



Media Release  
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## **IMPACT OF CARBON PRICE ON AURORA ENERGY'S ELECTRICITY SUPPLY COSTS**

Tasmania's independent Economic Regulator has released a consultancy report into the expected impact of the Australian Government's carbon price on Aurora Energy's electricity supply costs for non-contestable customers.

The Regulator's current electricity price determination (the 2010 Retail Price Determination) included a mechanism to review Aurora's energy supply costs if a carbon pricing mechanism was introduced.

However, Mr Glenn Appleyard, Chairman of the Tasmanian Economic Regulator, noted that the report relates only to the impact of the carbon price on Aurora's energy supply costs and does not address the impact on end prices paid by customers.

Electricity prices for 2012-13 will be determined in June 2012 after the Regulator considers Aurora's retail tariff proposal for 2012-13, which is required to be submitted to the Regulator by 30 May 2012.

Amongst other potential adjustments, the retail tariff proposal will need to take account of the outcomes of the Australian Energy Regulator's determination in relation to electricity distribution prices, which is not due to be published until 30 April 2012.

The consultant's report found that the introduction of the price on carbon would increase Aurora's energy supply costs by approximately 16 per cent in 2012-13. As the cost of energy makes up about 40 per cent of total electricity supply costs, the price on carbon is expected to increase the revenue Aurora is allowed to earn by around 6.5 per cent.

This increase would be in addition to the 8.7 per cent increase in Aurora's revenue that has already been approved for 2012-13 as part of the 2010 Retail Price Determination.

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Copies of the consultancy report are  
available at:  
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