

## UPDATING 2014/15 REGULATED ELECTRICITY & GAS PRICES

**17 February 2014**

The Independent Pricing and Regulatory Tribunal (IPART) has commenced its review to update regulated electricity and gas prices.

In June 2013, IPART determined regulated prices to apply for both electricity and gas customers from 1 July 2013 to 30 June 2016. These are the prices paid by customers who have not signed a market contract, representing about 40% of small electricity customers and 30% of small gas customers. These prices are reviewed annually to take account of changes in the market.

### **Electricity prices**

Last year our preliminary estimate of the average NSW regulated price rise for electricity in 2014/15 was 1.8%, which is less than the rate of inflation.

IPART Chairman Dr Peter Boxall said that changes since that determination in June 2013, including lower network price increases than had been predicted, will now need to be incorporated into the prices to apply from 1 July 2014.

“IPART’s analysis will also consider any changes in wholesale electricity, green scheme costs, energy losses and customer acquisition and retention costs. The ability to remove the carbon price from regulated prices has already been incorporated into the regulatory framework should the legislation be repealed by the Federal Government,” Dr Boxall said.

### **Gas prices**

Dr Boxall said last year’s review did not set indicative retail gas prices beyond 30 June 2014 due to uncertainty around future wholesale gas prices.

Gas retailers have all proposed significant increases in 2014/15. AGL is proposing a 20.3% increase in gas prices for customers in the greater Sydney region and inland NSW. ActewAGL is proposing an 18.6% increase for the NSW/ACT border areas, and Origin Energy is proposing 20.1% for the south-western regions of NSW and 18.1% for the NSW/Victorian border regions.

Dr Boxall said IPART is seeking responses to these retailer proposals through a public consultation process.

“These proposals are for significant increases and we will assess them against what gas prices need to be to recover the efficient costs of supply, facilitate competition and support the long term interest of customers,” Dr Boxall said.

IPART will release draft reports on both gas and electricity prices for public comment in April and final reports in June before any price changes occur on 1 July 2014.

Further information about the reviews and gas retailer submissions are available at IPART's website <<http://www.ipart.nsw.gov.au>>.

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