

Submission to the Energy Price Review 2013 – 2016

Regional NSW Electricity Prices

Since 2008 the daily supply charge has increased from 72.59 cents per day to 150.57 cents per day an increase of 107.4%. The Kilowatt charge rate has increased from 17.24 cents per kilowatt to 34.42 cents per kilowatt an increase of 99.7%. As a Disability Pensioner I can no longer afford to run heating next winter now, I pay \$48 per fortnight for gas and \$70 a fortnight for electricity on a pre-pay scheme to ACTEWAGL. The annual amount is \$3068 dollars for a very small 1 person home. **This is 15% of the Pension and would class me as energy Poor.**

I am home all day and use only one energy saving light, the computer, a modem and the refrigerator. Since 2008 I have reduced my electricity consumption by 15%. The hot water is off peak¹ and only heats late in the night. I cannot cut back in power usage any further unless I elect to not use the computer and no longer stay in touch with family and friends. I am at my wits end with the energy price increases.

Since 2008 I have reduced the electricity consumption from 7182 Kilowatt hours to 6107 Kilowatt hours about -15%. Each year the reward for saving energy has been an increase in the electricity rates and charges on July 1st. Consumers are now fed up and angry. We view the electricity energy industry as greedy and gouging customers. Price regulation is a joke and the regulators, AER and IPART seen as siding with the energy producers and failing in their duty to consumers. Regional NSW Electricity customers now pay the second highest kilowatt rate in the world, second only to Denmark which uses wind power generators. NSW uses mainly cheap coal to produce electricity. I have a friend in the UK at Milton Keynes and we have the same energy requirements in our 1 person homes and same consumption, he pays one third of the price I pay annually for the same gas and electricity.

It is reported continually in the press that the Poles and Wires (network) costs are the main driver behind all these increase. The owners, State Governments, have been the beneficiary of all these price rises. At least at election time we get the opportunity to remove governments if they have performed poorly. Further Privatization of the industry is not the answer, as whenever this occurs prices increase and services decline as the private body scramble to make profits for shareholders. We were far better off under the County Councils Scheme. Privatisation of the retailers has not brought about competition or reduced prices. They all seem to collude on retail pricing driving up the price. As consumers reduce energy consumption the retailers are compensated with price increases to restore their revenues. This is how it seems to the ordinary man in the street.

The situation is intolerable, and the current forecast is for more price increases. One retailer's employee told me over the telephone that the price per kilowatt is expected to double over the next 2 years! Why is inefficiency being rewarded, what use are the regulators?

.Yours faithfully,

Ian Mann

A large black rectangular redaction box covering the signature area of the letter.