

**OFFICE of the
TASMANIAN
ECONOMIC
REGULATOR**



Notice of intention to conduct a pricing investigation in relation to the Wholesale Contract Regulatory Instrument

Electricity Supply Industry Act 1995

Electricity Supply Industry (Pricing and Related Matters) Regulations 2013

The Tasmanian Economic Regulator has been responsible, since 1 January 2014, for regulating Hydro Tasmania's wholesale contract activities.

The Economic Regulator carries out this function through its administration of the Wholesale Contract Regulatory Instrument (Instrument) which provides for a range of approvals to be made in relation to regulated wholesale contracts.

A pricing investigation into the Wholesale Contract Regulatory Instrument was completed in March 2017. An issue has recently been identified in that there is potential for the Instrument to result in negative prices for regulated peak cap contracts. This is not consistent with the intent of the Instrument to broadly reflect competitive market outcomes.

To correct this issue, the Economic Regulator has decided to conduct another pricing investigation to revoke the existing Instrument and make a new Instrument.

The Economic Regulator's *Review of the Wholesale Contract Regulatory Instrument Consultation Paper* is available on the Economic Regulator's website: www.economicregulator.tas.gov.au and seeks comments from interested parties on the Economic Regulator's proposed changes (submissions should be made by 23 November 2017).

The Economic Regulator's final report as well as the approvals made under the Instrument are expected to be published on 1 December 2017.

For further information regarding this notice please contact:

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