

Australian Capital Territory

Utilities (Energy industry levy – other) Determination 2016

Notifiable Instrument NI2016-550

made under the

Utilities Act 2000, section 54H (Further energy sector determinations)

EXPLANATORY STATEMENT

Section 54H of the *Utilities Act 2000* requires the Levy Administrator, appointed under section 25N, to determine:

- for the 2016-17 levy year, the number of energy utilities that provided an energy utility service in each energy utility sector at any time before 15 September 2016;
- for the 2016-17 levy year, the estimated fixed net regulatory cost for the sector for the year;
- for the 2015–16 levy year, the number of energy utilities that provided an energy utility service in each energy utility sector at any time during the year;
- for the 2015-16 levy year, the number of megawatt hours of electricity or megajoules of gas distributed or sold in the ACT by all energy utilities in each energy sector in the year; and
- for the 2015-16 levy year, each energy industry sector the fixed net regulatory cost for the sector for the year.

The *Utilities (Energy industry levy – other) Determination 2016* sets out these determinations.

The Levy Administrator notes that administrative and management changes implemented by the technical regulator have resulted in the technical regulator allocating those costs it had previously allocated as fixed as variable costs. This change is reflected in the decrease in fixed costs for the 2015–16 levy year compared to the 2014-15 levy year.

The reduction in the fixed net regulatory costs for electricity and gas distribution has no effect on levies paid.

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 as submitted to the Levy Administrator. 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. To give effect to this determination, the model used to calculate the components of the Energy Industry Levy, did not include values for GoEnergy. GoEnergy is however, listed as a supplying energy in the Territory for the 2015-16 Levy Year to meet the requirements of section 54H.

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 now in administration and all of GoEnergy's customers and services have been transferred to other retailers.