

CONSUMER FACT SHEET

Reviewing electricity price increases for 1 July 2011

IPART is currently responsible for setting retail electricity prices for most households and small businesses. We set prices for households and small businesses that have not signed a contract with a retailer and, therefore, remain on a regulated price. We do not set prices for customers that have signed a contract with a retailer.

In March 2010 we estimated the regulated price increases that would apply on 1 July 2011 and 1 July 2012 (see Table below). We are currently updating these estimates and will engage in public consultation (see below for more details).

The price increases that we estimated in March 2010 (including inflation)

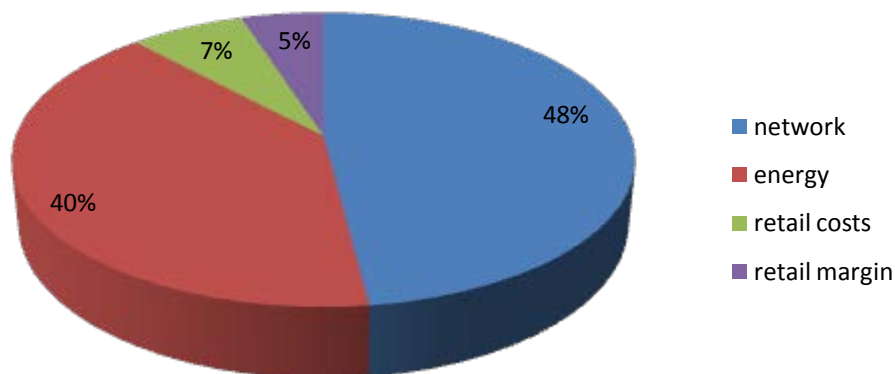
NSW Standard Retailers ^a	Price increase on 1 July 2011 (%)	Price increase on 1 July 2012 (%)
EnergyAustralia	11	11
Integral Energy	10	2
Country Energy	13	11

^a Each of these retailers is in the process of being sold by the NSW Government.

These price increases predominately reflect the increasing costs of transporting electricity to your premises (network costs). Network costs have increased to fund investment in infrastructure and to improve the security and reliability of electricity supply.

What costs will we review?

The two biggest components of an electricity bill are the costs of transporting electricity to your premises (network costs), and the costs of buying the physical energy that you use (energy costs) (see Figure below). We set the energy cost component of your bill, while another regulator - the Australian Energy Regulator - is responsible for setting the network charges.

Box 1 What does an electricity bill include?

Energy costs (which we are currently reviewing) depend on a range of things, including the wholesale price of electricity and the costs retailers incur in complying with government policies like the Renewable Energy Target.

We will need to take into account changes to the Renewable Energy Target (RET) scheme for the 1 July 2011 price change. This change will mean that prices are higher than we estimated in March 2010 (included in the Table above). The NSW Government recently announced that electricity prices will not increase to pay for the Solar Bonus Scheme (solar feed-in tariff).

The price increase on 1 July will include updated network prices that are approved by the Australian Energy Regulator.

Next Steps

Our review of prices changes on 1 July 2011 is now underway and we will be releasing our draft decision in April 2011.

Following this we will engage in public consultation before releasing our final decision in June 2011.

This annual review process will be repeated in early 2012 for the 1 July 2012 price changes.

Follow the link to find out more about [electricity pricing](#), and [frequently asked questions](#).