



Media Release
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APPROVAL OF 2009-10 ELECTRICITY RETAIL TARIFFS

Tasmania's independent Economic Regulator today approved Aurora Energy's retail tariffs for 2009-10.

Under the last Price Determination, Aurora is required to seek endorsement of its prices each year to take account of changes in costs since the Determination was made.

Mr Glenn Appleyard, Tasmania's Economic Regulator, said that he had considered in detail the information presented to him and, whilst noting the proposed price increases were more than the increases forecast at that time, the increases complied with the 2007 Determination.

Mr Appleyard noted a number of factors have contributed to the average increases being around 7 per cent for residential customers rather than the 4 per cent forecast in 2007.

1. Inflation has been significantly higher over the 3 year period since the 2007 Determination, running at over 7.5 per cent compared to a forecast of around 5.9 per cent.
2. Distribution and transmission charges for tariff customers will both be higher than those forecast in 2007. The recent Australian Energy Regulator's decision on transmission costs has resulted in a 14 per cent increase in these charges compared to an assumed 6 per cent at the time of the 2007 Determination.
3. Aurora is also permitted to adjust prices to account for other costs, such as the cost of renewable energy certificates and national electricity market charges.

Mr Appleyard also said "Whilst the increases for business are higher this year, business customers experienced small increases in 2008-09, on average only 0.9 per cent, considerably less than inflation during that year."

Whilst average residential charges will increase by about 7 per cent, the majority of residential customers will see increases of less than this amount.

Mr Appleyard advised that the Office would release a detailed statement of reasons for the approval of Aurora's Network Tariffs and Retail Tariffs in the near future.

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Copies of Aurora's Retail Tariff Pricing
Proposal are available at:
www.economicregulator.tas.gov.au