



The Hon Chris Hartcher MP

Minister for Resources and Energy
Special Minister of State
Minister for the Central Coast

Mr James Cox
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Mr Cox,

I am writing in relation to the Draft Report on changes in regulated electricity retail prices from 1 July 2011, released by the Independent Pricing and Regulatory Tribunal (IPART) on 14 April 2011.

The NSW Government is very concerned about the impact of the price increases on families and has taken immediate action to address the impacts on NSW households as well as respond to the key recommendations in the Draft Report.

These steps include:

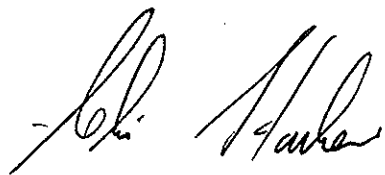
- Implementing the Low Income Household Rebate (replacing the existing Energy Rebate and increasing the amount from \$145 per year to \$200 per year) commencing 1 July 2011 and commenced work on the proposed Family Energy Rebate of \$75 per year for families receiving the Family Tax Benefit A or B, to commence on 1 July 2012;
- Initiating a review of the electricity network licence conditions;
- Writing to the Commonwealth to request compensation for NSW households for the costs of the Commonwealth's renewable energy target scheme with effect from 1 July 2011; and
- Placing a hold on new applications to the NSW Solar Bonus Scheme pending the outcomes of the Solar Summit Stage One, which will look at addressing the costs associated with the Scheme.
- Considering options to assist better consumer understanding of factors contributing to higher household electricity prices.
- Facilitating consumer feedback on their views on funding renewable energy expansion through electricity price increases.

The NSW Government recognises that IPART must adhere to the terms of reference set by the former Government, which IPART has recommended could be adjusted in any future determination to better minimise the costs faced by consumers. However, the Government seeks IPART's firm confirmation that all reasonable action will be taken to minimise the increase in electricity prices so as to alleviate cost of living pressures on NSW households.

The Government would also request IPART to provide supplementary advice to its draft report on the impact on household electricity prices if network and distribution investment forecasts were to be held at 2010 levels for the period 2011 to 2015.

I look forward to working with IPART to restrict future prices increases consistent with a reliable and secure energy system in NSW.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Hartcher', written in a cursive style.

The Hon. Chris Hartcher MP
Minister for Resources and Energy
Special Minister of State
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