

Notice of Intention to Conduct a Price-Regulated Retail Service (Standing Offer) Pricing Investigation



The *Electricity Supply Industry Act 1995* requires the Tasmanian Economic Regulator to make a standing offer pricing determination, which must either set the maximum prices that may be charged by Aurora Energy as the regulated offer retailer under standard retail contracts in respect of small customers; or a method of determining the maximum prices that Aurora Energy may charge under standard retail contracts in respect of small customers.

The determination will apply from 1 July 2022 to 30 June 2025. The investigation final report will be released, and the determination will be made, on or before 29 April 2022.

Before the Regulator makes a determination, the *Electricity Supply Industry (Pricing and Related Matters) Regulations 2013* require the Regulator to conduct a pricing investigation.

The objective of the pricing investigation is to gather information to assist the Regulator in making a determination.

The Regulator will publish a draft report and draft determination by 31 January 2022. Written submissions (preferably by email) on the draft report and draft determination can be made to the Regulator during a consultation period ending on 15 March 2022.

In accordance with the principles and matters that the Regulator is required to consider in determining standing offer prices, submissions on the draft report and draft determination will be invited on issues including the following:

- Aurora Energy's operational costs of providing standard retail services, including wholesale electricity costs, transmission and distribution costs, cost to serve and any other costs that the Regulator thinks fit;
- the maximum prices that Aurora Energy may impose to enable it, after taking its operational costs into account, to make a reasonable return on its investment in respect of the provision of standard retail services, taking into account the risk of making that investment;
- the protection of the interests of small customers from the adverse effects of the exercise of substantial market power by Hydro Tasmania or Aurora Energy in relation to prices, pricing policies and standards of service;
- the quality of the services provided by Aurora Energy to small customers under standard retail contracts;
- the efficiency in the provision of standard retail services;
- the National Electricity Rules; and
- any other matters the Regulator considers relevant.

The Regulator's draft report and draft determination will be available on the Regulator's website: www.economicregulator.tas.gov.au.

For further information regarding this notice please contact:

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