

Utilities (Energy industry levy – local regulatory costs) Determination 2014

Notifiable Instrument NI2014-472

made under the

Utilities Act 2000, section 54F (Local regulatory costs)

EXPLANATORY STATEMENT

Section 54F of the *Utilities Act 2000* requires the Levy Administrator, appointed under section 25N, to determine the amount of local regulatory costs to be applied to each industry sector. The *Utilities (Energy industry levy – local regulatory costs) Determination 2014* sets out these determinations.

The four energy industry sectors subject to the levy are electricity distribution, electricity supply, gas distribution and gas supply.

Local regulatory costs are made up of costs to the Territory of regulating safety, technical operations, consumer service and environmental behaviour for energy utility services and the costs of administration of the levy. The costs relate to the work of the:

- Independent Competition and Regulatory Commission;
- technical regulator within the Environment and Planning Directorate (EPD);
- and
- ACT Civil and Administrative Tribunal.

The Levy Administrator notes the increase in estimated costs for the 2014-15 levy year from the actual costs for 2013-14. The increase relates predominantly to the estimated cost of regulating the electricity and gas distribution sectors. Specifically, the increased costs relate to a deferral of work on the part of the EPD in the regulation of the two distribution sectors. EPD expects an increase in audit work in the two sectors for the 2014-15 year and has confirmed to the Administrator that the costs are only in relation to the allowable regulatory activities identified in the *Utilities Act 2000*.