



**Amended notice of intention to conduct a Price-regulated Retail Service (Standing Offer) pricing investigation**

*Electricity Supply Industry Act 1995*

*Electricity Supply Industry (Pricing and Related Matters) Regulations 2013*

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 a regulated offer retailer under standard retail contracts in respect of small customers; or a method of determining the maximum prices that may be charged by a regulated offer retailer under standard retail contracts in respect of small customers.

The determination will apply to a regulatory period that commences on 1 July 2016 and ends on 30 June 2019. The Final investigation report will be released, and the determination will be made, on or before 6 May 2016.

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

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

The Economic Regulator will publish a draft report and draft determination by 31 January 2016. Written submissions (preferably by email) on the draft report and draft determination can be made to the Economic Regulator during a consultation period ending on 15 March 2016.

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

- (a) any interstate or international benchmarks for prices, costs, revenues and return on assets in bodies providing a service similar to the services, under a standard retail contract with a small customer, to which the determination relates;
- (b) the effects of inflation;
- (c) the impact on pricing policies of any borrowing, capital, dividend, and taxation, obligations of the regulated offer retailer, including obligations to renew or increase assets;
- (d) the quality of the provision of services to small customers under standard retail contracts of the regulated offer retailer;
- (e) any licence, obligation or retailer authorisation under the Act, any regulations made under the Act, the National Energy Retail Law (Tasmania), the National Energy Retail Regulations (Tasmania), the National Energy Retail Law (Tasmania) Act 2012 and any regulations made under that Act, that apply, or are likely to apply, to the regulated offer retailer;
- (f) the Tasmanian Electricity Code;
- (g) the National Electricity Rules;

(h) any costs (including capital expenditure) incurred by the regulated offer retailer at the direction of the Regulator;

(i) the public interest;

The Economic Regulator's draft report and draft determination will be available on the Economic Regulator's website: [www.economicregulator.tas.gov.au](http://www.economicregulator.tas.gov.au).

For further information regarding this notice please contact:

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