

Utilities (Energy industry levy – local regulatory costs) Determination 2016

Notifiable Instrument NI2016-548

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 2016* 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 (Commission);
- the technical regulator; and
- the ACT Civil and Administrative Tribunal (ACAT).

The Levy Administrator notes the increase in total regulatory costs estimated for 2016-17 on the actual costs for 2015-16. This increase in costs is attributable to an expected increase in work for the technical regulator and to an increase in costs for the ACAT associated with an expected increase in the number and complexity of matters before the ACAT. The Commission's actual and estimated costs remained relatively stable for the 2015–16 levy year and the 2016– 17 levy year.

The Levy Administrator expects both regulators and the ACAT to monitor their costs as they are incurred against their estimated costs. The Levy Administrator will be assessing any substantial deviations from the estimated costs and expects well documented reasons for any substantial deviations from the estimates submitted to the Levy Administrator.

For the purposes of Sections 54E, 54F, 54G, 54H(1)(a)(ii) and 54H(1)(b)(iii) of the *Utilities Act 2000*, the Levy Administrator determined for the 2015-16 Levy Year, the costs to the Territory of providing regulatory activities in relation to safety, technical operations, consumer service and environmental behaviour for GoEnergy Ltd and the administration of the levy in relation to GoEnergy Ltd was zero.

The Levy Administrator in making this determination has considered the budgets for local regulatory activities and costs incurred in the previous year for local regulatory activities. The Levy Administrator has also taken into account that GoEnergy is in administration and all of GoEnergy's customers and services have been transferred to other retailers.