as a reasonable contribution towards the costs incurred or expected to be incurred by the three regulators;
- the amount of the fee and the way it is worked out; and
- the relative scope and nature of the services provided by all utilities.

Tables 3-5 set out the total regulatory costs for the three ACT government utility regulators used in the derivation of the annual licence fees, namely:

- the Commission;
- the ACT Civil and Administrative Tribunal; and
- the technical regulator.

5 Public access to determination of annual licence fees

Copies of this determination of annual licence fees are available for inspection by members of the public:

- at the Commission's offices (located at Level 8, 221 London Circuit, Canberra City, ACT) during ordinary office hours; and
- on the ACT Legislation Register (www.legislation.act.gov.au).

A person may inspect a determination without charge, and may make a copy of all or any part of the document. No charge will apply.

Malcolm Gray
Senior Commissioner
1 December 2015

SCHEDULE

Table 1: Licence fees payable for 2015-16¹

Licensee	Licence fees payable (\$)
East Australian Pipeline Limited	64,289.54
Icon Water Limited	1,340,984.96
TransGrid	105,299.07
Total	1,510,573.57

¹ Licence fees determined for 2015-16 are based on estimated regulatory costs to be incurred during 2015-16 by the three ACT government regulators (the Commission, the ACT Civil and Administrative Tribunal, and the technical regulator). The fees also take account of any under or over recovery resulting from the difference in costs between those estimated for 2014-15 and the actual costs incurred by the regulators for that year.

Table 2: Derivation of licence fees payable for 2015-16

Licensee	Total estimated regulatory costs for 2014-15	Total actual regulatory costs for 2014-15	Over (+) or under (-) recovery for 2014-15	Total estimated regulatory costs for 2015-16	Licence fees determined for 2015-16
East Australian Pipeline Limited	40,660.00	47,142.83	-6,482.83	57,806.71	64,289.54
Icon Water Limited	767,062.22	749,569.66	17,492.56	1,358,477.52	1,340,984.96
TransGrid ¹	0.00	51,385.46	-51,385.46	53,913.62	105,299.07
Total	807,722.22	848,097.95	-40,375.73	1,470,197.85	1,510,573.57

¹ TransGrid was granted a utility licence during the 2014-15 regulatory year (24 February 2015) and as such did not have any estimated regulatory costs for that year (as was estimated in September 2014). Due to entering the licensing framework in 2014-15, TransGrid's under-recovery for the year is also their total actual regulatory costs accrued for the year.

Table 3: Total estimated regulatory costs for each government regulator for 2014-15

Licensee	Utility service component provided	TR (\$)	ACAT (\$)	ICRC (\$)	Totals (\$)
East Australian Pipeline Limited	Gas transmission	38,160.00	0.00	2,500.00	40,660.00
Icon Water Limited	Water and sewerage services	560,056.00	74,506.22	132,500.00	767,062.22
TransGrid	Electricity transmission	0.00	0.00	0.00	0.00
Total		598,216.00	74,506.22	135,000.00	807,722.22

Table 4: Total actual regulatory costs for each government regulator for 2014-15

Licensee	Utility service component provided	TR (\$)	ACAT (\$)	ICRC (\$)	Totals (\$)
East Australian Pipeline Limited	Gas transmission	45,642.83	0.00	1,500.00	47,142.83
Icon Water Limited	Water and sewerage services	520,189.63	96,016.03	133,364.00	749,569.66
TransGrid	Electricity transmission	36,385.46	0.00	15,000.00	51,385.46
Total		602,217.92	96,016.03	149,864.00	848,097.95

Table 5: Total estimated regulatory costs for each government regulator for 2015-16

Licensee	Utility service component provided	TR (\$)	ACAT (\$)	ICRC (\$)	Totals (\$)
East Australian Pipeline Limited	Gas transmission	56,306.71	0.00	1,500.00	57,806.71
Icon Water Limited	Water and sewerage services	668,138.44	86,901.08	603,438.00	1,358,477.52
TransGrid	Electricity transmission	46,413.62	0.00	7,500.00	53,913.62
Total		770,858.77	86,901.08	612,438.00	1,470,197.85