

SUPPLEMENTARY GAZETTE



THE SOUTH AUSTRALIAN
GOVERNMENT GAZETTE

PUBLISHED BY AUTHORITY

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ADELAIDE, FRIDAY, 1 NOVEMBER 2002

ESSENTIAL SERVICES COMMISSION ACT 2002

Pricing Determination: Inquiry into Electricity Standing Contract Prices

THE letter of referral of the Inquiry from the Minister for Energy to the Commission dated 30 September 2002, and the directions from the Minister pursuant to section 35 of the *Essential Services Commission Act 2002*, required the Commission to consider whether a price determination should be made under Part 3 of the Act, and if satisfied that it should, make such a determination as part of its final report.

Part 3 of the Act allows the Commission to make determinations regulating prices in any manner the Commission considers appropriate, including the fixing of prices.

In making this price determination, the Commission has had regard to the factors specified in sections 6 (1) and 25 (4) of the *Essential Services Commission Act 2002*, and section 35A of the *Electricity Act 1996*.

The Commission is making this determination to substitute amended prices for those published by AGL SA on 30 September 2002 in accordance with its obligations under section 36AA of the *Electricity Act 1996*.

In making this Determination, the Commission is ensuring that AGL SA does not recover more revenue from small customers than is justified by comparison with prudent costs identified by the Commission and a justifiable retail margin. The information used as a basis for this Determination includes the following:

- customer numbers for each tariff identified by AGL SA;
- network charges for ETSA approved by the Commission;
- wholesale electricity costs averaging \$71/MWh over 2003;
- retail operating costs of \$80 per customer for 2003;
- retail margin of 5%;
- GST of 10%.

In undertaking the inquiry, the Commission has modified some of the prudent input costs from those used by AGL SA in preparing its published prices. This has resulted in the Commission making this Determination of new prices for standing contract supply, to apply from 1 January 2003.

In accordance with its powers under section 35A of the *Electricity Act 1996* and section 25 of the *Essential Services Commission Act 2002*, the Commission determines that the following prices will apply for supply under standing contract conditions by AGL SA commencing on 1 January 2003:

AGL SA Revised Standing Prices (GST Inclusive)—Effective 1 January 2003

		GST inclusive
Domestic Light/ Power 110	<i>From 1 Jan - 31 Mar</i>	
	First 300 kWh/qtr (c/kWh)	17.3525
	Thereafter (c/kWh)	20.5931
	Supply Charge (\$/qtr)	31.0530
	<i>From 1 Apr - 31 Dec</i>	
	First 300 kWh/qtr (c/kWh)	17.3525
Thereafter (c/kWh)	18.5361	
Supply Charge (\$/qtr)	31.0530	
Charitable 112	For all consumption (c/kWh)	17.3536
	Supply Charge (\$/qtr)	31.0530
Off Peak Controlled Load 116	For all consumption (c/kWh)	6.9729
	Supply Charge (\$/qtr)	6.2590
General Supply 126	<i>From 1 Jan - 31 Mar</i>	
	First 7 500 kWh/qtr (c/kWh)	18.3172
	Thereafter (c/kWh)	18.3172
	Supply Charge (\$/qtr)	31.0530
	<i>From 1 Apr - 31 Dec</i>	
	First 7 500 kWh/qtr (c/kWh)	16.9598
Thereafter (c/kWh)	16.3328	
Supply Charge (\$/qtr)	31.0530	
General Supply Time of Use 128	<i>From 1 Jan - 31 Mar</i>	
	First 7 500 kWh/qtr (c/kWh)	20.8824
	Thereafter (c/kWh)	20.8824
	Supply Charge (\$/qtr)	67.3420
	<i>From 1 Apr - 31 Dec</i>	
	First 7 500 kWh/qtr (c/kWh)	19.8605
	Thereafter (c/kWh)	17.9894
	Supply Charge (\$/qtr)	67.3420
Off Peak		
For all consumption (c/kWh)	9.59420	
Obsolete 140	First 7 500 kWh/qtr (c/kWh)	18.3260
	Thereafter (c/kWh)	17.6033
	Supply Charge (\$/qtr)	67.3420
	Off Peak	
	For all consumption (c/kWh)	9.59420

Notes:

1. AGL SA's standing contract prices and default contract prices are inclusive of the GST.
2. Standing contract and default contract price categories will only apply to small customers, that is, those customers who consume less than 160 MWh of electricity per annum in accordance with the following principles:
 - (a) Domestic Light/Power 110 is applicable to all residential consumption (excluding Off-Peak Controlled Load Tariff 116) in premises used wholly or principally as private residences.
 - (b) Charitable Institutions 112 is available to charitable institutions that have been endorsed by the Australian Taxation Office as an income tax exempt Charitable Entity under Subdivision 50-B of the Income Tax Assessment Act 1997.

- (c) Off Peak Controlled Load 116 is for electricity used in permanently installed storage water heaters with a rated delivery of not less than 125 litres, storage space heaters and other approved thermal storage applications. The hours of application are fixed from time to time by AGL SA with control by time switch or other means. This price is only available in conjunction with Tariff 110, 112, 126, 128, or 140.
 - (d) General Supply 126 is available only to non-residential customers.
 - (e) General Supply Time of Use 128 is available only to non-residential customers and includes customers previously on tariffs 120 + 121 and 130 + 131.
 - (f) Obsolete Tariff 140 (formerly Farm Tariff 140) only applies to small customers that were taking supply under this tariff, or who had applied to do so, as at 30 June 1997. Conditions applicable at that date apply.
3. Peak period is 0700 hours to 2100 hours from Monday to Friday (Central Standard Time).
 4. Off peak period is all times other than peak period.
 5. Where prices change during a billing cycle the bill for that billing cycle will be calculated on the pro-rata basis using:
 - (a) the old price up to and including the date of change, and
 - (b) the new price from the date of change to the end of the billing cycle.

These standing contract prices will apply until this Determination is revoked or replaced by the Commission.

A copy of the Final Report and Determination: Inquiry into Electricity Standing Contract Prices may be inspected or obtained from the Essential Services Commission of SA, 8th Floor, 50 Pirie Street, Adelaide and is also available at www.escosa.sa.gov.au.

Queries in relation to the Final Report and Determination may be directed to the Essential Services Commission of SA, telephone (08) 8463 4444 or Freecall 1800 633 592.

Execution:

The seal of the Essential Services Commission was affixed with due authority by the Chairperson of the Essential Services Commission.

Dated 31 October 2002.



L. W. Owens
Chairperson
