

2025 REGULATED RETAIL ELECTRICITY PRICING INVESTIGATION - RELEASE OF DRAFT REPORT

Today the Tasmanian Economic Regulator, Mr Joe Dimasi, released a Draft Report and Draft Determination setting out draft decisions on the approach to determining Aurora Energy's regulated electricity prices for residential and small business customers for the period from 1 July 2025 to 30 June 2028. The Draft Report also presents indicative price changes for regulated residential and small business customers for 2025-26.

Mr Dimasi said that "the objective is to set prices at a level that allows Aurora Energy to recover the estimated efficient level of costs it incurs supplying electricity to its customers and to earn a reasonable margin and ensure customers on regulated tariffs pay no more than necessary for the services they receive."

Mr Dimasi noted that many of Aurora Energy costs, and the inputs to those costs, are decided by external parties. Mr Dimasi further noted that Aurora Energy's proposed operating costs (cost to serve) and its retail margin, which together make up around 13 per cent of its total costs, are costs that Aurora Energy does have control over.

Based on the Regulator's review of Aurora Energy's costs, the draft decisions result in a \$9 million reduction in the costs Aurora Energy will be able to recover from regulated customers in 2025-26.

The attached table sets out the outcomes from the Regulator's draft decisions on Aurora Energy's costs.

The Regulator's draft decisions also result in estimated prices increasing by an average of 1.43 per cent in 2025-26. This compares to the estimated average price increase of 2.92 per cent under Aurora Energy's proposal. As set out in the attached Table 1, the increase in estimated average prices is largely driven by network costs.

Mr Dimasi noted that, based on currently available information, the average price increase would result in residential customers on Tariff 31/41 with usage of 7 428 kWh seeing an annual bill increase of \$33 while residential customers on Tariff 93 with usage of 7 932 kWh would see an increase of \$32.

For business customers on Tariff 22, annual bill increases are estimated to range between \$12 for usage of 1 179 kWh and \$43 for usage of 8 782 kWh. Business customers on Tariff 94 with usage of 12 180 kWh would see an annual increase of \$48.

Wholesale electricity costs and network costs which together make up almost three quarters of Aurora Energy's total costs are yet to be finalised. These costs depend on the results of the Regulator's calculation of the wholesale electricity price

in May 2025 and the Australian Energy Regulator’s determination of network costs in April 2025. These costs and Aurora Energy’s other costs could change markedly between now and the release of both the Regulator’s Final Report in May and the Regulator’s approval of prices for 2025-26 in June. The average price increase and the associated customer impacts could, therefore, be quite different from those set out in the Draft Report.

Aurora Energy is also seeking more flexibility in how it recovers its costs for individual tariffs. In particular, Aurora Energy has proposed to recover more of its costs through its daily supply charges rather than through its usage charges. If approved this would mean that price changes will not be the same for all customers, and some customers may experience greater or lesser price increases depending on their tariff selection and their electricity usage.

Mr Dimasi said that he considered the options set out in the Draft Report reflected a reasonable balance between allowing Aurora Energy’s prices to more accurately reflect its costs while minimising customer bill impacts as much as possible. However, Mr Dimasi noted that “Depending on the feedback received from stakeholders during consultation, the customer impacts arising from the proposed tariff changes could vary from those set out in the Draft Report.”

The Regulator also intends requiring Aurora Energy to offer regulated flat rate tariffs to all residential and small business customers for the period from 1 July 2025 to 30 June 2028.

The Regulator welcomes comments and submissions on the Draft Report and Draft Determination, which can be made to the Regulator by 24 March 2025.

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The Draft Report and Draft
Determination are available
[here](#)



Table 1: Costs to be recovered from regulated customers during 2025-26

Cost component	Aurora Energy's proposal		Regulator's draft decisions	
	Cost contribution	Contribution to average price increase	Cost contribution	Contribution to average price increase
Energy Cost	\$181 881 304	-2.6%	\$181 881 304	-2.6%
Cost to Serve	\$56 602 989	1.8%	\$49 874 164	0.7%
Network Costs	\$279 533 398	4.1%	\$279 533 398	4.1%
Forecast RET Costs	\$28 826 818	-1.8%	\$28 995 704	-1.8%
Forecast AEMO Charges	\$7 073 031	0.2%	\$6 177 090	0.0%
Metering Costs	\$44 270 693	0.9%	\$44 270 693	0.9%
Retail Margin	\$33 323 917	0.5%	\$31 605 997	0.2%
Total costs to be recovered	\$631 512 151	2.9%	\$622 338 350	1.4%