

Fact Sheet – Issues Paper on 2016 Retail Gas Price Review



12 November 2015

WHAT

This Fact Sheet summarises the Independent Pricing and Regulatory Tribunal of NSW (IPART)'s proposed approach for the review of regulated retail gas prices for 2016-17.

WHY

The NSW Government has asked IPART to continue to regulate retail prices and charges for small retail gas customers for the period 1 July 2016 to 30 June 2017.

In addition, we have been asked to forecast indicative retail gas prices for each year from 1 July 2017 to 30 June 2019, and review the competitiveness of the retail gas market in NSW and provide advice on additional measures that could be implemented to strengthen competition in the market.

WHO

We regulate retail gas prices that the Standard Retailers in NSW – AGL, ActewAGL and Origin Energy – charge residential and small business gas customers who have not signed a market contract. Currently, less than 20% of residential and small business customers remain on regulated gas prices.

HOW

For over 10 years, we have regulated retail gas prices by reaching a Voluntary Pricing Agreement (VPA) with each Standard Retailer. As current VPAs are due to expire on 30 June 2016, we have been asked to make a new VPA with each Standard Retailer.

We have invited the Standard Retailers to submit a proposal for a new VPA to apply in 2016-17, including indicative price changes in 2017-18 and 2018-19. We will assess these proposals to determine whether they are reasonable and promote the long-term interest of customers.

As part of our review, we will also assess the competitiveness of the retail gas market in NSW and make recommendations on ways to improve competition in regional areas. We propose to conduct our own research, hold discussions with retailers and other market participants, and consider the findings of the Australian Energy Market Commission's recent competition review.

WHAT NEXT

The Issues Paper is the first stage of the public consultation process in our review. All stakeholders and interested parties are invited to make submissions in response to this paper by **18 December 2015**.

Table 1 provides an indicative timetable for the review.

Table 1 Indicative timetable

Milestone	Date
Release Issues Paper	12 Nov 2015
Submissions on Issues Paper	18 Dec 2015
Receive pricing proposals from Standard Retailers	22 Jan 2016
Submissions on pricing proposals	Feb 2015
Release Draft Report	Apr 2016
Public Hearing	April 2016
Submissions on Draft Report	Early May 2016
Release Final Report	Early Jun 2016

The Issues Paper is available on IPART's website www.ipart.nsw.gov.au.