

27 November 2017

Mr Dean Burgess
Director
Office of the Tasmanian Economic Regulator
GPO Box 770
HOBART TAS 7001

Dear Mr Burgess

Aurora Energy Submission to the Wholesale Contract Regulatory Instrument Pricing Investigation

Aurora Energy acknowledges the Tasmanian Economic Regulator's ("TER") Pricing Investigation into the Wholesale Contract Regulatory Instrument ("Instrument") and the release of the associated Consultation Paper. Aurora Energy agrees that the potential for the Instrument to calculate negative prices for regulated peak cap contracts is inconsistent with the underlying intent of the Instrument.

Aurora Energy has reviewed the TER's proposal to create a floor price for peak cap contracts at the assumed off-peak cap contract price. It is Aurora Energy's view that the TER's proposal addresses the issue outlined. Aurora Energy has also made an assessment of the impact of this proposal on other regulated offer contract prices and found it to be immaterial.

Based on this assessment, Aurora Energy is comfortable that the TER proceed to re-issue the Instrument incorporating the proposed amendment, consistent with the provisions of the *Electricity Supply Industry Act 1995*.

If you have any questions regarding this submission please contact Hayden Moore at hayden.moore@auroraenergy.com.au.

Yours sincerely



Rebecca Kardos
Chief Executive Officer