



**Comparison of 2011 Australian
Standing Offer Energy Prices**

January 2011

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
1 INTRODUCTION.....	5
2 ELECTRICITY.....	6
2.1 RESIDENTIAL	6
2.1.1 Interstate comparisons.....	6
2.2 BUSINESS.....	12
2.2.1 Interstate comparisons.....	12
3 NATURAL GAS	16
3.1 RESIDENTIAL	16
3.1.1 Interstate comparisons.....	16
3.2 BUSINESS.....	20
3.2.1 Interstate comparisons.....	20
APPENDIX 1 ELECTRICITY	22
RESIDENTIAL PRICE COMPARISON – DATA.....	22
BUSINESS PRICE COMPARISON – DATA	26
APPENDIX 2 NATURAL GAS	27
RESIDENTIAL PRICE COMPARISON – DATA.....	27
BUSINESS PRICE COMPARISON – DATA	29

EXECUTIVE SUMMARY

This Report compares natural gas and electricity prices available to small customers¹ across Australian states under a regulated tariff or standing offer contract, as at 23 January 2011.² The Report also examines the prices paid by customers entitled to a concession and, for Tasmanian customers, the extent to which the recently increased concessions mitigate against price rises. Note that the comparisons are based on January 2011 prices available in Tasmania, Victoria and South Australia, and July/August 2010 prices in New South Wales, Queensland, Western Australia, the Australian Capital Territory and the Northern Territory.

The Report shows that for Tasmanian residential customers from 23 January 2011:

- Low consumption electricity customers pay prices that are in the middle range of residential prices available in Australia, while low consumption Tasmanian natural gas customers pay prices that are amongst the lowest in the country.
- Electricity prices remain in the mid range for customers with average consumption and begin to fall below the national average price at higher consumption levels, although this is largely dependent on the consumption split between various tariffs, such as Hot Water and Light and Power tariffs. However, high consumption natural gas customers pay in the mid range of national prices.
- Electricity customers entitled to receive a concession pay prices in the low range of those available in Australia.

The Report also shows that from 23 January 2011, for Tasmanian business customers:

- Tasmanian electricity business customers on regulated tariffs³ pay business rates that are competitive with those available in other states; and
- Tasmanian prices for business customers using natural gas are in the upper band of rates available nationally.

¹ Customers who consume up to 150 MWh per annum

² This date has been chosen for the comparison as Victoria's latest standing offer prices took effect from 23 January 2011. All other states' standing offer prices took effect on 1 January 2011 or 1 July 2010.

³ Business customers that consume less than 150 MWh per annum are on regulated tariffs.

1 INTRODUCTION

This Report provides an overview of the pricing environment in both the electricity and gas retail markets for 2011, updating information presented in the *Comparison of 2010 Australian Standing Offer Energy Prices Report*, September 2010. The Report reflects recent increases in standing offer prices in Victoria and South Australia, and the regulated electricity tariffs approved by the Tasmanian Economic Regulator for Tasmania from 1 December 2010 for non-contestable customers. Retail tariffs in Western Australia, the Australian Capital Territory, Northern Territory, New South Wales and Queensland are current as at 1 August 2010.

This is the most recent in a series of reports that OTTER produces regularly at approximately six monthly intervals to inform electricity and gas consumers.

The electricity section compares prices in Tasmania and mainland states paid by residential customers as at 23 January 2011, including a comparison of prices taking into account concessions available in each state. The section also compares prices paid by small business customers as at 23 January 2011. A comparison between Tasmanian Aurora Pay As You Go prices and regulated tariffs is available on the website of the Office of the Tasmanian Economic Regulator (OTTER) in a separate paper.⁴

The natural gas section compares prices prevailing in Tasmania and mainland states for both residential and business consumers as at 23 January 2011.

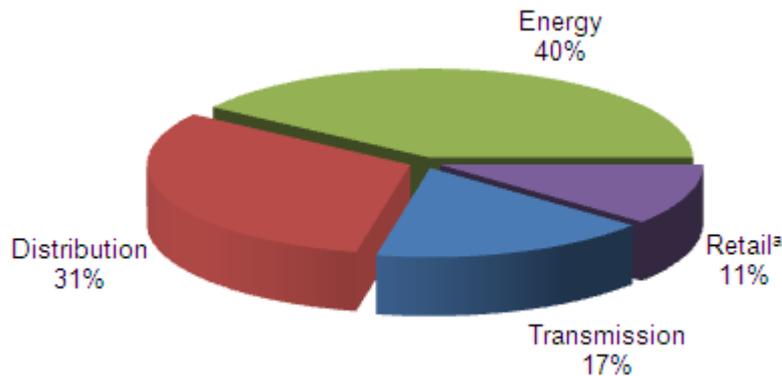
⁴ OTTER, *2011 Aurora Pay As You Go price comparison report (rates from 1 January 2011)*, December 2010

2 ELECTRICITY

On 19 November 2010, the Regulator approved Aurora Energy's retail tariffs for non-contestable customers for the period 1 December 2010 to 30 June 2011 in accordance with the Regulator's 2010 Price Determination.⁵ Tasmanian non-contestable customers experienced average price increases of 8.8 per cent on 1 December 2010, and similar increases of around 8.5 per cent are expected on 1 July 2011 and July 2012.

The following comparisons use the approved regulated tariffs for Tasmania, Western Australia and the Northern Territory and the approved standing offer prices for the major retailers in Victoria, South Australia, New South Wales and the Australian Capital Territory.

Figure 2.1: Price components of a typical electricity bill⁶



^a Includes costs of Renewable Energy Certificates and Australian Energy Market Operator market charges

For the average customer on a retail tariff, the breakdown in costs is approximately 40 per cent for the cost of energy (generation), 17 per cent for the transmission of electricity, 31 per cent for the distribution of electricity and 11 per cent for the electricity retail service.⁶ These numbers are approximate and differ for each tariff, but give a reasonable indication of the impact that each part of the industry has on a consumer's electricity bill.

2.1 Residential

2.1.1 Interstate comparisons

Comparisons of interstate electricity prices require consideration of the factors that characterise each market. The prices in each state reflect local cost structures, the nature of the energy market (in particular the take up of natural gas by customers),

⁵ OTTER, *Declared electrical services pricing determination*, October 2010.

⁶ Percentages have been rounded to the nearest whole percent.

the regulatory environment and differing weights placed on fixed (daily) charges and variable (consumption-related) charges.

When comparing prices in Tasmania with those of mainland states, the following factors must be taken into account:

- Mainland states, where thermal generation predominates, have a distinct differential between peak and off-peak energy costs reflecting the fact that those systems are capacity constrained. Hence there are relatively cheaper off-peak retail rates compared to those offered by Aurora. The Tasmanian system is energy constrained (that is, constrained by water storage levels). Thus there is less reason for significant differences between peak and off-peak energy prices.
- Due to the comparatively low off-peak rates in the mainland states, off-peak (with or without any-time boost) is the most economical option in those states for electric water heating. There is comparatively less difference between the Aurora any-time hot water rate and the Aurora off-peak rate.
- Tasmanian average residential consumption is higher than that in other states due to the low penetration of natural gas and the colder weather which results in a higher space heating load. However, Tasmania has a high penetration of wood heaters and comparatively little demand for air conditioning, although this is changing.
- Tariff structures differ between states. Most Tasmanian residential tariffs have a higher fixed (daily) charge and a lower variable (consumption-related) rate. Hence for many Tasmanian residential customers, the average incremental energy rates are lower than the equivalent average incremental energy rates in other states.

About six per cent of Tasmanian standard tariff customers take supply under just the Light and Power tariff (Tariff 31), while around 83 per cent take supply under a combination of Light and Power and Hot Water tariffs (Tariff 41 or Tariff 42). Only about 11 per cent take supply under an Off-Peak tariff (Tariff 61 or Tariff 62) either in addition to, or as a substitute for, the Hot Water tariff. By comparison, water heating in parts of the mainland would usually be either gas or electricity at off-peak rates (available at around 7 to 8 cents per kilowatt hour (kWh) in New South Wales, 9 cents per kWh in Queensland, and 11 to 13 cents per kWh in Victoria) rather than at the standard rate of around 13.7 cents per kWh hot water rate in Tasmania.

The use of solar hot water heaters has increased dramatically in other states due to government programs that offer incentives for residential customers to install gas-boosted and solar hot water systems. In Queensland, the phasing-out of electric hot water systems means that residential customers must choose from gas, solar or heat pump options.

It is therefore difficult to draw conclusions from simple direct comparisons between prices in each state. By looking at publicly available tariffs and calculating resulting prices across a range of consumption levels, it is possible to estimate the range of

prices (average cents per kWh) that customers could reasonably expect to pay in each state.

To demonstrate the varying price per unit paid by low and high consumption customers owing to the mix between fixed and variable charges, OTTER uses a methodology that produces price curves for a range of commonly used electricity tariff combinations (outlined in the Appendix), plotting average price per unit against consumption.

Importantly, the prices selected are the approved residential standing offer prices for each state noting that, in states where retail markets are fully competitive, customers may have access to cheaper products than the approved standing offers.⁷ Average residential consumption levels vary between states. Consumption has been 'normalised' to enable comparison of households with similar consumption. This approach identifies the annual average residential electricity use for each state and normalises the range of consumption to between 20 per cent and 300 per cent of average consumption. This allows comparison of 'low' and 'high' consumption customers across states despite the actual consumption of these customers varying considerably (eg a low consumption customer in Tasmania may consume more than a low consumption customer in Western Australia owing to a higher dependence on electricity for necessities such as heating). The variation in average annual residential consumption between states is shown in the Appendix 1.

Figure 2.2 and Figure 2.3 show the range of prices per unit consumption (cents per kWh) for common residential tariffs across Australia (shaded area) available as at 23 January 2011 and indicate where Tasmania's regulated tariffs sit within that range. **Note that the scale begins at 10 cents per kWh in these figures.**

Figure 2.2 normalises consumption on the basis of percentage of state average residential consumption, while Figure 2.3 shows actual annual consumption on a cents per kWh basis, showing the range of prices available nationally.

⁷ Approved standing offer prices are the default contract prices for customers, in accordance with a price determination made by the regulator.

Figure 2.2: Average residential electricity prices per kWh as at 23 January 2011 – normalised consumption

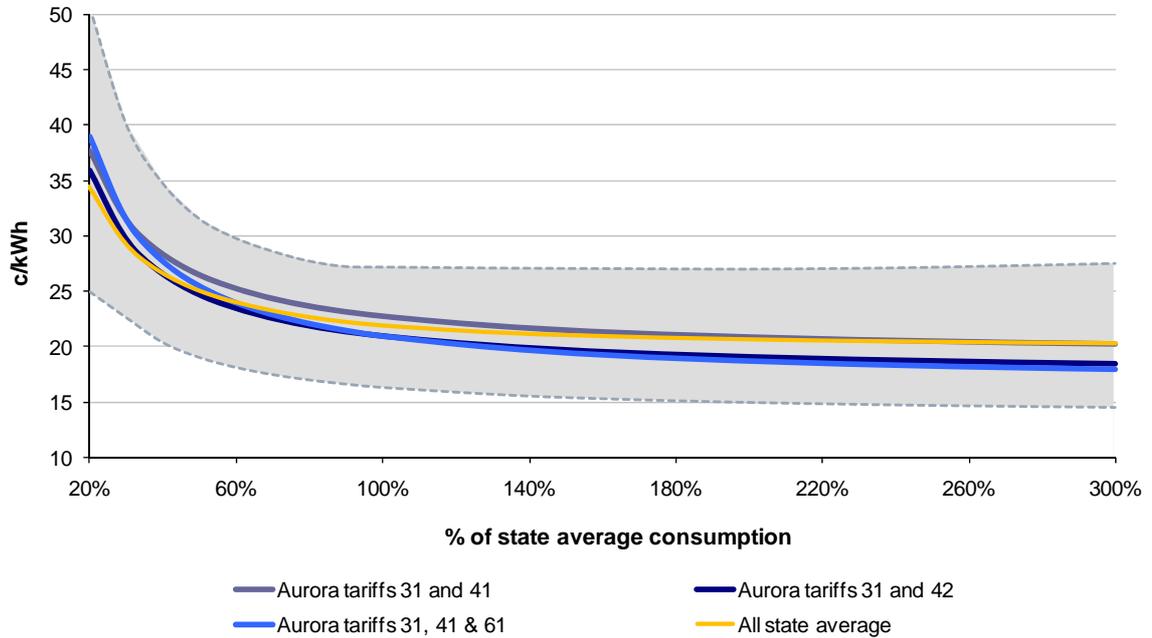


Figure 2.3: Average residential electricity prices per kWh as at 23 January 2011 – actual consumption up to 30 000 kWh per annum, national price range

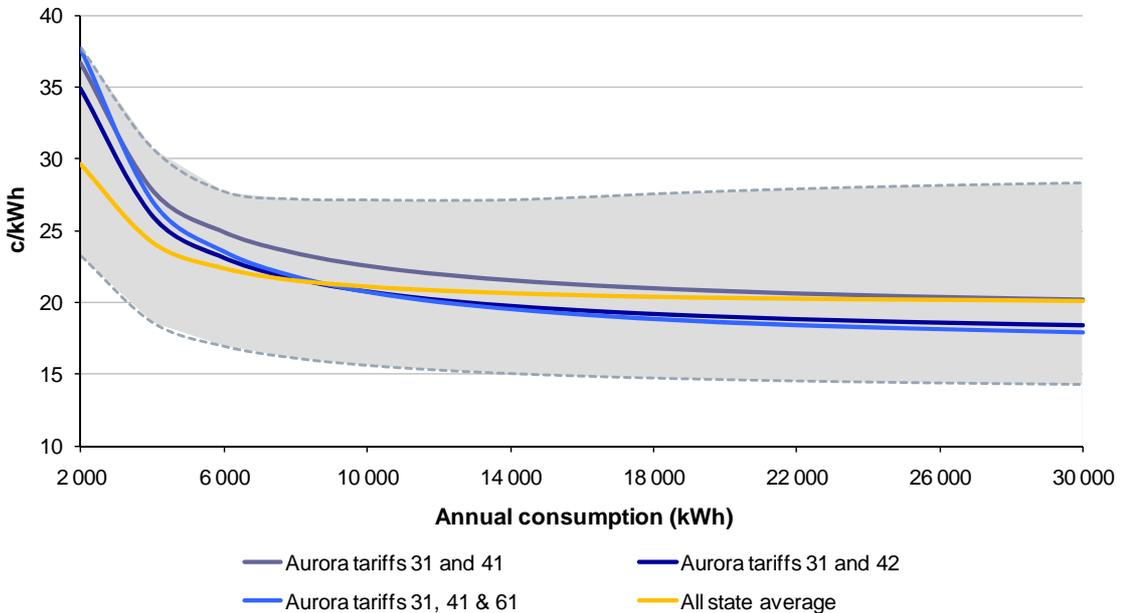


Figure 2.2 and Figure 2.3 illustrate that Tasmanian residential tariff customers with low consumption, that is, at around 50 per cent of the Tasmanian State average consumption, pay an average cost for their electricity of between 24.7 cents per kWh and 26.5 cents per kWh, which is in the mid to high range of prices experienced across Australia. By contrast, high consumption customers, at 200 per cent of the Tasmanian State average consumption, pay an average cost of

between 18.7 cents per kWh and 20.9 cents per kWh, which is in the mid to low range of prices experienced across Australia.

Figure 2.3 particularly demonstrates that at consumption levels of up to 8 000 kWh per annum, Tasmanian prices are above the national average, while at higher consumption levels, Tasmanian customers may pay prices that are below the average nationally (average Tasmanian consumption is 9 480 kWh per annum). However, this is largely dependent on the consumption split between tariffs, as demonstrated by the fact that in this comparison, prices for the tariffs 31 and 41 combination (40:60 split) remain above the national average, even at high consumption levels, while prices for the tariffs 31 and 42 combination (60:40 split) dip below the national average at medium consumption levels.

2.1.1.1 Concessions

There are a range of concession schemes available around Australia that provide for a reduction in electricity charges for pensioners and other concession card holders. As at 23 January 2011, Tasmanian Pensioner Concession Card and Health Care Card holders receive a rebate of 92.55 cents per day for the fixed charge component of Tariff 31. This equates to a concession of \$340 per annum, which is one of the most generous concessions available in Australia. Furthermore, the one-off payment of \$100 to eligible concession customers made in September 2010 effectively raises the concession in Tasmania to \$440 in 2010-11. Eligibility for concessions is generally broader in Tasmania than in other states, with around one in three residential customers receiving the concession. A summary of the concessions available in each state is provided in Appendix 1.

Figure 2.4 and Figure 2.5 demonstrate the range of major retailers' standing offer prices available to residential customers across Australia, taking account of any concessions as at 23 January 2011.

Figure 2.4 normalises consumption on the basis of percentage of state average residential consumption, while Figure 2.5 shows annual consumption on a kWh basis.

Figure 2.4: Average residential concession prices per kWh as at 23 January 2011 – normalised consumption

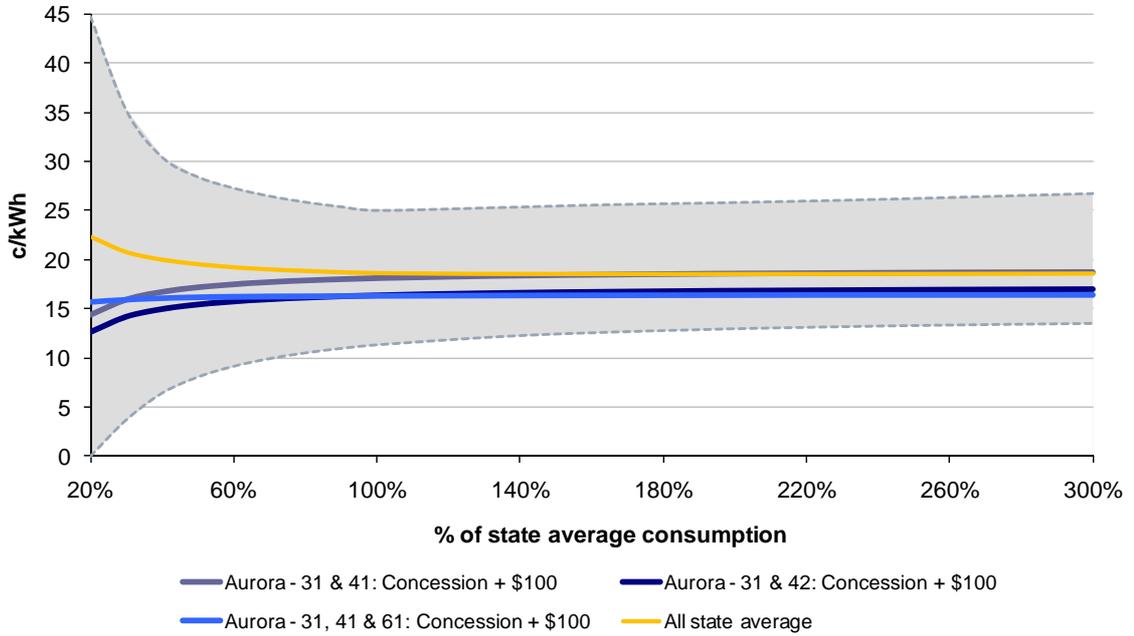


Figure 2.5: Average residential concession prices per kWh as at 23 January 2011 – actual consumption, up to 25 000 kWh per annum

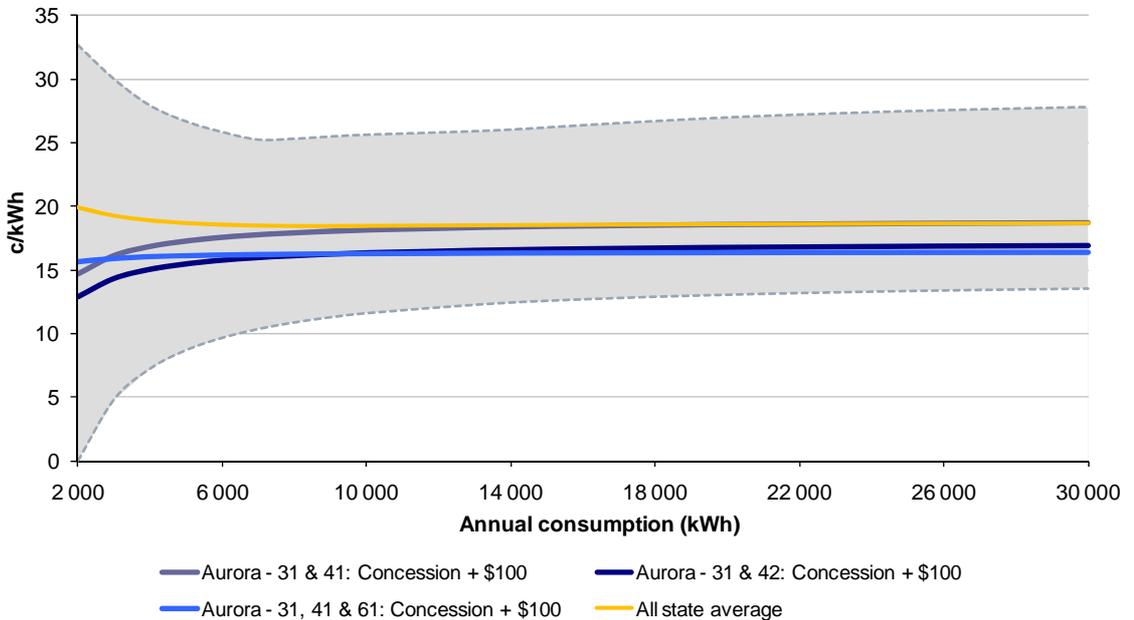


Figure 2.4 and Figure 2.5 illustrate the effect the Tasmanian concession has on reducing the impact of the fixed charge component of the tariffs, thereby flattening the curve at the low end of consumption and reducing prices. As such, Tasmanian concession customers experience prices that are amongst the lowest across Australia at consumption levels that are 50 to 200 per cent of state average consumption. For Tasmanian concession customers with average annual

consumption, the concession (including the one-off payment, applied over the full year) lowers the average price to between 16.3 and 18.1 cents per kWh.

2.2 Business

2.2.1 Interstate comparisons

It is difficult to compare prices for business customers⁸ because of the different stages of contestability (and hence access to price information) between states. All business customers are now contestable in New South Wales, Victoria, South Australia and the Australian Capital Territory but have standing offer tariffs and/or other arrangements in place. Queensland has adopted full retail contestability with some safety net tariffs remaining in place. In 2009, Victoria removed all price caps on retail electricity prices, although retailers are obliged to have standing offers.

Contestable customers may take supply under individual contracts with retailers rather than under published tariffs. There is no public disclosure of current contract prices. The Energy Supply Association of Australia (ESAA) has ceased to provide estimates of contestable prices due to the difficulty in obtaining contract prices. The following analysis has been undertaken using publicly available tariffs. However as noted, these may not represent the prices actually available under contracts.

The price curves developed for small business customers follow a similar methodology to that used for residential customers, with the following exceptions:

- consumption was not normalised across states, as there is less variability in the 'typical' business consumption between states, being more a result of the nature of commercial activity rather than local factors; and
- a consumption range was chosen that represents Tasmanian small business customers⁹, 1 MWh per annum to 150 MWh per annum.

Figure 2.6 and Figure 2.7 show the range of prices per unit consumption (cents per kWh) for common business tariffs available in Australia (shaded) at 23 January 2011, and indicates where Aurora Energy's general business tariff fits within that range. **Note that the scale begins at 10 cents per kWh in these figures.**

Figure 2.7 focuses on customers at the low end of consumption to highlight the price curve and the impact of the fixed charge component of the tariffs. At higher consumption levels, the price per unit converges with the marginal energy rate.

⁸ Business customers who consume up to 150 MWh per annum.

⁹ Tasmanian business customers that consume more than 150MWh are contestable and cannot access regulated tariffs.

Figure 2.6: Average business electricity prices per kWh as at 23 January 2011, national price range - consumption up to 150 MWh per annum

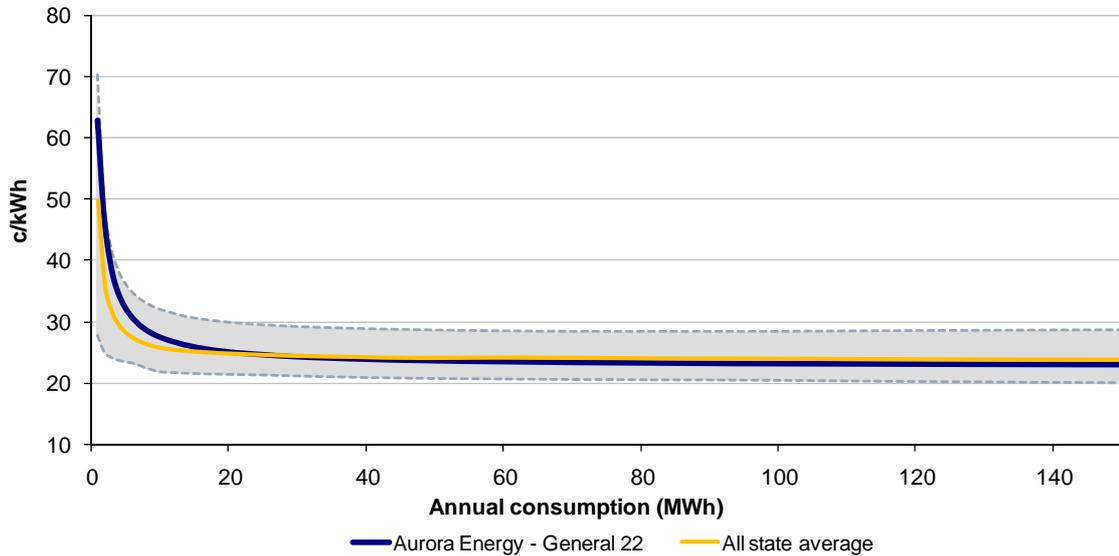


Figure 2.7: Average business electricity prices per kWh as at 23 January 2011, national price range – consumption up to 40 MWh per annum

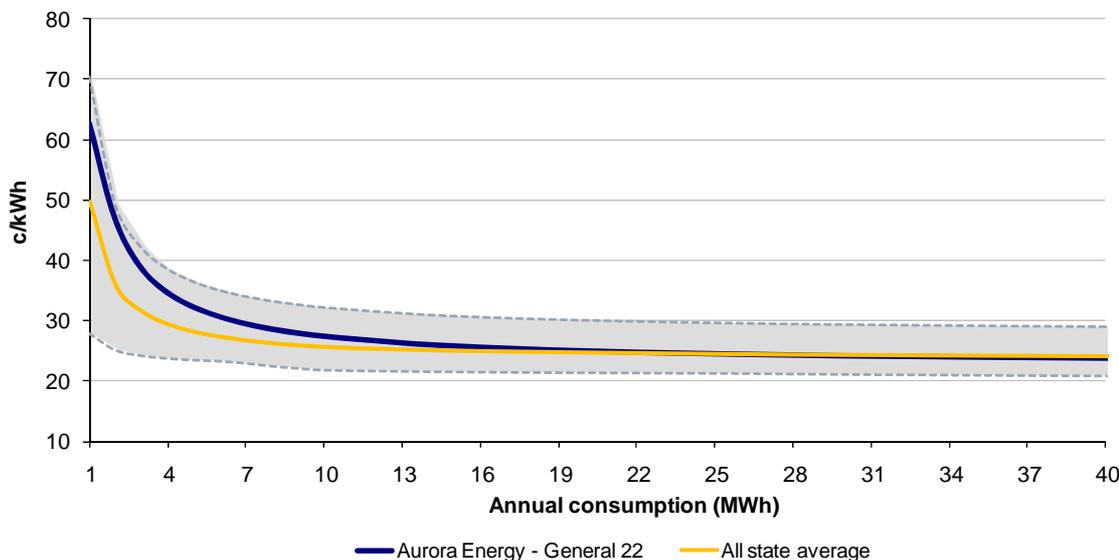


Figure 2.6 and Figure 2.7 illustrate that Tasmanian business customers consuming up to 5 MWh per annum (approximately \$400 per quarter) pay rates of around 32.3 cents per kWh. However, very few customers would have this low level of consumption. Business customers that consume between 20 MWh per annum (approximately \$1 250 per quarter) and 40 MWh per annum (approximately \$2 390 per quarter) pay prices between 23.9 cents per kWh and 25.1 cents per kWh.

In December 2009, the Minister for Energy announced that Tasmanian businesses with electricity consumption above 50 MWh a year, that is, those whose electricity bills are between around \$10 000 and \$35 000 a year, will soon be able to choose

their electricity retailer. This will affect businesses such as bakeries, take-away food outlets, large restaurants, mechanical workshops and medium-sized offices. Unlike customers who are already able to choose their retailer, these customers will still be able to access tariffs regulated by the Tasmanian Economic Regulator.

Figure 2.6 shows that at consumption levels between 50 and 150 MWh per year, Tasmanian business customers will pay between 23.0 and 23.6 cents per kWh, a rate that is competitive with prices available nationally.

Figure 2.8 and Figure 2.9 show comparative price curves for business tariffs available in Tasmania by showing the range of prices per consumption unit (cents per kWh) of Aurora's Tariff 22 (business general supply) compared to Tariff 82 (industrial low-voltage demand) at various load factors.

The load factor is the ratio of average demand to peak demand, calculated as:

$$\frac{\text{energy (kWh)}}{\text{peak load (kW) x period (hours)}}$$

A low load factor means that there is occasionally high peak demand. To service that peak, capacity sits idle for long periods of time and thus imposes higher costs. A high load factor indicates that power usage is constant, resulting in lower costs.

Figure 2.8 shows consumption up to 50 MWh per annum to accentuate the price curve at low consumption levels. Figure 2.9 shows the price curves for consumption up to 4.5 GWh per annum.

Figure 2.8: Comparison of Tasmanian business tariff offerings, consumption up to 50 MWh per annum, as at 23 January 2011

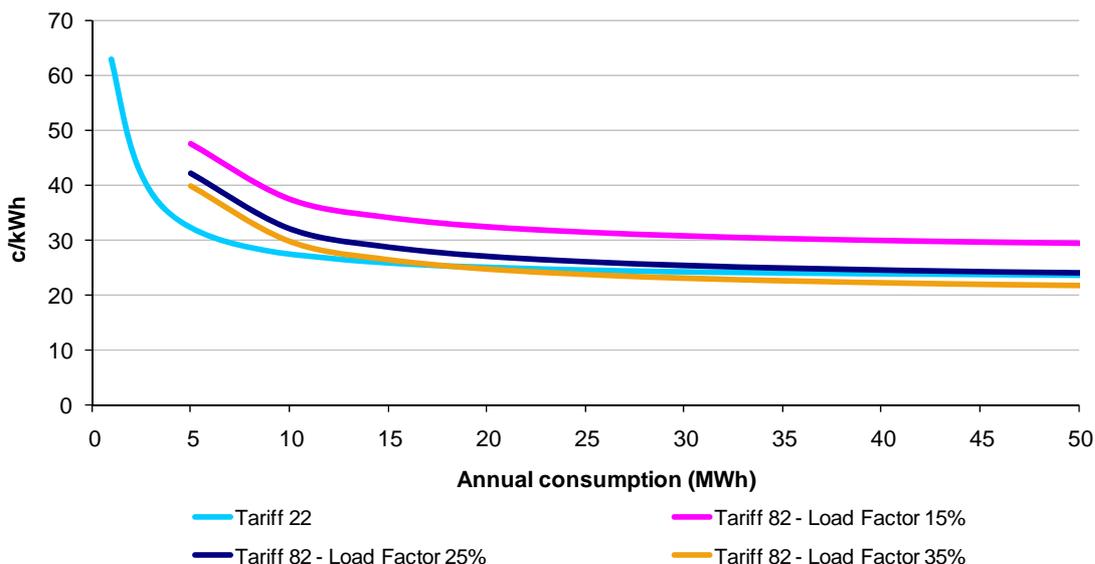


Figure 2.8 illustrates that for annual consumption less than 20 MWh, Tasmanian business customers experience a lower cost per consumption unit on Tariff 22 than on Tariff 82 at load factors ranging from 15 to 35 per cent. For consumption over

20 MWh per annum, the price per unit of consumption for Tariff 22 is lower than Tariff 82 at a load factor of 35 per cent.

Figure 2.9: Comparison of Tasmanian business tariff offerings, consumption up to 450 MWh per annum, as at 23 January 2011

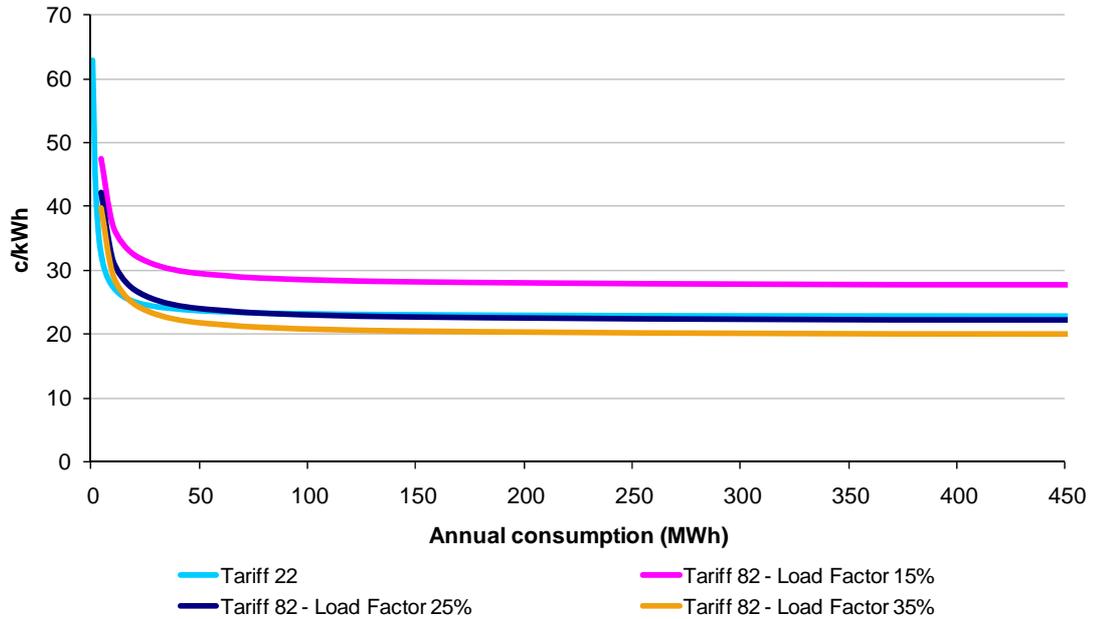
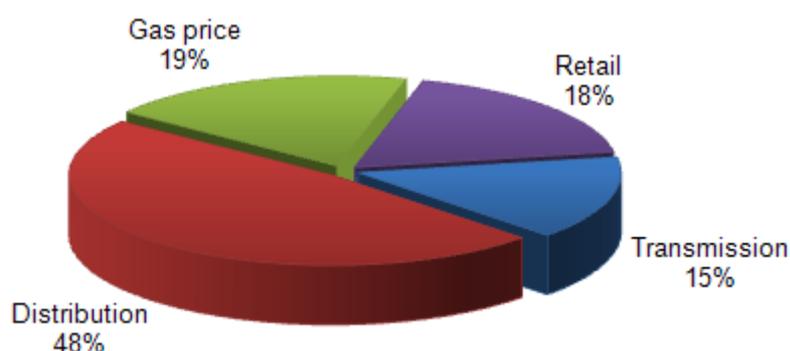


Figure 2.9 shows that businesses on Tariff 82 with load factors of 15 and 25 per cent experience lower prices than those on Tariff 22, for consumption over 60 MWh per annum. This indicates that business customers with constant power usage (load factor above 25%) may save up to 2.6 cents per kWh on a low voltage demand tariff compared to the general tariff.

3 NATURAL GAS

For the average customer on a reticulated natural gas retail tariff, the breakdown of costs is approximately 19 per cent for the cost of the energy (gas price), 15 per cent for transmission of the gas, 48 per cent for gas distribution and 18 per cent for the gas retail service. These numbers are approximate and differ for each tariff, but give a reasonable indication of the impact that each part of the industry has on the customer's final bill.

Figure 3.1: Price components of a typical natural gas bill



The gross retail margin for Tasmanian natural gas retailers of 18 per cent includes the 'cost to serve' component incurred by the retailer. The Tasmanian net retail margin appears to be similar to the net retail margin in Victoria.

The following comparisons use gas tariffs and standing offers available as at 23 January 2011. They use Tasmanian tariffs available from 1 January 2011, and Victorian standing offer tariffs valid as at 23 January 2011. Gas prices in South Australia, Western Australia, the Australian Capital Territory, New South Wales and Queensland are current as at 1 August 2010. The tariffs used in the comparisons are outlined in Appendix 2.

3.1 Residential

3.1.1 Interstate comparisons

Meaningful comparisons between interstate prices require consideration of the many factors that characterise each market. The prices in each state reflect local cost structures, the balance between natural gas and electricity usage, and the differing weights placed on fixed (daily charges) and variable (consumption-related) charges.

Key variations that impact on comparisons of Tasmanian and mainland prices include:

- Most mainland companies offer peak and off-peak consumption rates reflecting the fact that those systems are capacity restrained. The two gas

retailers operating in Tasmania currently do not have peak and off-peak pricing policies.

- The Tasmanian gas industry is still in its infancy and currently has a small customer base relative to the gas industry in mainland states.
- There are large variations from state to state in consumption levels. This is a result of many factors including climate and the balance between electricity and natural gas usage.

Currently the Tasmanian market for natural gas is small, though popularity is growing, with the roll out of infrastructure across the State substantially completed in 2007-08. Since 2005-06, the number of natural gas customers in Tasmania has increased dramatically, with around 8 040 customers as at 30 June 2011. Amongst this small customer base, residential customers' average consumption levels are anticipated to be around 40 gigajoule (GJ) per annum. This level of consumption is in the mid-range of most mainland states, being greater than Queensland and Western Australia and considerably less than Victoria and the Australian Capital Territory (ACT), which both have higher natural gas usage due to climate conditions and the balance between electricity and gas usage. As with electricity, there are variations in average residential natural gas consumption levels between states. This is highlighted in Chapter 10 of the *Tasmanian Energy Supply Industry Performance Report 2009-10*.

A similar approach to that used for the electricity price curves has been used for gas comparisons between states. Under this approach, consumption has been normalised to allow comparisons between similar households.

Figure 3.2 and Figure 3.3 show the range of prices per unit consumption (cents per megajoule (MJ))¹⁰ for common residential tariffs available as at 23 January 2011 with Tasmania's two active gas retailers separately identified. Figure 3.2 normalises consumption on the basis of percentage of state average residential consumption, while Figure 3.3 shows annual consumption on a per MJ basis, up to 90 GJ per annum.

¹⁰ 3.6 megajoules (MJ) is equivalent to 1 kWh

Figure 3.2: Average residential natural gas prices per MJ as at 23 January 2011 – normalised consumption

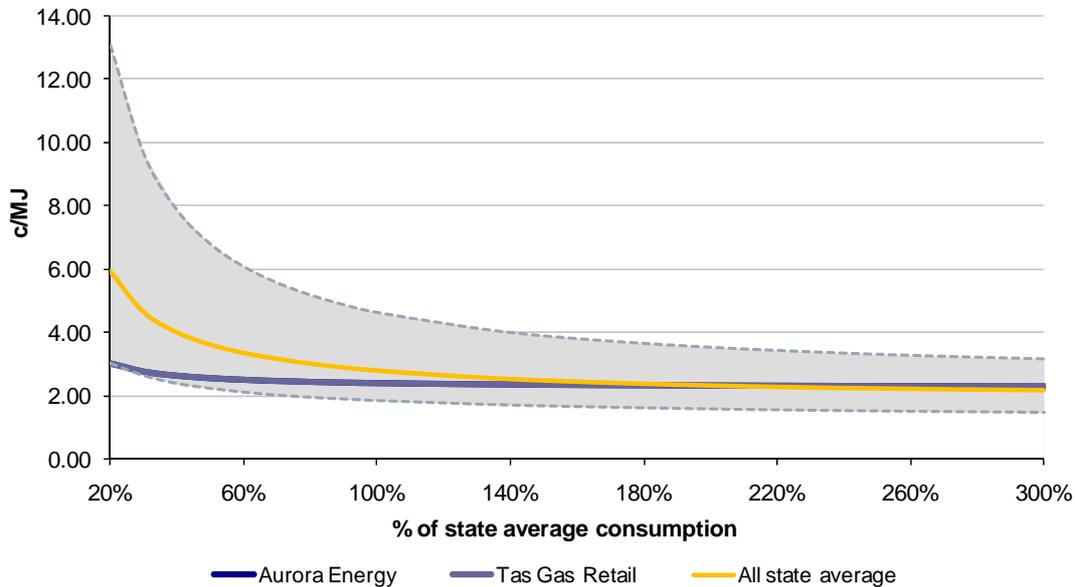


Figure 3.3: Average residential natural gas prices per MJ as at 23 January 2011 – actual consumption

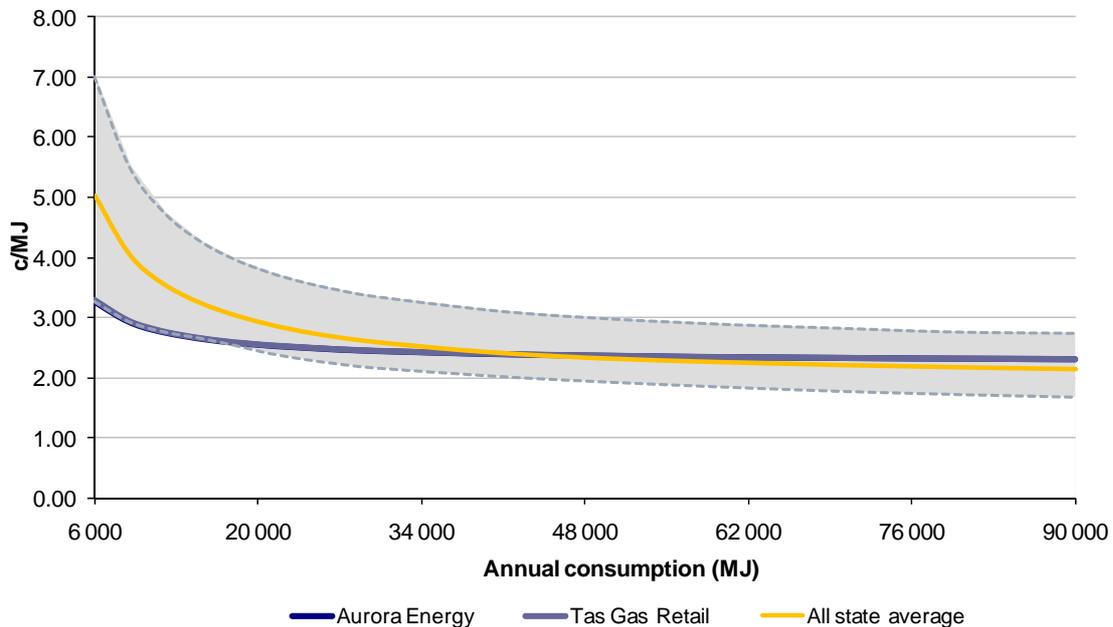


Figure 3.2 and Figure 3.3 both show that low consumption customers in Tasmania, at around 50 per cent of State average consumption, will pay around 2.6 cents per MJ. Tasmanian gas prices are below the national average at consumption levels up to 200 per cent of the State average, and very low consumption customers (up to 18 000 MJ per annum) pay prices that are amongst the lowest in the country. This is largely due to the lower fixed charges in Tasmania which are around 16.8 cents per day, compared to other states where fixed charges are typically around 50 cents per day.

High consumption customers, at 200 per cent of State average consumption, pay around 2.3 cents per MJ, 0.09 cents above the national average. However, in making this comparison, the following assumptions have been made:

- the tariffs chosen are representative of what consumers pay, and do not take into account any discounts or special deals that may be obtainable (particularly dual fuel deals);
- the majority of customers consume close to the typical consumption level; and
- the split between peak and off-peak consumption has been accurately estimated. (It is important to note that electricity peak and off-peak varies by time of day, whilst for natural gas, peak and off-peak is based on the time of year.)

With these assumptions in mind, it is still apparent that Tasmania is paying in the low to mid range of natural gas prices across Australia. Victoria is the only state to offer lower prices per MJ of natural gas consumed, while Queensland, Western Australian and South Australian customers all pay higher prices for natural gas under this model.

3.2 Business

3.2.1 Interstate comparisons

It is difficult to obtain comparative prices for business customers because of the differing competition arrangements (and hence access to price information) between states. All customers are now contestable in all states and territories with the exception of the Northern Territory. Victoria has removed all price caps on retail gas prices, though retailers are obliged to have standing offers in place. Natural gas retailing in Tasmania has been fully contestable from its inception.

The price curves developed for small business customers use a similar methodology to that used for residential customers, with the exception that consumption was not normalised across states as there is less variability in the 'typical' business consumption between states, being more a result of the nature of the commercial activity than local factors.

Figure 3.4 and Figure 3.5 show the range of prices per unit consumption (cents per MJ) for common business tariffs available in Australia (shaded) as at 23 January 2011.

Figure 3.5 concentrates on the low end of consumption to highlight the price curve and the impact of the fixed charge component of the tariffs. At higher consumption levels, the price per unit converges with the marginal energy rate.

Figure 3.4: Average business natural gas prices per MJ as at 23 January 2011

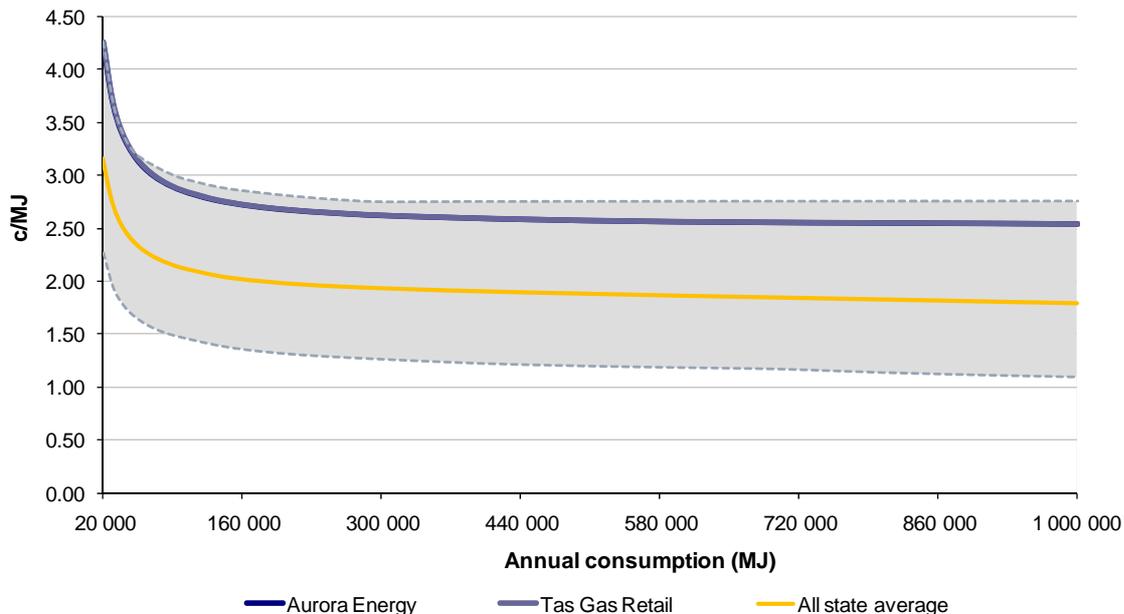


Figure 3.5: Average business natural gas prices per MJ as at 23 January 2011 - consumption up to 200 000 MJ per annum

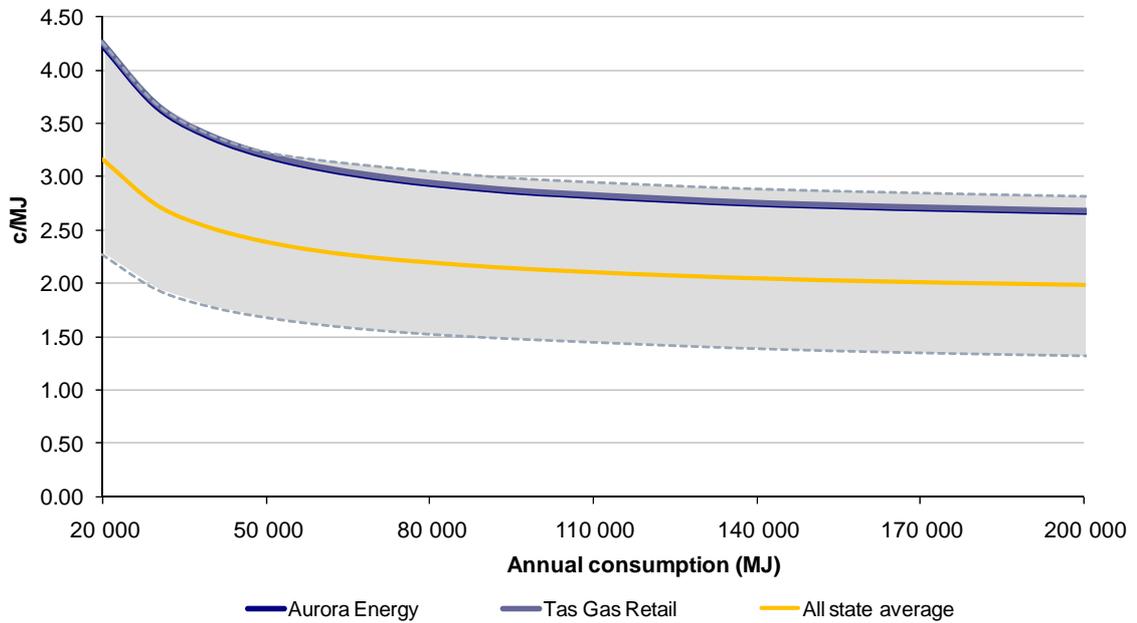


Figure 3.4 and Figure 3.5 show that for low consumption Tasmanian natural gas business customers (around 50 000 MJ per annum), prices are about 3.2 cents per MJ. High consumption customers, using around 200 GJ per annum, pay rates around 2.7 cents per MJ. Overall, Tasmanian prices appear to be in the upper band of natural gas business rates available in Australia.

APPENDIX 1 ELECTRICITY

Residential price comparison – data

For each state, residential tariffs were obtained from a selection of the standing offers of major retailers as listed in Table 1. Where there were a number of alternative tariffs available, the cheapest or most commonly used was chosen as being most representative for customers in that state.

Table 1: Available residential tariffs

State	Retailer	Tariffs used
Tasmania	Aurora	31 Light and Power 41 Hot Water 42 HydroHeat 61 OffPeak
Victoria	Origin Energy	GD/GR (standard) Y8 (off-peak)
	AGL	GD/GR (standard) Y8 (off-peak)
	TRUenergy	GD/GR (standard) Y8 (off-peak)
New South Wales	Country Energy	Residential Controlled load 1
	Energy Australia	Domestic Controlled load
	Integral	Domestic Off-peak 1
ACT	ACTEWAGL	Home Plan
Queensland	AGL	Domestic Controlled supply
	Ergon	11 Urban 11 Rural 31 Urban (hot water) 31 Rural (hot water)
	Integral	11 Urban 31 Urban (hot water)
	Origin	11 Urban 11 Rural 31 Urban (hot water) 31 Rural (hot water)
South Australia	AGL	110 Light/Power 116 Off-peak controlled load
Western Australia	Synergy/Horizon	A1 (standard) B1 (hot water)
Northern Territory	NT Power & Water	Domestic (standard)

Typical consumption levels for each state, as shown in Table 2, were obtained from the ESAA.¹¹ Tariff combinations, including consumption ratios, were obtained from a variety of sources as shown.

Three tariff combinations were chosen for Tasmania. These combinations account for approximately 90 per cent of residential customers in Tasmania.

In its *2006-07 Energy Retail Performance – Consumer Snapshot*, issued in January 2008, the Essential Services Commission (ESC) observed that a typical Victorian customer on a standing offer will be on the GD/GR+Y8 tariff combination. This tariff combination is only available to installations with a controlled load meter using a time-switch associated with the dedicated circuit.

For New South Wales, three typical tariff combinations were drawn from an IPART fact sheet on electricity price increases.¹²

For the Australian Capital Territory, the tariff combination was drawn from an ActewAGL pricing strategy statement submitted to the Independent Competition and Regulatory Commission (ICRC).¹³

Queensland tariff combinations were drawn from the Integral Energy price fact sheet.¹⁴

In South Australia, advice was received from the Essential Services Commission of South Australia (ESCOSA) as to the typical tariff combinations and consumption split.

In Western Australia, tariff combinations were drawn from a report by Frontier Economics for the Western Australian Office of Energy¹⁵

In the Northern Territory, no off-peak or similar alternative tariff is available.

¹¹ ESAA, *Energy Gas Australia 2010*, 2010

¹² IPART *Fact Sheet – Final Report - Regulated electricity retail tariffs for 1 July 2010 to 30 June 2013*, March 2010

¹³ ActewAGL, *Pricing Strategy Statement 2004/05 – 2008/09*, May 2004

¹⁴ Integral Energy Price Fact Sheet, July 2010

¹⁵ Frontier Economics, *Final recommendations - Electricity Retail Market Review – Electricity Tariffs*, January 2009

Table 2: Typical consumption levels and tariff consumption split

State	Typical consumption kWh pa	Tariff consumption split	Source (consumption split)
Tasmania	9 480	Tariff 31 & 41 – 60:40 Tariff 31 & 42 – 40:60 Tariff 31, 41 & 61 – 40:30:30	Office of the Tasmanian Energy Regulator – Typical Electricity Customers Information Paper 2010
Victoria	5 880	Standard & Off-Peak – 62:38	ESC 2006-07 Energy Retail Performance – Consumer Snapshot
New South Wales	7 480	Standard & Controlled Load/Off-Peak – 82:18	IPART Fact Sheet – Electricity prices to increase for residential and small businesses
ACT	7 480	Standard & Off-Peak – 60:40	ICRC and ACTEWAGL Pricing Strategy Statement
Queensland	7 520	Tariff 11 & 31 – 75:25	Integral Energy Price Fact Sheet – Typical Customers
South Australia	6 180	Standard – 100 Standard & Off-Peak – 65:35	ESCOSA
Western Australia	6 160	Standard – 100 Standard & Off-Peak – 75:25	Western Australian Office of Energy - Review of Electricity Tariff Arrangements, January 2009
Northern Territory	8 930	Standard – 100 (no Off-Peak)	N/A

Price curves illustrating concession prices include the concessions outlined in Table 3.

Table 3: Summary of concessions available by state

State	Concession available
Tasmania	92.55 cents per day, all year round \$100 one-off payment in September 2010
Victoria	17.5 per cent off winter quarter bills (issued between May and November) 13 per cent off off-peak tariff consumption charges (available all year)
New South Wales	\$112 per annum
ACT	Summer rebate of 25.15 cents per day (Nov – May). Winter rebate of 92.2 cents per day (June – Oct) up to a maximum of \$194.87 per annum
Queensland	52 cents per day up to a maximum of \$190 per annum
South Australia	\$150 per annum
Western Australia	Rebate on supply charge of 38.23 cents per day
Northern Territory	\$1.179 per day off the fixed charge, 4.7 c/kWh off consumption charges, all year round

Business price comparison – data

For each state, general business tariffs were obtained from a selection of major retailers as listed in Table 4. Where there were a number of alternative tariffs, the cheapest or most commonly used was chosen as being most representative for customers in that state.

Table 4: Business tariffs

State	Retailer	Tariffs used
Tasmania	Aurora	22 General
Victoria	Origin	General E
	AGL	General E
	TRUenergy	General TOU
NSW	Country Energy	Business
	Energy Australia	General Low Voltage
	Integral	General Supply
ACT	ActewAGL	Business
Queensland	AGL	General 21
	Ergon	General 20
	Integral	General 20
	Origin	General 20
South Australia	AGL	General 126
Western Australia	Synergy/Horizon	Business L1
		Business fifty L3
Northern Territory	Power and Water	Commercial

Use of a standard typical business customer across all states and territories in making comparisons reflects that businesses will generally have similar consumption patterns and usage regardless of their location. This, therefore, gives an accurate comparison of differences in price range for each state and territory across a range of consumption levels.

APPENDIX 2 NATURAL GAS

Residential price comparison – data

For each state, residential tariffs were obtained from a selection of the major retailers as listed in Table 5. Where there were a number of alternative tariffs available, the cheapest or most commonly used was chosen as being most representative for customers in that state.

Table 5: Residential tariffs

State	Retailer	Tariffs used
Tasmania	Aurora	Residential
	Tas Gas Retail	Residential
Victoria	AGL	SP AusNet Central 2 Envestra Central 1 Multinet Main 1
	Origin Energy	Envestra North Multinet Main 2 Multinet Main 1 SP AusNet Central 2 Envestra Central 2 SP AusNet Central 1
	TRUenergy	Gas zone 1 Gas zone 2 Gas zone 6 Gas zone 8
	EnergyAustralia	Envestra Central 1
South Australia	Origin Energy	Metropolitan Adelaide Mount Gambier Port Pirie Riverland Whyalla
	AGL	Residential
New South Wales	AGL	Residential
	Country Energy	Wagga Wagga and Uranquinty Tumut and Gundagai Henty, Culcairn, Hollbrook and Walla Walla Temora Cooma and Bombala
	Origin Energy	Albury, Jindera and Moama Murray Valley Towns
	ActewAGL	Capital Queanbeyan Shoalhaven

State	Retailer	Tariffs used
Queensland	AGL Sales (Queensland)	South East Queensland Brisbane North and Ipswich
	Origin Energy	Brisbane North and Ipswich Northern South East Queensland
ACT	ActewAGL	Residential
Western Australia	Alinta	Metro Albany Kalgoorlie
Northern Territory	No information available	No information available

For tariffs with a combination of peak and off-peak usage, 65 per cent of usage was deemed peak usage whilst the remaining 35 per cent was regarded as off-peak.

Typical consumption levels were then either obtained or estimated as indicated in Table 6.

Table 6: Typical consumption levels

State	Typical consumption levels (GJ pa)	Source
Tasmania	40 GJ	Tas Gas
Victoria	60 GJ	ESC Victoria
South Australia	24 GJ	ESCOSA Issues Paper 2010
New South Wales	20 GJ	IPART Research Report 2010
Queensland	13 GJ	APA Group Queensland
ACT	48 GJ	ICRC Quick stats 2009-10
Western Australia	20 GJ	ESAA
Northern Territory	N/A	Information unavailable

Business price comparison – data

For each state, general business tariffs were obtained from a selection of major retailers as listed in Table 7. Where there were a number of alternative tariffs the most commonly used was chosen as being most representative for customers in that state.

Table 7: Business tariffs

State	Retailer	Tariffs used
Tasmania	Aurora	Small business
	Tas Gas	Commercial rate
Victoria	AGL	AGL South AGL North Origin Metro
	Origin Energy	Envestra North Envestra Central 1 SP AusNet Central 2 SP AusNet West SP AusNet Central 1 Murray Valley
	TRUenergy	Gas zone 1 Gas zone 2 Gas zone 6
	EnergyAustralia	Envestra Central 1
South Australia	AGL	Metro Mount Gambier Port Pirie Riverland and Murray Bridge Whyalla
	Origin	Metropolitan Adelaide Mount Gambier Port Pirie Riverland Whyalla
New South Wales	ActewAGL	Queanbeyan Capital Shoalhaven
	AGL	
	Country Energy	Wagga Wagga and Uranquinty Tumut and Gundagai Henty, Culcairn, Hollbrook and Walla Walla Cooma and Bombala
	Origin Energy	Albury, Jindera and Moama Murray Valley

State	Retailer	Tariffs used
Queensland	AGL Sales (Queensland)	South East Queensland Brisbane North and Ipswich
	Origin Energy	Brisbane North and Ipswich Northern South East Queensland
ACT	ActewAGL	
Western Australia	Alinta	Metro Albany Kalgoorlie
Northern Territory	No information available	No information available

The use of a standard typical business customer across all states and territories for price comparisons reflects that businesses will generally have similar consumption patterns and usage regardless of their location. This therefore gives an accurate comparison of differences in price range for each state and territory across a range of consumption levels.