

FACT SHEET

Review of regulated retail tariffs and charges for gas: 1 July 2013 to 30 June 2016

September 2012

Recently the Minister for Energy asked the Independent Pricing and Regulatory Tribunal (IPART) to continue to regulate retail gas prices in NSW from 1 July 2013 to 30 June 2016. This Fact Sheet outlines what we have been asked to do, how we intend to approach the review and how stakeholders can be involved in the process.

Background

Since 2002, the retail gas market in NSW has been open to competition. This means all small retail gas customers have been able to choose their gas retail supplier, allowing customers to shop around and compare market offers from retailers to ensure they have the most appropriate, and cost effective service for their needs.

However, customers have also had the option of remaining on regulated retail gas prices with the Standard Retailer in their area. We have regulated these prices in a relatively light-handed way by agreeing a set of prices and charges that reflect the efficient costs of supply with each gas Standard Retailer. Standard Retailers are obliged to set their regulated prices in line with this agreement, and we monitor their compliance.

What has IPART been asked to do?

The Minister has requested that we continue to regulate retail gas prices, either by:

- ▼ replacing our current pricing agreements with new agreements, or
- ▼ making Gas Pricing Orders in line with our powers under the *Gas Supply Act 1996*.

[Click here](#) to download the full terms of reference for our review.

How does IPART propose to approach this review?

Our intention is to continue using a light-handed approach to regulating retail gas prices by reaching a new pricing agreement with each of the Standard Retailers. We will make a Gas Pricing Order only if a satisfactory agreement cannot be reached.

We are inviting each Standard Retailer to propose a pricing agreement for the period 1 July 2013 to 30 June 2016. We will analyse these proposals to determine whether they are reasonable and reflect the efficient costs of supplying gas to small retail customers. We will publish the Standard Retailers' proposals accompanied by an issues paper in November 2012.

We will then issue a draft report by March 2013, invite public submissions and following further consultation, issue a final report by May 2013.

How can stakeholders provide input into this review?

As part of our review, we will conduct a public consultation process. All stakeholders and interested parties are invited to make submissions in response to our issues paper (November 2012) and draft report (March 2013). We will also hold a public forum on the Standard Retailers' proposals in December 2012 and our draft report in March 2013.

Table 1 outlines an indicative timetable for the review, including opportunities for stakeholder input.

Table 1 Indicative timetable - 2013 review of regulated retail gas prices

Key tasks	Time
Invite Standard Retailers to submit proposals for revised VTPAs	September 2012
Receive these proposals	October 2012
Release issues paper and invite stakeholder submissions	November 2012
Hold public hearing/roundtable on pricing proposals and issues paper	December 2012
Receive stakeholder submissions	December 2013
Release draft report and invite stakeholder submissions	March 2013
Hold public hearing/roundtable on draft report	March 2013
Receive stakeholder submissions on draft report	April 2013
Release final report	May 2013