

16 June 2015

REGULATED GAS PRICES TO FALL FOR MOST CUSTOMERS

The Independent Pricing and Regulatory Tribunal (IPART) today released updated average regulated retail gas prices to apply from 1 July 2015. Regulated prices are paid by 21% of small gas customers in NSW, with the remainder having prices set under market contracts.

IPART Chairman, Dr Peter Boxall, said regulated gas prices will fall by an average of 3.9% across NSW in 2015-16. This is lower than our estimate last year of a 4.2% increase, mainly due to the AER's recent decision to significantly reduce network prices for those customers in the Jemena gas network – the largest network in NSW.

AGL's average regulated price will fall by 6.6% on 1 July 2015, as lower network prices more than offset an increase in wholesale gas costs. The network price reduction is greatest for residential customers, with a typical annual residential gas bill for an AGL customer falling by \$118 and a typical annual small business bill falling by \$93 in 2015-16. AGL supplies around 80% of regulated gas customers in NSW. Lower network prices are also contributing to annual bill reductions in ActewAGL's Capital region, where typical annual bills will fall by \$129 and \$27 for residential and small business customers respectively in 2015-16.

ActewAGL customers in Queanbeyan and Shoalhaven and Origin Energy customers in the Albury/Murray Valley and Wagga Wagga and surrounding areas will experience modest increases in regulated prices in 2015-16. This is the result of increases in network prices and wholesale gas costs. For typical residential customers in these areas, an annual bill will increase by between \$30 and \$63 in 2015-16. For typical small business customers annual bills will increase by between \$10 and \$393 in 2015-16 (see summary attached).

Dr Boxall said these changes apply only to small gas consumers who remain on a regulated prices. Those on market prices may expect similar changes, depending on their contract.

Customers who remain on regulated prices can shop around to find a better offer. There are discounts of over 10% off the regulated price available in market contracts. Consumers can compare gas and electricity offers and find the best deal for them on the independent website energymadeeasy.gov.au.

Customers experiencing difficulty paying gas (or electricity) bills should speak to their retailer, as all energy retailers are required by law to have a published hardship charter and to operate an approved customer assistance program.

IPART's report and accompanying documents are available on its website www.ipart.nsw.gov.au.

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Typical annual bills – customers on regulated gas prices

Table 1 Annual bill for typical residential customers (nominal \$, inc GST)

Standard retailer	Gas supply area	Annual usage (GJ)	2014-15 annual bill (\$)	2015-16 annual bill (\$)	\$ change	% change
AGL	Various ^a	23	1,009	891	-118	-11.7
ActewAGL	Capital region NSW	35	1,323	1,195	-129	-9.7
	Queanbeyan	35	1,142	1,195	53	4.6
	Shoalhaven	35	1,125	1,188	63	5.6
Origin Energy	Albury	44	1,013	1,054	41	4.1
	Murray Valley	31	1,066	1,097	31	2.9
	Wagga Wagga	42	1,266	1,313	47	3.7
	Tumut & Gundagai	26	1,025	1,058	33	3.2
	Culcairn, Holbrook, Temora, Henty, Walla Walla	23	910	940	30	3.3
	Cooma, Bombala	32	1,110	1,146	36	3.3
	Tamworth	17	961	997	37	3.8

^a AGL's supply area includes Sydney, Wollongong, Newcastle, Dubbo, Orange, Parkes and parts of the Riverina region.

Note: AGL and ActewAGL's annual bills are calculated based on even consumption across the year. Origin Energy's annual bills are calculated based on seasonally adjusted annual consumption. Numbers may not add up due to rounding.

Source: AGL, ActewAGL, Origin Energy and IPART calculations.

Table 2 Annual bill for typical small business customers (nominal \$, inc GST)

Standard retailer	Gas supply area	Annual usage (GJ)	2014-15 annual bill (\$)	2015-16 annual bill (\$)	\$ change	% change
AGL	Various ^a	184	5,129	5,037	-93	-1.8
ActewAGL	Capital region NSW	246	6,333	6,306	-27	-0.4
	Queanbeyan	246	5,933	6,197	264	4.4
	Shoalhaven	246	6,663	7,026	363	5.4
Origin Energy	Albury	209	3,867	4,154	287	7.4
	Murray Valley	346	7,712	7,721	10	0.1
	Wagga Wagga	212	3,972	4,117	146	3.7
	Tumut & Gundagai	159	3,931	4,062	131	3.3
	Culcairn, Holbrook, Temora, Henty, Walla Walla	175	3,929	4,059	130	3.3
	Cooma, Bombala	306	7,300	7,550	250	3.4
	Tamworth	262	9,974	10,367	393	3.9

^a AGL's supply area includes Sydney, Wollongong, Newcastle, Dubbo, Orange, Parkes and parts of the Riverina region.

Note: AGL and ActewAGL's annual bills are calculated based on even consumption across the year. Origin Energy's annual bills are calculated based on seasonally adjusted annual consumption. Numbers may not add up due to rounding.

Source: AGL, ActewAGL, Origin Energy and IPART calculations.