



Electricity and gas retail offer prices (for the period 30 June 2020 to 31 October 2020)

Each year the Essential Services Commission (**Commission**) provides to the Minister for Energy and Mining a comparison report on energy retail price offers available to South Australian small customers (residential and small business) for the previous financial year. This report is a supplementary four-month update, requested by the Minister, that focuses on changes in electricity and gas retail offer prices from 30 June 2020 to 31 October 2020. The timeframe is consistent with energy retailers' observed tendency to make price changes during that period.

In monitoring energy retail offer prices, the Commission applies an "annual bill" approach, using set levels of consumption by residential¹ and small business² customers. This provides a snapshot of retail energy offers available in the market at a particular time. However, it should be recognised that market conditions are dynamic and actual pricing outcomes will depend on the amount of energy consumed, retail prices and the terms and conditions of a customer's energy retail contract.

Residential electricity retail offer prices

Key observations for residential electricity customers

- ▶ Average annual residential electricity retail Standing Offer and Market Offer prices both fell by five percent over the four months to 31 October 2020.
- ▶ Residential electricity retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from no discount to 23 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, residential customers on a Standing Offer contract could have saved between \$20 and \$500 annually had they switched to their retailer's lowest-priced Market Offer.
- ▶ Between 30 June 2013 and 31 October 2020, the average annual Standing Offer bill has increased by 12.7 percent and the average annual Market Offer bill has increased by 8.9 percent. The average annual nominal discount between Standing Offers and Market Offers has increased from \$118 to \$202.

¹ For residential customers, the assumed annual consumption profiles are: 5,000 kWh (electricity) and 21,000 MJ (gas).

² For small business customers, the assumed annual consumption profiles are: 10,000 kWh (electricity) and 190,000 MJ (gas).

Figure 1 shows the average annual electricity bill for a residential customer, based on available retail Standing Offer and Market Offer prices at 30 June 2020 and 31 October 2020, and the discount between the average Standing Offer and average Market Offer.

Figure 2 shows the movement of annual residential electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 31 October 2020.

Figure 1: Average annual electricity retail bills for residential customers (\$nominal)

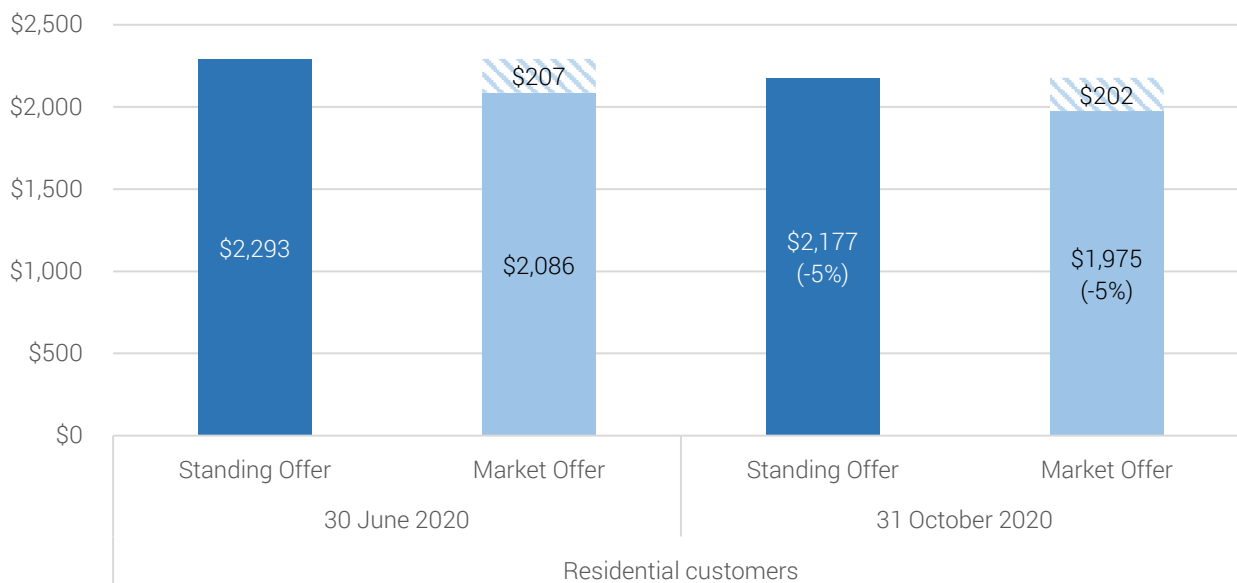


Figure 2: Movements in the average annual electricity retail Standing and Market Offer bills for residential customers (\$nominal)



Small business electricity retail offer prices

Key observations for small business electricity customers

- ▶ Average annual small business electricity retail Standing Offer and Market Offer prices fell by eight percent and 13 percent respectively over the four months to 31 October 2020.
- ▶ Small business electricity retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from no discount to 28 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, small business customers on a Standing Offer contract could have saved between \$20 and \$1,890 annually had they switched to their retailer's lowest-priced Market Offer.
- ▶ Between 30 June 2013 and 31 October 2020, the average annual Standing Offer bill has increased by 14.9 percent and the average annual Market Offer bill has increased by 3.4 percent. The average annual nominal discount between Standing Offers and Market Offers has increased from \$282 to \$730.

Figure 3 shows the average annual electricity bill for a small business customer, based on available retail Standing Offer and Market Offer prices at 30 June 2020 and 31 October 2020, and the discount between the average Standing Offer and average Market Offer.

Figure 4 shows the movement of annual small business electricity retail Standing Offer and Market Offer bills between 30 June 2013 and 31 October 2020.

Figure 3: Average annual electricity retail bill for small business customers (\$nominal)

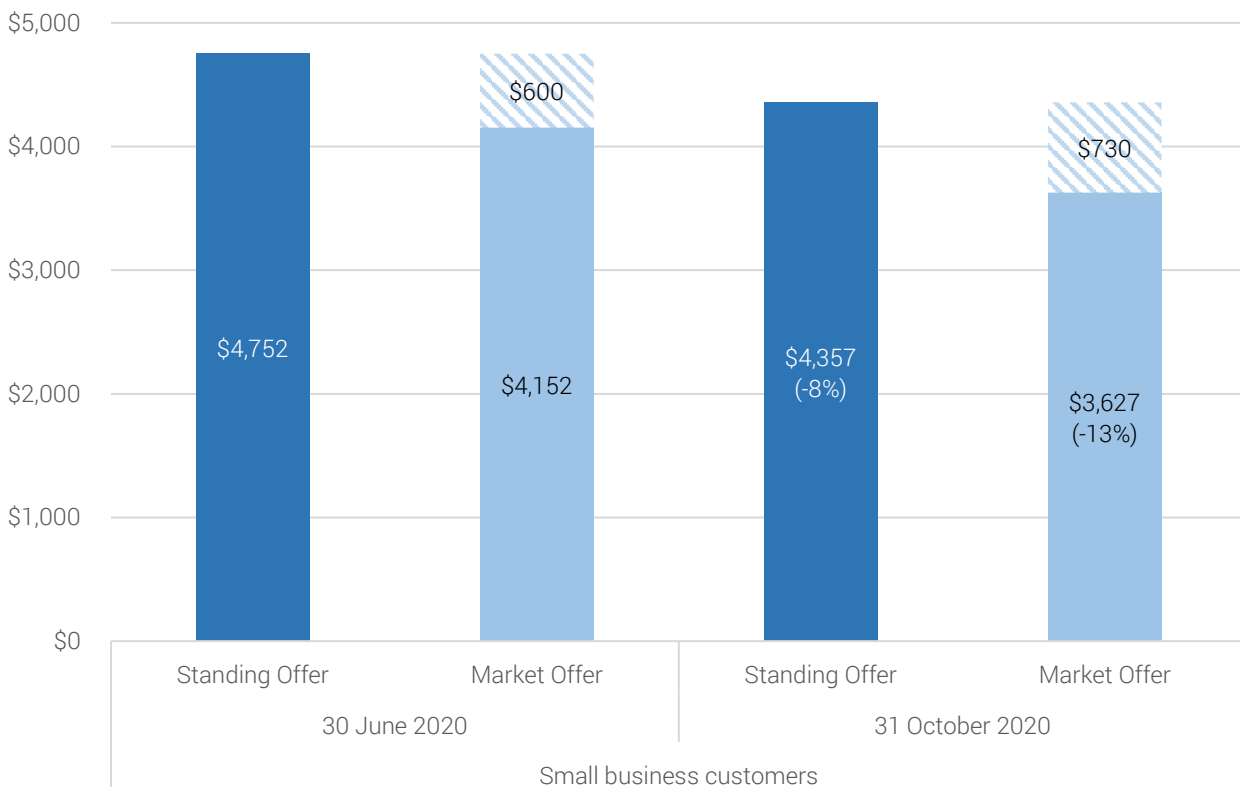
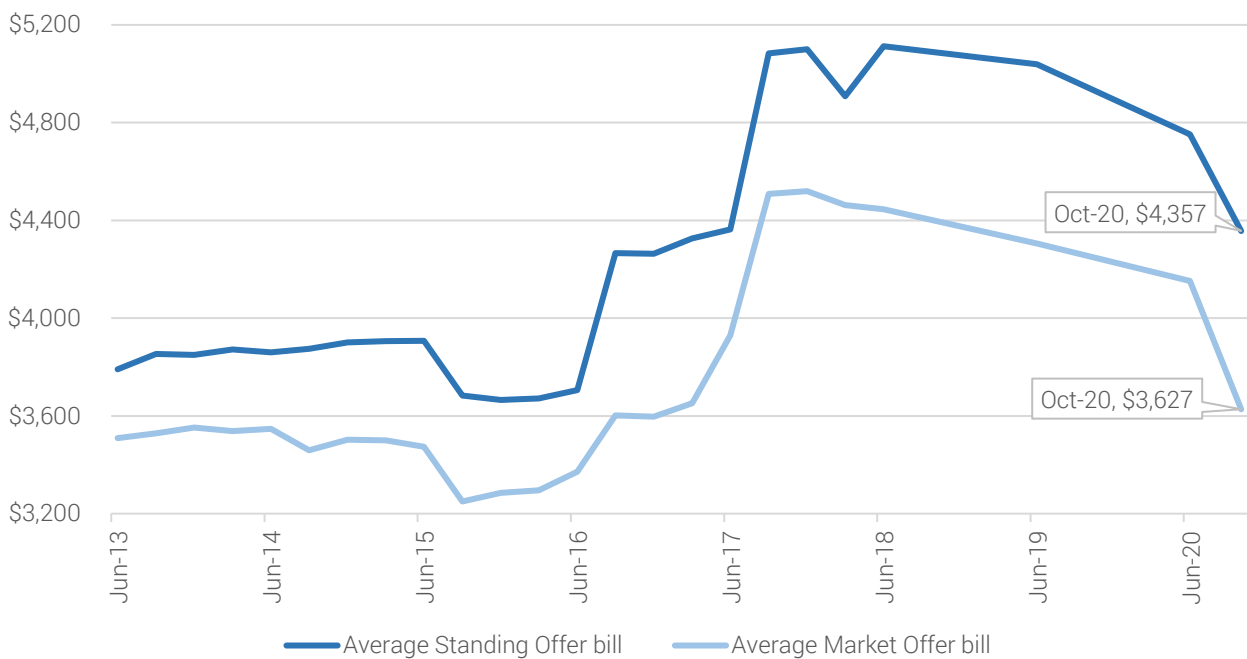


Figure 4: Movements in the average annual electricity retail Standing and Market Offer bills for small business customers (\$nominal)



Residential gas retail offer prices

Key observations for residential gas customers

- ▶ Average annual residential gas retail Standing Offer and Market Offer prices both fell by one percent over the four months to 31 October 2020.
- ▶ Residential gas retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from no discount to 27 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, residential customers on a Standing Offer contract could have saved between \$20 and \$370 annually had they switched to their retailer's lowest-priced Market Offer.
- ▶ Between 30 June 2013 and 31 October 2020, the average annual Standing Offer bill has increased by 29.8 percent and the average annual Market Offer bill has increased by 16.6 percent. The average annual nominal discount between Standing Offers and Market Offers has increased from \$29 to \$155.

Figure 5 shows the average annual gas bill for a residential customer, based on available retail Standing Offer and Market Offer prices at 30 June 2020 and 31 October 2020, and the discount between the average Standing Offer and average Market Offer.

Figure 6 shows the movement of annual residential gas retail Standing Offer and Market Offer bills between 30 June 2013 and 31 October 2020.

Figure 5: Average annual gas retail bills for residential customers (\$nominal)

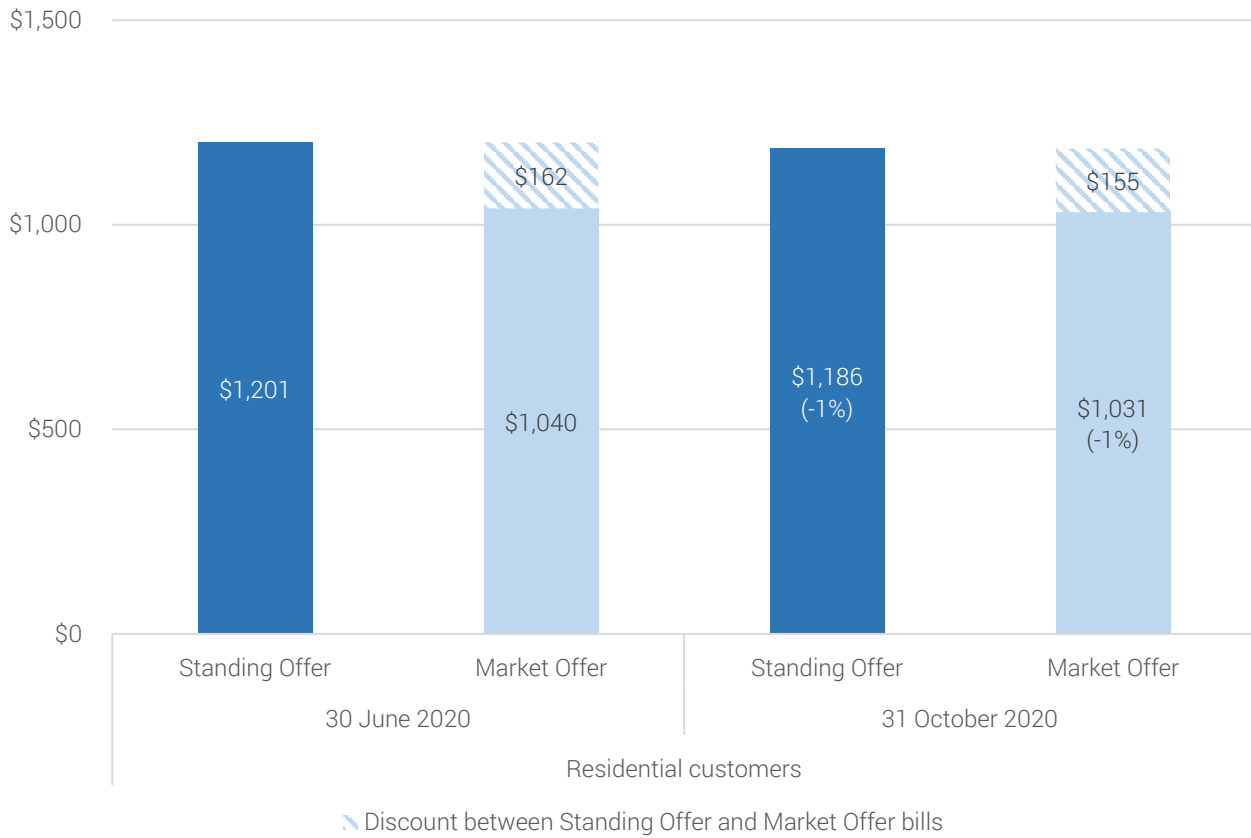
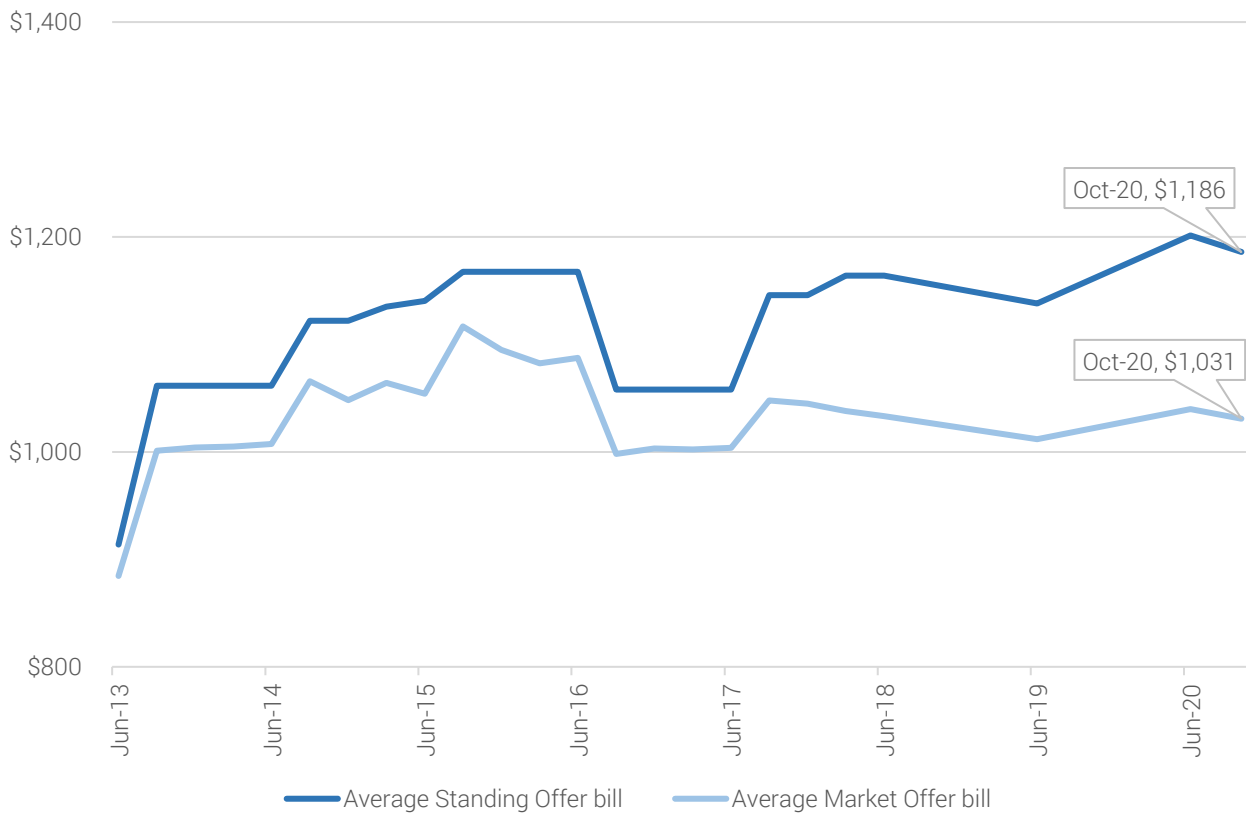


Figure 6: Movements in the average annual gas retail Standing and Market Offer bills for residential customers (\$nominal)



Small business gas retail offer prices

Key observations for small business gas customers

- ▶ Average annual small business gas retail Standing Offer and Market Offer prices increased by two percent and one percent respectively over the four months to 31 October 2020.
- ▶ Small business gas retail Market Offers were generally priced at a discount to Standing Offer prices. The discount between a retailer's Standing Offer and average Market Offer ranged from five percent to 17 percent.
- ▶ Where a retailer discounted a retail Market Offer against its Standing Offer, small business customers on a Standing Offer contract could have saved between \$410 to \$1,220 annually had they switched to their retailer's lowest-priced Market Offer.
- ▶ Between 30 June 2013 and 31 October 2020, the average annual Standing Offer bill has increased by 47 percent and the average annual Market Offer bill has increased by 33.5 percent. The average annual nominal discount between Standing Offers and Market Offers has increased from \$20 to \$662.

Figure 7 shows the average annual gas bill for a small business customer, based on available retail Standing Offer and Market Offer prices at 30 June 2020 and 31 October 2020, and the discount between the average Standing Offer and average Market Offer.

Figure 8 shows the movement of annual small business gas retail Standing Offer and Market Offer bills between 30 June 2013 and 31 October 2020.

Figure 7: Average annual gas retail bill for small business customers (\$nominal)

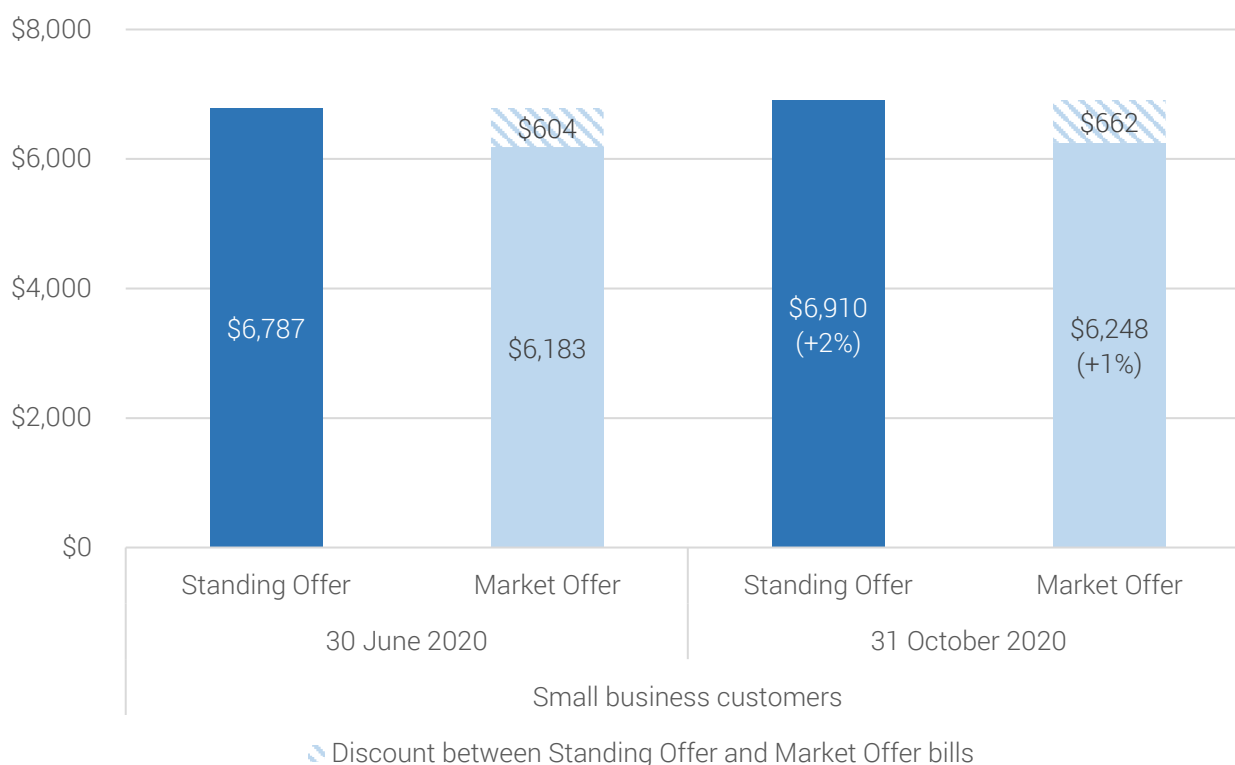
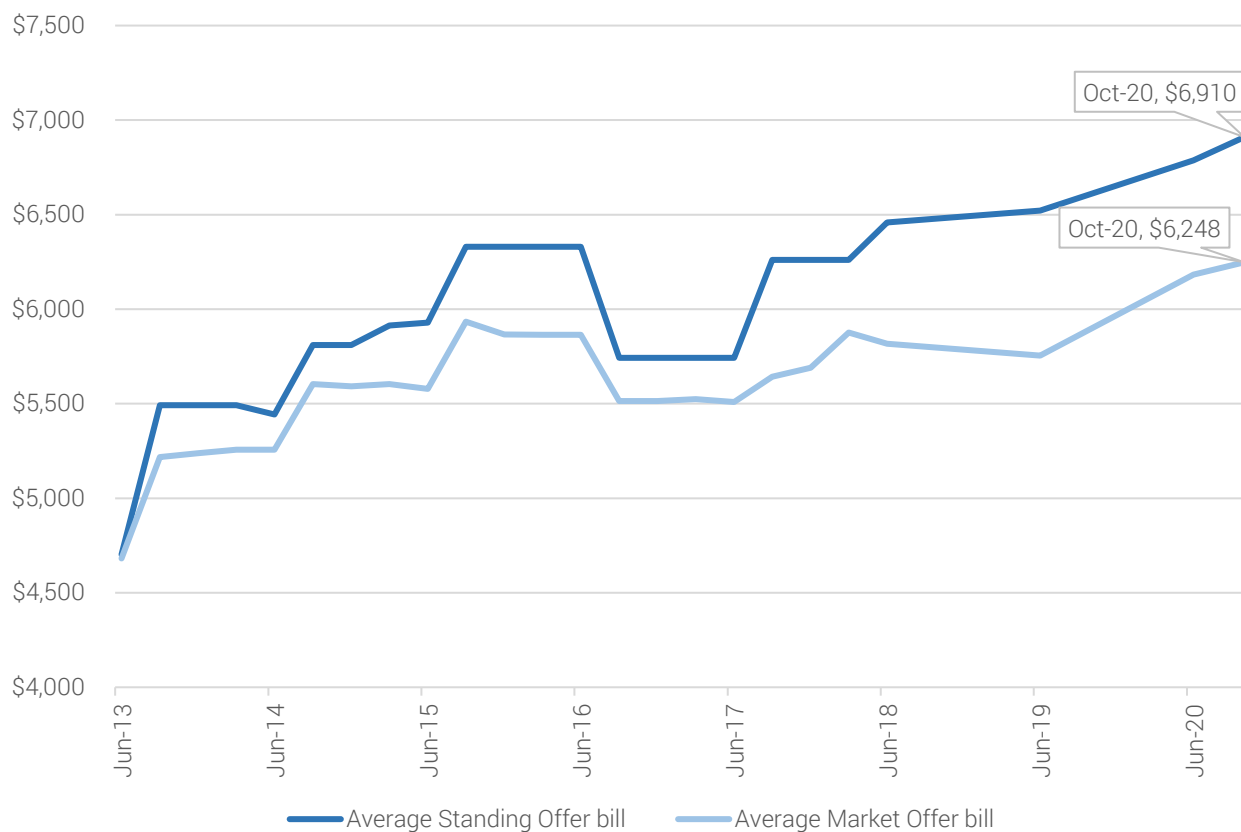


Figure 8: Movements in the average annual gas retail Standing and Market Offer bills for small business customers (\$nominal)



Further Information

Please refer to the Commission's website for historical analysis on energy retail offer prices, available at <https://www.escosa.sa.gov.au/industry/electricity/regulatory-reporting/energy-retail-offer-prices>.

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit www.escosa.sa.gov.au.

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