

# MEDIA RELEASE

## *Energy Retail Prices: Ministerial Pricing Report*

30 August 2013



The Essential Services Commission of SA (ESCOSA) has released its first annual Ministerial Pricing Report on Energy Retail Prices. As part of the South Australian Government's decision to deregulate electricity and gas retail prices from 1 February 2013, the Minister for Mineral Resources and Energy requires ESCOSA to produce and publicly release a Ministerial Pricing Report each year.

The Report shows that both electricity and gas prices have increased significantly since 1 July 2012.

However, readers should take care in drawing firm conclusions on overall price movements based on this Report, as it provides price information only on offers open to new customers and reports simple average prices (rather than volume-weighted average prices). ESCOSA had no powers to collect data on prices of "closed" offers and customer numbers by offer. Many customers are on closed offers – offers which are no longer open to new customers.

ESCOSA CEO Paul Kerin said "Simple average annual residential electricity Market Offers have increased by 18.7% from 1 July 2012 to 16 August 2013, while simple average gas Market Offers have increased by 30.6% over the same period".

These price increases may reflect cost increases; for example, the combined impact of the introduction of the carbon tax and the Australian Energy Regulator's decision to increase network charges added about 18% to the simple average residential electricity Market Offer bill and 27% to the simple average residential gas Market Offer bill.

As of 16 August 2013, the prices offered by retailers varied widely. For example, the annual bill of a typical residential customer would vary between:

- ▲ \$1,920 and \$2,210 under alternative electricity Standing Offers;
- ▲ \$1,534 and \$2,335 under alternative electricity Market Offers;
- ▲ \$1,006 and \$1,134 under alternative gas Standing Offers; and
- ▲ \$818 and \$1,134 under alternative gas Market Offers.

Therefore, Mr Kerin said "Given the wide variation in prices offered by retailers, consumers should shop around to get the best deal".

Customers can access the Australian Energy Regulator's *Energy Made Easy* website to compare energy retail offers and contact retailers directly to discuss available offers.

ESCOSA will release the next annual Ministerial Pricing Report on energy retail prices by the end of August 2014.

FURTHER INFORMATION: *The Energy Retail Prices in South Australia: Ministerial Pricing Report 2013* can be accessed at [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au) or by calling 08 8463 4444.

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The Essential Services Commission is the independent economic regulator of essential services in South Australia. The Essential Services Commission's primary objective is the protection of the long-term interests of South Australians.

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