

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket post Shop
NSW 1240

11 May 2016

Dear Mr Harmstorf

Review of regulated retail prices and charges for gas 2016-17

ActewAGL Retail (ActewAGL) appreciates the opportunity to comment on the Independent Pricing and Regulatory Tribunal's Draft Report *Review of regulated retail prices and charges for gas from 1 July 2016*.

ActewAGL accepts the Tribunal's draft decision for ActewAGL to supply natural gas to small gas customers for the period 1 July 2016 to 30 June 2017 at prices that include a decrease in the retail component of 2% (excluding inflation). Miscellaneous charges are to change no more than the change in CPI.

ActewAGL notes the Tribunal's draft findings that competition is strong in most NSW gas retail markets in regional towns where competition is less prevalent, projects are in place to increase competition. ActewAGL welcomes the Tribunal's finding that deregulating retail gas prices would remove a barrier to entry and support further competition. The findings provide substantive support that the appropriate competitive market conditions are in place for deregulation of retail gas prices in NSW from 30 June 2017 as proposed by the NSW Minister for Industry, Resources and Energy.

Removing unnecessary regulatory constraints will allow the full benefits of competition to flow to both consumers and retailers.

ActewAGL will continue to work closely with IPART during the remainder of the review process. ActewAGL is particularly conscious of the compressed timeframe in meeting publishing and implementation requirements. ActewAGL would appreciate the Tribunal's support throughout its review process to achieve pricing implementation by 1 July 2016. If you would like to discuss any aspects of our submission, please contact Patricia Cameron, Principal Regulatory Advisor, on (02) 6248 3812.

Yours sincerely



General Manager Retail