



Economic Regulation Authority

Promoting fair prices, quality services and choice

CONSULTATION

Inquiry into the Efficiency of Synergy's Costs and Electricity Tariffs

ISSUES PAPER

The Economic Regulation Authority (Authority), at the request of the Treasurer, is conducting an inquiry into the efficiency of the Electricity Retail Corporation's (Synergy) costs and electricity tariffs. The inquiry was referred to the Authority on 11 July 2011, under section 32(1) of the *Economic Regulation Authority Act 2003*, which provides for the Treasurer to refer to the Authority inquiries on matters relating to regulated industries.

In accordance with the inquiry's [Terms of Reference](#), the Authority will determine the efficient cost-reflective level for each regulated retail tariff available in the South West Interconnected System (SWIS). The SWIS covers the more densely populated areas of the State from Kalbarri in the north, to Kalgoorlie in the east and to Albany in the south.

In conducting the inquiry, the Authority will consider and develop findings on the efficiency of Synergy's operating and capital expenditure programmes and procurement of wholesale electricity and renewable energy certificates. In addition, the Terms of Reference also require the Authority to:

- develop recommendations regarding the number of regulated electricity tariffs;
- consider whether regulated tariffs for contestable business customers should be phased out; and
- develop a methodology to regularly re-determine efficient cost-reflective tariffs for Synergy in the future.

The Authority has published an [issues paper](#) to help interested parties understand the issues under review and is seeking public comment on the inquiry.

Interested parties are invited to make submissions in print and electronic form on any matters raised in the issues paper or by the Terms of Reference by **4:00 pm (WST) on Friday, 9 September 2011**.

The Terms of Reference, issues paper and details on how to make a submission to the inquiry are listed on the Authority's [website](#).

Submissions should be marked to the attention of the Director, References and Research.

Postal address: PO Box 8469, PERTH BC WA 6849

Office address: Level 6, 197 St Georges Terrace, PERTH WA 6000

Email address: publicsubmissions@erawa.com.au

Confidentiality

In general, all submissions from interested parties will be treated as being in the public domain and placed on the Authority's website. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which

confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be dealt with in the same way as is provided for in section 55 of the *Economic Regulation Authority Act 2003*.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

General Enquiries

Bruce Layman
Director, References and Research
Ph: 61 8 9213 1900
Fax: 61 8 9213 1999

Media Enquiries

Richard Taylor
Riley Mathewson Public Relations
Ph: 61 8 9381 2144
Fax: 61 8 9381 3877

LYNDON ROWE
CHAIRMAN

11 August 2011