



Essential Services Commission Act 2002

FREQUENTLY ASKED QUESTIONS

What is the effect of this determination on me?

For the average householder using 21GJ of gas per year, and who is on the Origin Energy standing contract, it will mean an overall annual increase of \$84 from 1 July 2011. This increase comprises both an increase in network prices, set by the Australian Energy Regulator (AER) of \$66, and an increase in the retailer component, set by the Commission, of \$18.

The Commission's Final Determination focuses on the retail element of the bill, which accounts for approximately 45% of the total bill, and will see the retail element of prices for both residential and small business customers moving in line with inflation (CPI) in the second and third years of the determination period.

It is noted that there are a significant number of market contracts available that are priced below the standard contract price and we would encourage customers to take advantage of these offers.

When will the new prices come into force?

The current gas standing contract prices, as set for 2010/11, will continue until 31 July 2011. The new prices will be applied by Origin Energy from 1 August 2011.

What did the Commission consider in making its determination?

The Commission considers the retail component of the standing contract price, which makes up about 45% of a typical bill. The Australian Energy Regulator sets prices for the Distribution component of network charges in South Australia, which makes up the remainder of a typical bill. The Commission considered how the various elements of the retail component - wholesale gas costs, transmission costs, retail operating costs, and retail margin - will move over the next three years in making its determination.

How many customers will be affected by this decision?

This decision directly impacts on all Origin Energy small gas customers now on the standard contract. A small customer is anyone using less than 1TJ of gas per year. Less than 30% of small customers remain on the standard contract. However, the determination will almost certainly have a flow-on effect to those on market contracts and customers need to contact their suppliers for that information.

How can I reduce the impact?

We would suggest that customers shop around for the best market deal. The Commission offers an online price comparison service on its website (www.escosa.sa.gov.au) or, for those that don't have access to the internet, a telephone version of that service is available on Freecall 1800 633 592.

The AER can be contacted on 1300 302 502 or by email on AERInquiry@aer.gov.au