ESSENTIAL SERVICES COMMISSION

ENERGY RETAILERS COMPARATIVE PERFORMANCE REPORT—PRICING

2013-14

October 2014

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SUMMARY

Victorian energy prices were relatively stable in 2013-14, with electricity prices falling in real terms and gas prices recording a small increase. All prices reported in this report include the carbon price. The carbon price has been abolished with effect from 1 July 2014. Consequently, the prices included in this report may differ significantly from those currently on offer. The prices reported below are indicative only, and customers' experiences may vary depending on their particular circumstances.

1. Consumers could save an average of 15 per cent from the full market offer price by meeting conditions for receiving discounts, while the average discounted market offer is 22 per cent less than the average standing offer. Consumers can also make significant savings by switching to the cheapest offers in their distribution zone.
2. Small business electricity market offer prices fell by a nominal average of 1 per cent in 2013-14, and similar to the residential market, small business customers could save an average of 13 per cent on the full market offer price through discounts, and the average discounted market offer is 22 per cent lower than the average standing offer price.
3. Residential gas market offer prices recorded a nominal average increase of 5.5 per cent in 2013-14. As with electricity, discounts are available, with an average discount of 12 per cent available for meeting discount conditions, when compared with both the average standing offer and full price market offer.
4. Small business gas market offer prices recorded a nominal increase of 6.6 per cent in 2013-14, with average savings of 11 per cent available through discounts.
5. The Commission also notes that there has been a level of convergence between retailers' standing offers and their undiscounted market offers. Many retailers for electricity and, particularly, for gas routinely provide the same prices to consumers whether they are on a standing offer or market offer. This underlines the importance of consumers meeting the conditions for receiving discounts in order to obtain the cheapest prices.

1 ABOUT THIS REPORT

1.1 PURPOSE OF THE REPORT

The *Energy retailers comparative performance report—pricing 2013-14* informs government, consumers and interested parties about Victoria's competitive energy market. The report makes transparent the price performance of the retail energy industry, and outlines the standing (default) and market offer products available to Victorian consumers in the competitive market. It presents electricity and gas prices over time, and compares the prices of retailers in each distribution zone in the state. A separate downloadable appendix provides detailed tables of offers for each distribution zone.

Prices in this report are as at 30 June 2014. Up-to-date electricity offers can be found on the My Power Planner website (mpp.switchon.vic.gov.au), while gas offers can be viewed on the YourChoice website (www.yourchoice.vic.gov.au).

Section 39A of the *Electricity Industry Act 2000* and section 47 of the *Gas Industry Act 2001* require the Essential Services Commission (the Commission) to report to the Minister for Energy and Resources on published standing and market offers and other features of the competitive market. This report fulfils that obligation, while a further report on flexible pricing offers, which have been available to Victorian consumers since September 2013, will be released later in 2014 in order to allow the Commission to consider the appropriate methodologies for this reporting.

In a separate report, *Energy retailers comparative performance report—customer service 2014*, the Commission will review energy retailers' treatment of customers (including customers experiencing financial hardship), by analysing certain performance indicators. It will also review each retailer's call centre performance and level of complaints. This report will be published in December 2014.

1.2 SCOPE OF THE REPORT

In terms of energy prices in Victoria, this report provides:

- an overview of competitive market activity
- a comparison of the retailers' electricity and gas offers, and
- an analysis of historical pricing and trends.

1.3 DATA SOURCES

The prices in this report are derived from data supplied by retailers to the My Power Planner (electricity) and YourChoice (gas) websites. Retailers have been supplied this report in advance and been given an opportunity to provide comments and to correct any errors that may have been made in the provision of this data. The Commission will review its processes to ensure the continued accuracy of the pricing data provided in its reports.

Market transfer statistics are sourced from the Australian Energy Market Operator (AEMO), while customer numbers are provided by retailers in compliance with their reporting obligations.

1.4 TYPES OF ENERGY OFFERS

Standing offers—or default prices—are paid by customers if they choose not to change to a competitive market offer. Some customers have been on a standing offer since competition was introduced in the Victorian energy market in the early 2000s. Other customers may be deemed to be on a standing offer by default when they continue with the existing supply to a house or a business (for example when they move into a new premise) without contacting a retailer to arrange for a market offer contract. Customers cannot choose between retailers' standing offers because a retailer is assigned to their specific area or premises.

Until 31 December 2008, only AGL, Origin Energy and EnergyAustralia (formerly TRUenergy) were required to publish standing offer tariffs. From 1 January 2009, all retailers were required to publish standing offer tariffs for supply to residential and business customers.

Licensed retailers are required to publish on the My Power Planner website (electricity) or on the YourChoice website (gas) any market offer generally available to small retail customers (a small retail customer is defined as a residential customer or a small business customer with less than 40MWh annual electricity consumption or less than 1000GJ of annual gas consumption). Retailers may provide more than one market offer, and for the purposes of this report the Commission has included the offer which has the lowest overall price once available discounts are included. As offers that were not published on these websites have been excluded, some retailers listed in tables 1.1 and 1.2 may not have any offers included in this report.

Market offers are generally the offers that retailers advertise. Many market offers may be cheaper than the standing contract, or provide some other benefit. These benefits may include percentage discounts on the tariff rate or the total bill, a credit towards the first bill, a voucher for the retailer’s shop, and pay-on-time discounts. Market contracts may have a fixed term (generally between one and three years) or they may be ongoing (“evergreen”). In most fixed term market contracts, the retailer can adjust the price during the term of the contract. In total, 18 retailers offered electricity to residential customers in 2013-14, and 16 retailers offered electricity to small business customers. Other retailers serviced only large businesses with over 40MWh per annum of electricity consumption or did not have any published offers on the relevant websites. Nine retailers provided gas services to residential consumers, and five also published gas offers for small businesses.

1.5 RELEVANCE OF DISTRIBUTION ZONES

The retailers’ published prices incorporate the supply charge for the customer’s local area, or distribution zone (figures 1.1–1.4). Victoria has five electricity distribution zones (figures 1.1 and 1.2) and 17 gas distribution zones (figures 1.3 and 1.4). Retailers are generally authorised to sell in each zone, and must publish tariffs specific to the zones in which they want to sell.

The Australian Energy Regulator (AER) regulates distribution businesses and sets the maximum network tariff cost that distributors can pass on to retailers. These network costs reflect the varying cost of transporting electricity and gas throughout each zone in Victoria, contributing to different prices across the state.

1.6 ENERGY BILLS

Energy bills are comprised of:

- a supply charge—which typically includes the distribution charge or network costs and other retailer infrastructure costs
- a consumption cost—which can vary with the amount of energy consumed and when the energy is consumed (peak and off-peak)
- any additional retail charges allowed under the Energy Retail Code and
- goods and services tax (GST)

As at 30 June 2014 price regulation or capping still occurs to some degree in most other Australian jurisdictions, with the exception of South Australia.

1.6.1 CARBON PRICE

All prices reported below for 2013-14 include the carbon price. The carbon price has been abolished with effect from 1 July 2014. Consequently, the prices included in this report may differ significantly from those currently on offer.

FIGURE 1.1 ELECTRICITY DISTRIBUTION ZONES, VICTORIA

FIGURE 1.2 ELECTRICITY DISTRIBUTION ZONES, METROPOLITAN MELBOURNE

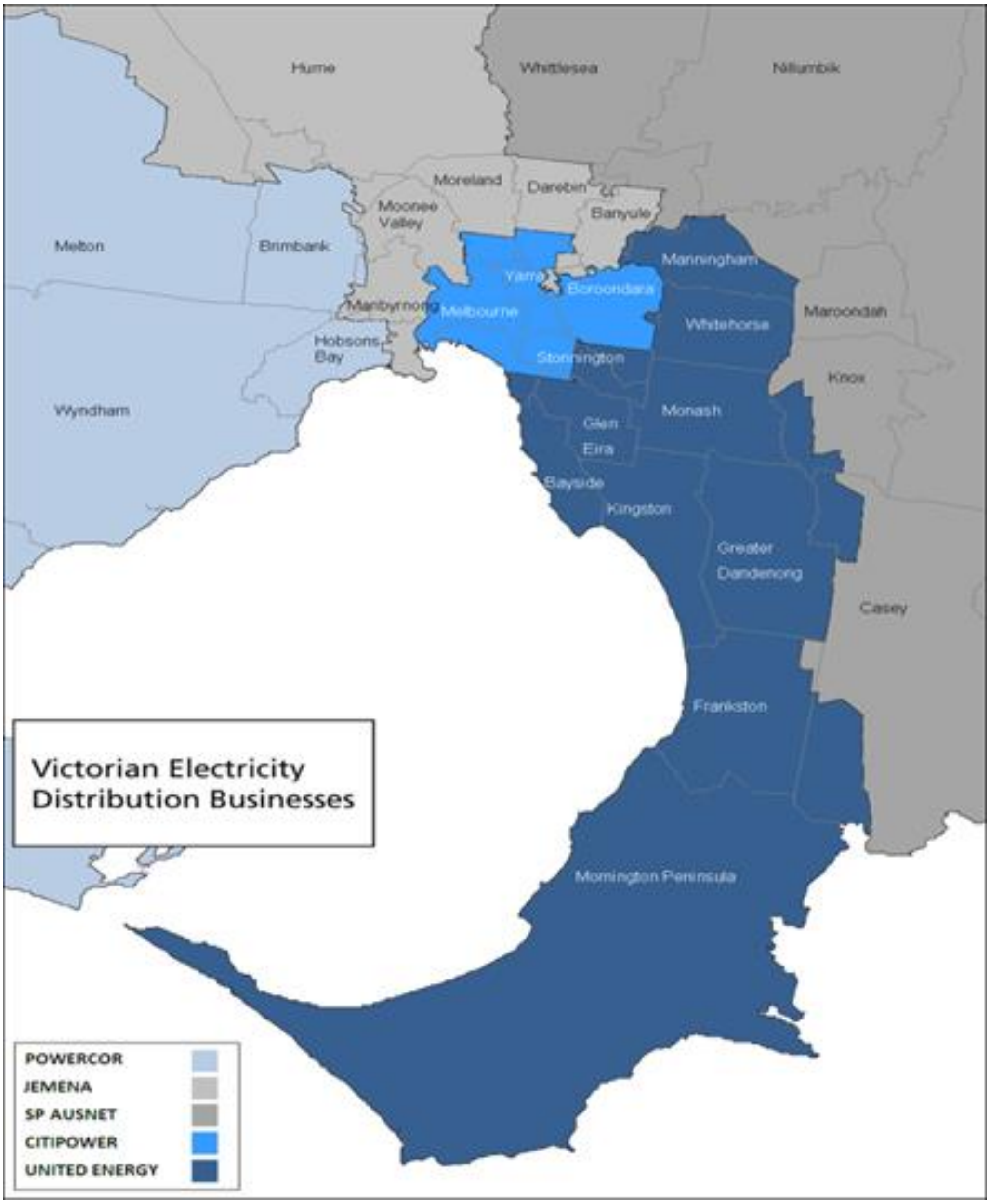


FIGURE 1.3 GAS DISTRIBUTION ZONES, VICTORIA

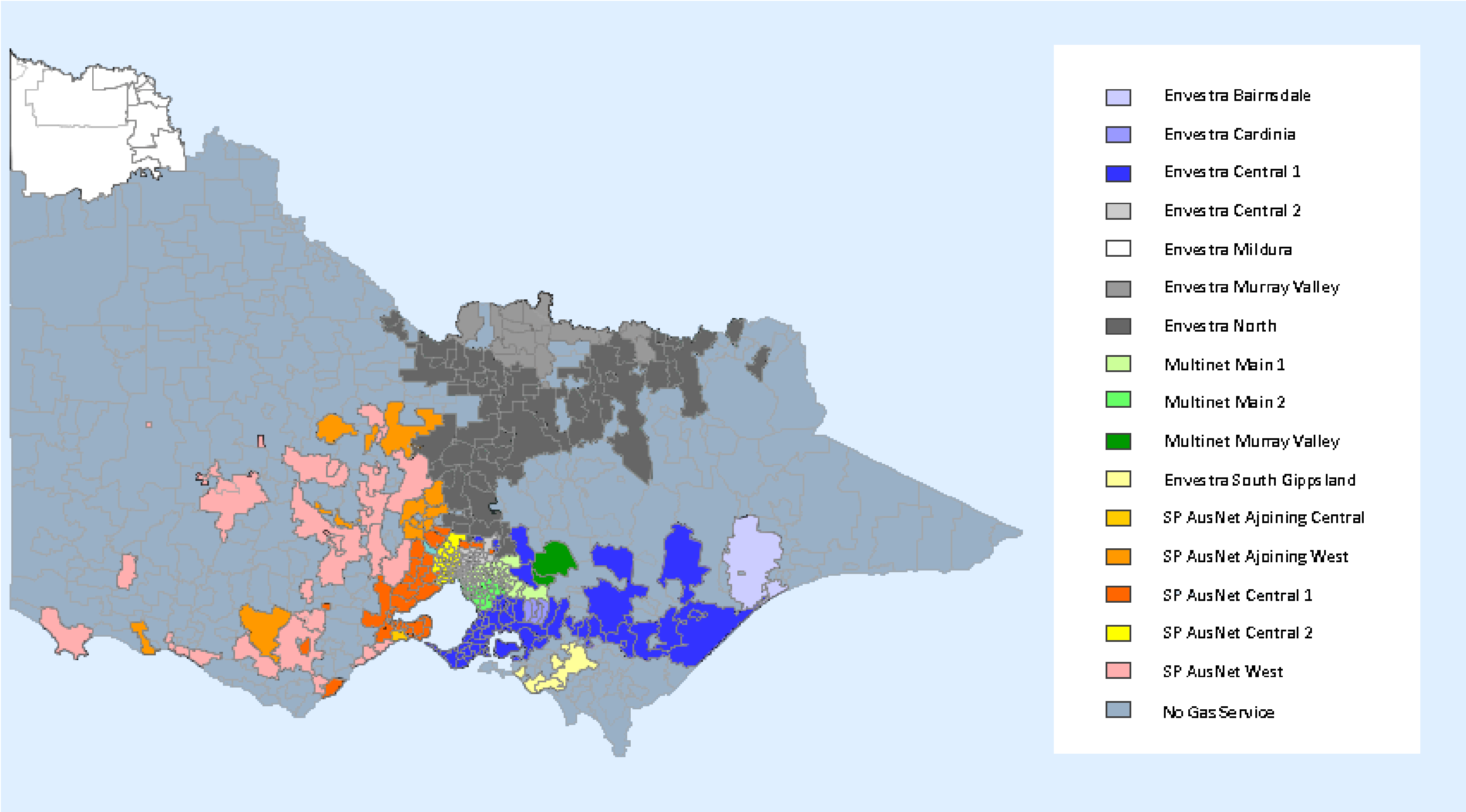
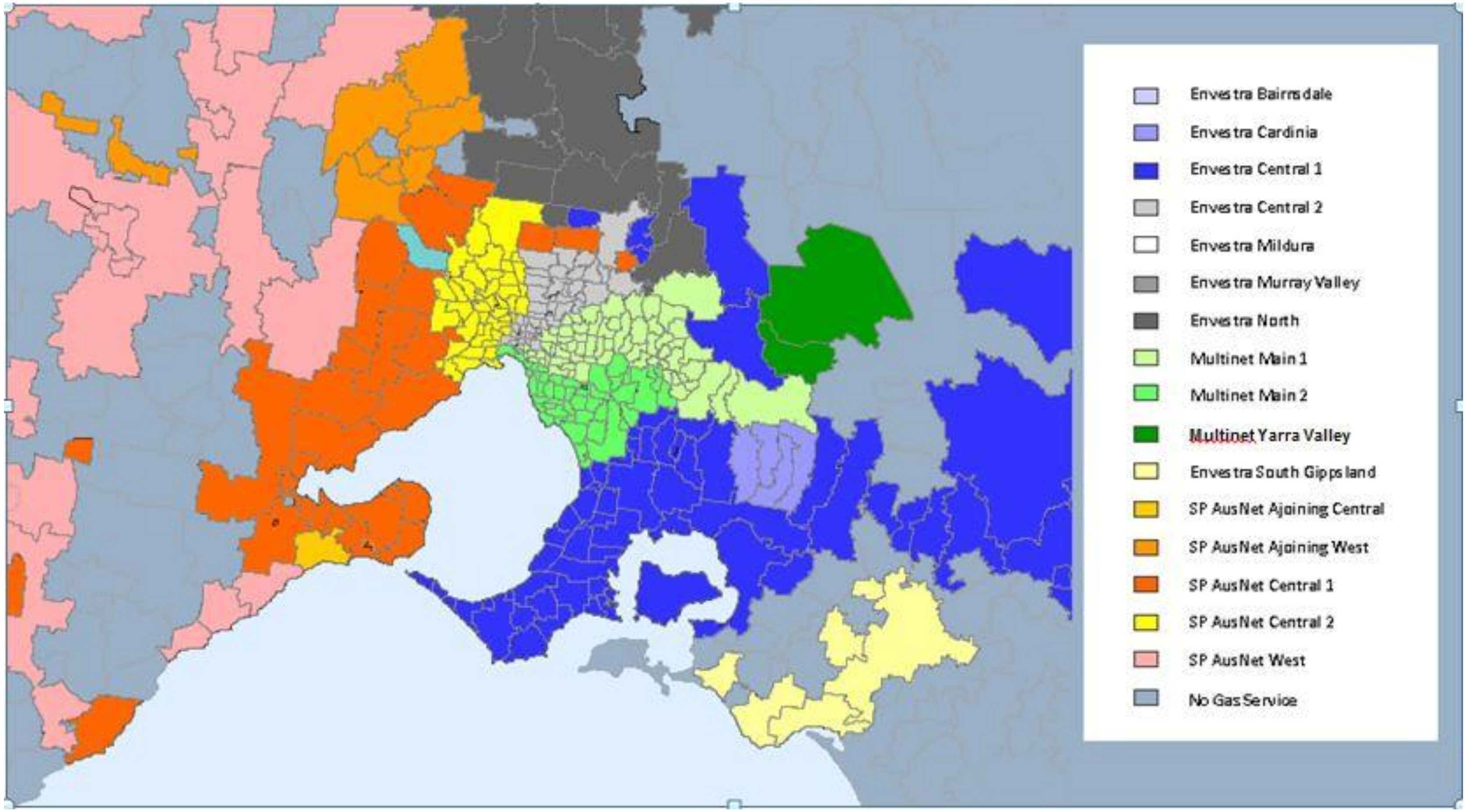


FIGURE 1.4 GAS DISTRIBUTION ZONES, MELBOURNE



1.7 ENERGY MARKETS

The Australian energy market has changed markedly over the past 20 years. Australian governments have implemented significant reforms to improve the sustainability and efficiency of the energy markets and to increase benefits to customers. The reforms include:

- setting up a National Electricity Market (the NEM), which interconnects Victoria, New South Wales, South Australia, Queensland, Tasmania and the ACT
- interconnecting Victoria's natural gas network with the networks of New South Wales, Tasmania and South Australia
- introducing competition to generation and the retail markets, with the result that all Victorian customers can choose their energy retailer
- establishing a national regulator (the AER) to set the prices for and access arrangements to the monopoly distribution businesses.

The Victorian Government further reformed the energy market by deregulating prices for all customers from 1 January 2009. All Victorian retailers now set their own retail prices. Victoria has 38 licensed retailers, of which 24 reported serving residential and/or business customers during 2013-14. Some of these retailers have a long history in the previously franchised market (the 'local' retailers: AGL, Origin Energy and EnergyAustralia (formerly TRUenergy)), while the remainder entered the market since it opened to competition in 2002.

Table 1.1 shows residential and small business customer numbers in the Victorian electricity market, as an average of monthly customer numbers reported to the Commission. It also shows the percentage change in market share since 2012-13.

Residential customers are defined as customers who purchase electricity or gas principally for personal, household or domestic use at the specified address or account. Business customers are non-residential customers at a specific address or account. Prices in this report are for businesses with annual electricity usage of less than 40MWh and annual gas usage of under 1000GJ.

As noted above, some offers published in this report have conditions—see mpp.switchon.vic.gov.au (electricity) and www.yourchoice.com.au (gas) for details of any conditions associated with an energy offer.

1.7.1 MARKET CHANGES

The energy market is continually evolving, with retailers consolidating their market position through a range of mergers and acquisitions. These include:

- Origin Energy purchased the retail business and existing customer base of Country Energy on 1 March 2011.
- TRUenergy purchased the retail business and existing customer base of EnergyAustralia on 1 March 2011 and subsequently changed its name to EnergyAustralia.
- Alinta Energy purchased the retail business of Neighbourhood Energy in November 2011. However, as at 30 June 2014, Neighbourhood Energy continues to supply some customers.
- AGL completed the purchase of Australian Power & Gas in April 2014. Australian Power & Gas is included in tables 1.1 and 1.2 as it operated during the reporting period, but its prices are not included in this report as it was no longer operating at 30 June 2014.

Snowy Hydro (the owner of Red Energy) completed the purchase of the retail business of Lumo Energy on 30 September 2014. Snowy Hydro has indicated that it will maintain the two separate retail brands of Lumo Energy and Red Energy. Where appropriate, historical data remains in the report for retailers that no longer trade in Victoria.

The market share profile of retailers has changed significantly in the electricity sector since competition was introduced in the early 2000s. At that time, the three local retailers—AGL, EnergyAustralia (formerly TRUenergy) and Origin Energy—held 100 per cent of the residential and business market share.

TABLE 1.1 RETAILER CUSTOMER NUMBERS – ELECTRICITY
2013-14

Retailer	Residential	Business	Total	Market Share %	Market share change from 2012-13 +/-
AGL	487 966	52 955	540 921	20.3	-2.2
AGL Sales (Qld)	0	115	115	0.0	0.0
Alinta Energy	47 474	403	47 877	1.8	1.3
Aurora Energy	0	7	7	0.0	0.0
Australian Power & Gas	97 474	3	97 477	3.7	-0.8
Blue NRG	83	3 350	3 433	0.1	0.1
Click Energy	25 978	937	26 915	1.0	0.5
Diamond Energy	2 294	170	2 464	0.1	0.0
EnergyAustralia	505 264	53 421	558 685	21.0	-2.4
EnergyAustralia Yallourn	0	2 103	2 103	0.1	0.0
ERM Business Energy	0	3 202	3 202	0.1	0.0
Lumo Energy	188 882	14 295	203 177	7.6	0.0
M2 Energy*	34 909	787	35 696	1.3	0.4
Momentum	35 932	47 360	83 292	3.1	1.2
Neighbourhood Energy	31 665	0	31 665	1.2	-1.1
Origin Energy	507 359	84 590	591 949	22.2	-0.3
Pacific Hydro	0	28	28	0.0	0.0
People Energy	5 279	152	5 431	0.2	0.2
Powerdirect	35 275	25 276	60 551	2.3	0.6
Powershop	3 792	340	4 312	0.2	0.1
QEnergy	776	686	1 462	0.1	0.1
Red Energy	192 884	8 915	201 799	7.6	0.8
Simply Energy	144 990	13 727	158 717	6.0	1.5
Sun Retail	5	36	41	0.0	0.0
TOTAL	**2 348 281**	**312 858**	**2 661 139**		

Customer numbers are an average of the 2013-14 reporting period.
* Note: M2 Energy trades as Dodo Power & Gas and Commander Power & Gas, but report on a consolidated basis.

Table 1.1 shows:

- In the residential market, AGL, Origin Energy and EnergyAustralia held 64 per cent market share in 2013-14, down from 69 per cent in 2012-13.
- Simply Energy, Alinta Energy and Momentum had the largest increases in market share, all by more than 1 per cent.
- In the business market, AGL, EnergyAustralia and Lumo Energy lost market share, while Momentum Energy increased its market share by over 3 per cent.

TABLE 1.2 RETAIL CUSTOMER NUMBERS – GAS
2013-14

Retailer	Residential	Business	Total	Market Share %	Market Share +/-
AGL	479 766	15 740	495 506	26.4	-0.3
Alinta Energy	30 204	3	30 207	1.6	1.2
Aurora Energy	0	3	3	0.0	0.0
Australian Power & Gas	88 276	0	88 276	4.7	-0.7
EnergyAustralia	440 042	15 994	456 036	24.3	-2.5
Lumo Energy	146 529	1 732	148 261	7.9	0.6
M2 Energy*	18 453	0	18 453	1.0	0.7
Origin Energy	387 238	16 526	403 764	21.5	-1.4
Red Energy	116 838	2 983	119 821	6.4	0.9
Simply Energy	112 051	2 673	114 724	6.1	1.4
TOTAL	**1 819 397**	**55 654**	**1 875 051**		

Customer numbers are an average of the 2013-14 reporting period.
* Note: M2 Energy trades as Dodo Power & Gas and Commander Power & Gas, but report on a consolidated basis.

Table 1.2 shows:

- Alinta Energy and Simply Energy reported the largest market share increase in 2013-14, both gaining over 1 per cent additional share of the gas market.
- EnergyAustralia and Origin Energy reported the largest decrease in market share, losing 2.5 per cent and 1.4 per cent respectively.
- The combined market share of customers for former local retailers AGL, EnergyAustralia and Origin Energy decreased by 4.2 per cent in 2013-14, down to a total of 72 per cent in 2013-14.

1.8 INTERPRETING THE INFORMATION IN THIS REPORT

One purpose of this report is to provide estimates of electricity and gas prices faced by residential and small business customers. However, there is no industry-wide electricity and gas price:

- Retailers charge different prices.
- There is a range of electricity tariffs in Victoria, and not all are available to all consumers. For example, customers without gas may have access to different off-peak tariff options compared to customers with gas.
- Because energy customers typically pay both usage and supply charges, the ‘price’ per unit of energy that a customer buys from any particular retailer depends on the amount of energy consumed.

Notwithstanding these difficulties, this report sheds light on trends in the payments that consumers must make to meet their energy needs. Because it is not feasible to replicate the situations facing all consumers, the report compares the annual payments that various representative customers, with consumption profiles outlined in Box 1.1, would have made in the relevant financial year.

Calculations of these annual payments (in chapters 2 and 3) are based on the prices in effect on 30 June of the relevant year. That rate is then annualised by calculating how much an energy customer would spend on supply charges (i.e. fixed daily charges, which apply regardless of the level of consumption) and also the consumption charges which apply to each unit of energy that the customer uses (usually quoted in c/kWh for electricity or c/MJ for gas). For the purposes of this report, electricity usage is apportioned equally across each month of the year. In the standing offer trend analysis undertaken in Appendix A, an average price across the two financial years is used in order to maintain accuracy with historical data.

For example, a residential single rate customer consuming 4000 kWh per annum would pay annually an amount equal to:

365 * the daily supply charge (in c / day)

+

4000 * the consumption tariff (in c / kWh)

Calculations of the annual payments that typical consumers would have to make for gas are necessarily more complex, as the Commission allocates different consumption levels to each month of the year in order to more closely reflect the typical Victorian gas consumption profile, due to the increased demand for gas heating during the cooler months.

It should also be noted that GST is included in all prices in this report.

Tables and figures in chapters 2 and 3 report the annual payments that representative energy customers would have made in the relevant financial year. By way of shorthand, the report refers to these payments as ‘prices’, in the sense that these payments are the ‘prices’ that representative consumers would have paid for specified levels of energy consumption if for the whole of each year they were on specified tariff schedules applicable at 30 June.

BOX 1.1 TARIFF TYPES AND TYPICAL CONSUMPTION LEVELS

Annual prices listed in this report incorporate both supply charges and consumption charges based on a typical consumption pattern for each meter type.

The annual charges in this report are based on the following annual consumption patterns:

1. The single rate residential tariff is based on 4000 kilowatt hours (kWh) peak consumption per year. This use is typical of a customer who has gas hot water and heating.

2. The two-rate residential tariff is based on 4000 kWh peak and 2500 kWh off-peak consumption per year. This use is typical of a customer with no gas supply and has electric hot water that heats during the off-peak time.

3. The time-of-use residential tariff is based on 3000 kWh peak and 6000 kWh off-peak consumption per year. Off-peak includes weekends for this tariff. This use is typical of a customer without gas supply who uses the off-peak time for any purpose. It is not restricted to hot water and heating overnight. Note that flexible pricing structures, which were introduced in September 2013, are not included in this tariff type. As this tariff is being phased out, the Commission proposes to cease reporting on it from 2014-15.

4. The single rate business tariff is based on 12 000 kWh peak consumption per year. This use is typical of a business that is closed on weekends.

5. The time-of-use business tariff is based on 25 000 kWh peak and 15 000 kWh off-peak consumption per year. This use is typical of a larger business that is open more than five days a week. Note that flexible pricing structures, which were introduced on September 2013, are not included in this tariff type.

Gas prices in this report are based on the following annual consumption patterns:

1. Residential gas prices are based on 60 gigajoules (GJ) of gas consumption per year. Consumption is allocated for peak (winter months—typically June to September) and off-peak (typically October to May) time frames. This use is typical of a residential gas customer with gas hot water.

2. Small business gas prices are based on 500 GJ of gas consumption per year. This use is typical of a typical business customer.

2 ELECTRICITY PRICES

WHAT WE FOUND

Residential market offer electricity prices increased in nominal terms in 2013-14 by an average of 2.5 per cent, before applying any discounts that may be available.

This follows a nominal increase of almost 20 per cent in 2012-13, which included increases due to the introduction of the carbon price.

The Australian Bureau of Statistics (ABS) reported that the Consumer Price Index (CPI) increased by 3.0 per cent in the twelve months to June 2014. Therefore, in real terms, average residential electricity prices fell slightly in 2013-14.

Consumers can save an average of 15 per cent from the average undiscounted market offer price by meeting certain conditions for receiving discounts, while the average discounted market offer is 22 per cent less than the average standing offer.

The Commission notes that there has been a level of convergence between retailers' standing offers and their undiscounted market offers. Many electricity retailers routinely provide the same prices to consumers whether they are on a standing offer or market offer. This underlines the importance of consumers meeting the conditions for receiving discounts in order to obtain the cheapest prices.

Residential electricity supply charges increased by between 6 and 11 per cent in 2013-14, depending on the distribution zone, and have increased by 60 per cent since 2009-10. This may indicate that some retailers have been re-balancing their tariffs towards placing greater reliance on fixed charges and less on variable charges.

Small business electricity market offer prices recorded an average 1 per cent nominal decrease in 2013-14, after an average increase of 21 per cent in 2012-13. As with residential, small business customers can make significant savings on the undiscounted market offer prices, with conditional discounts averaging 13 per cent available.

2.1 HOW ELECTRICITY PRICES ARE REPORTED

This chapter shows a range of available electricity market and standing offer prices, using the customer consumption patterns, distribution zones and tariff types as shown in Box 1.1. The annual prices are based on the offers available at 30 June of the relevant year, with the rate annualised based on the sample consumption levels; any changes to offers during the year are not shown. Many offers and prices shown are no longer available, as they may have been discontinued or replaced with new offers. All offers include the full price impact of the carbon price, as the repeal of carbon price legislation was only effective from 1 July 2014. All the prices in this chapter are in nominal dollars and include GST.

The Commission has compared the annual cost of electricity prices in each distribution zone, and for each tariff type. Tables 2.1 to 2.5 and 2.8 to 2.12 provide a comparison of:

- retailers' standing offer prices
- the full price of retailers' cheapest market offers before discounts are applied and
- the price of retailers' cheapest market offers once potential discounts are applied.

The highest (red) and lowest (green) offers available for each tariff type are also indicated in the tables.

2.2 RESIDENTIAL ELECTRICITY PRICES

Figures 2.1, 2.2 and 2.3 show the changes over the past five years in annual prices for residential electricity consumers on market offers across Victoria.

The charts show that after a large increase in most prices in 2012-13, average market offer prices recorded a much lower increase in 2013-14. In 2013-14 average electricity market offer prices across all tariff types and zones increased by 2.5 per cent, which compares with a 19.9 per cent increase in 2012-13. The Commission notes that the increase in 2012-13 included increases associated with the introduction of the carbon price from 1 July 2012.

The highest average increase in 2013-14 was for two-rate tariffs in the Powercor zone, which increased by an average of 5.1 per cent, while the lowest increase was 0.8 per cent for time of use tariffs in Jemena. Average residential electricity prices for 2013-14 were highest in the SP AusNet area, while CitiPower prices were the lowest.

FIGURE 2.1 RESIDENTIAL ELECTRICITY, AVERAGE MARKET OFFER PRICES NO DISCOUNTS, SINGLE RATE TARIFF, BY DISTRIBUTION ZONE

2009-10 to 2013-14, $ per annum

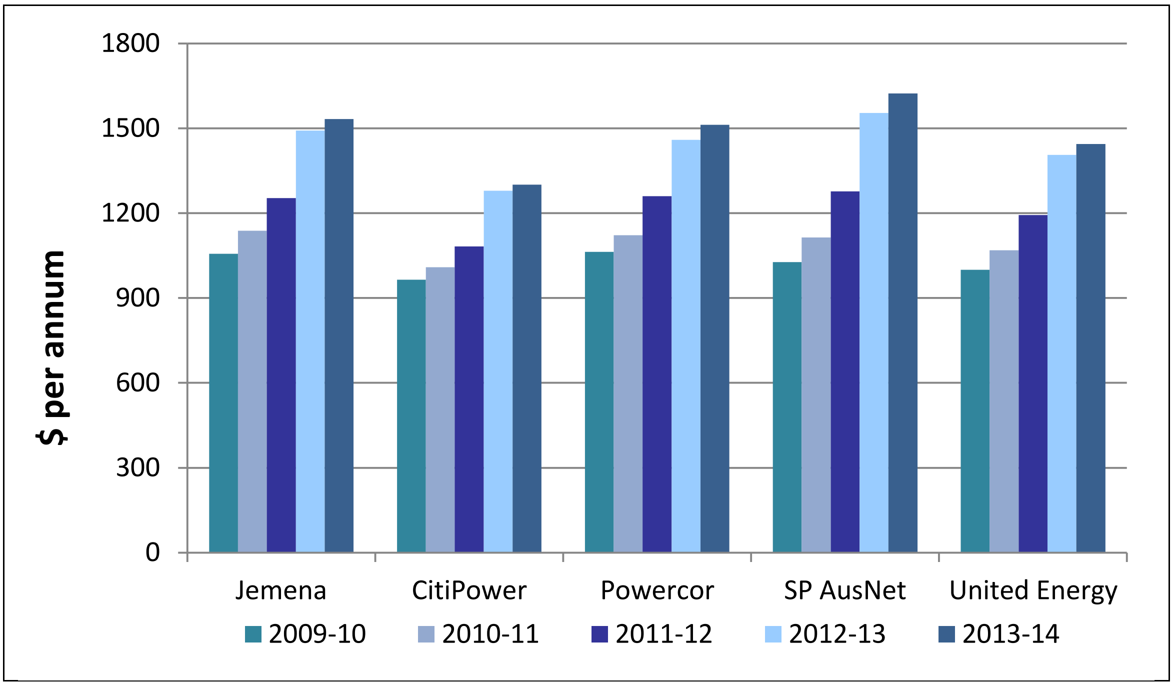


FIGURE 2.2 RESIDENTIAL ELECTRICITY, AVERAGE MARKET OFFER PRICES NO DISCOUNTS, TWO-RATE TARIFF, BY DISTRIBUTION ZONE

2009-10 to 2013-14, $ per annum

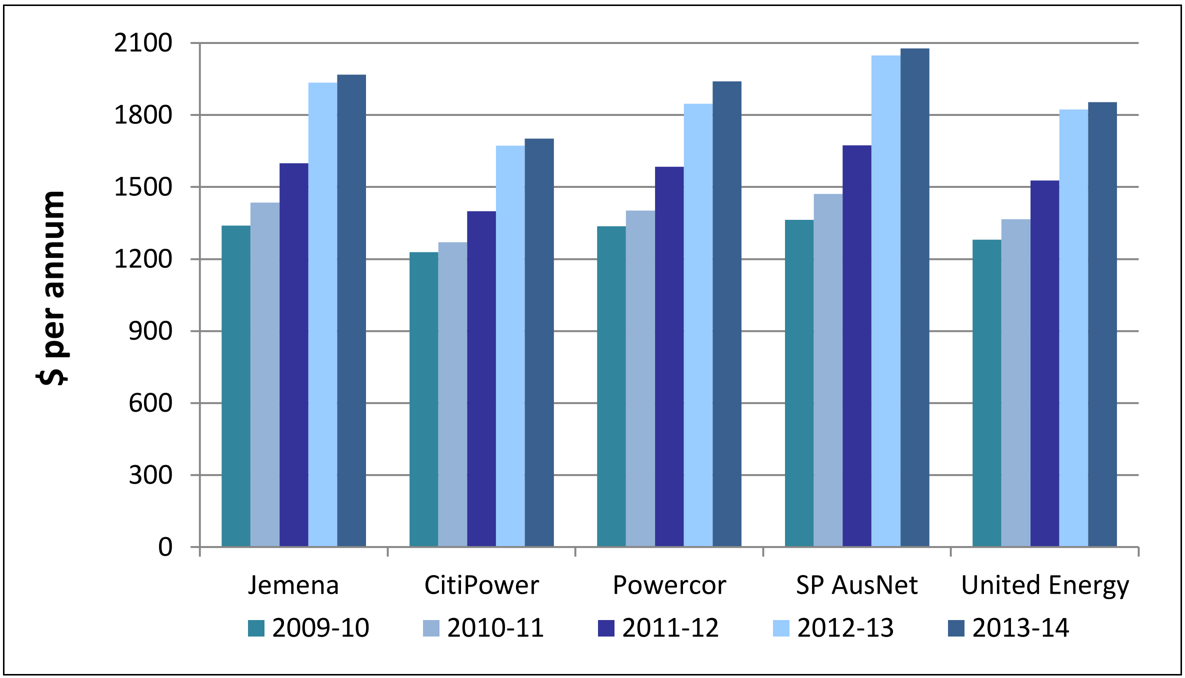
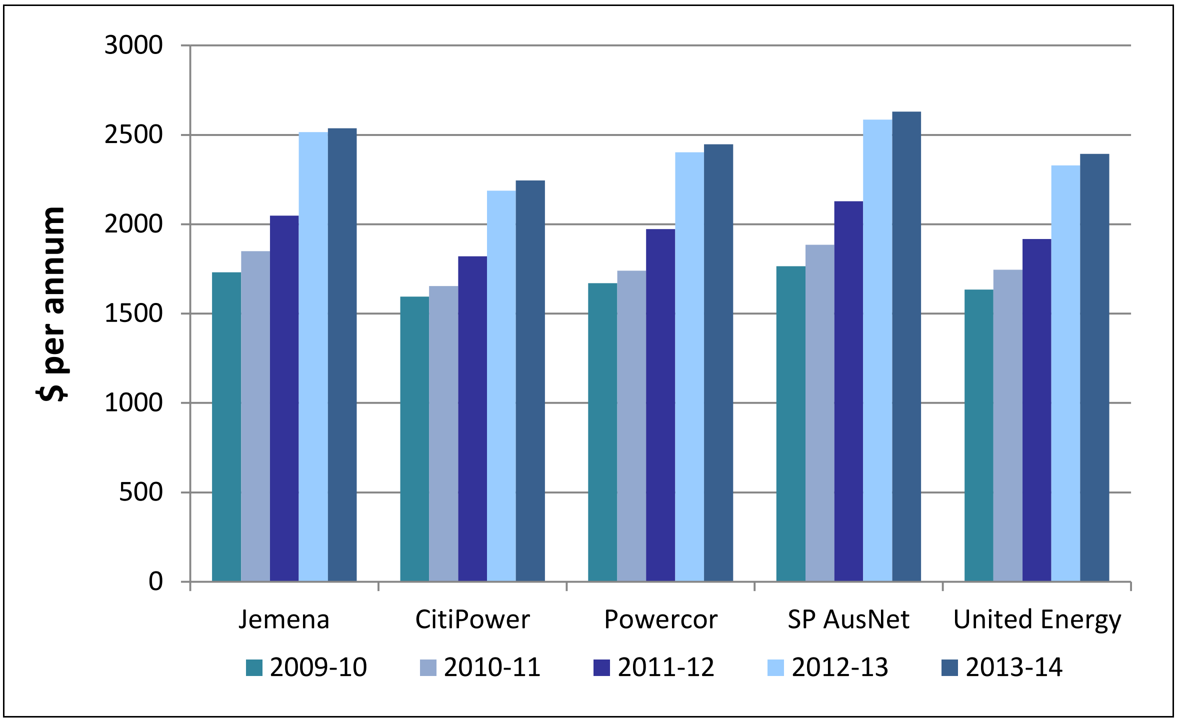


FIGURE 2.3 RESIDENTIAL ELECTRICITY, AVERAGE MARKET OFFER PRICES NO DISCOUNTS, TIME-OF-USE TARIFF, BY DISTRIBUTION ZONE
2009-10 to 2013-14, $ per annum



Tables 2.1 to 2.5 provide further details on each retailer's residential electricity prices in 2013-14. They demonstrate that prices can vary greatly between retailers, and that the best prices for any given tariff type and zone are offered by a range of different retailers.

Highlights of the tables include:

- Taking into account all available discounts, the lowest overall prices were most commonly available from Powershop.
- Alinta Energy and Powershop's prices were generally unchanged from 2012-13, while Powerdirect and Red Energy's rates decreased for many tariff types and zones.
- Click Energy increased prices significantly in 2013-14, with prices increasing by up to 46 per cent. The majority of Click's prices increased by between 10 and 20 per cent, resulting in Click's prices being the highest for many tariff types.

Consumers can save an average of 15 per cent from the average full market offer price by meeting conditions for receiving discounts, while the average discounted market offer is 22 per cent lower than the average standing offer price. Undiscounted market offers increased by an average of 2.5 per cent, while standing offers increased by an average of 3.9 per cent in 2013-14.

The Commission also notes that there has been a level of convergence between retailers' standing offers and their undiscounted market offers. Up to seven retailers routinely provide the same prices to consumers whether they are on a standing offer or market offer, while at least two others often have higher prices attached to their market offers, prior to any discounting being applied. This underlines the importance of consumers meeting the conditions for receiving discounts in order to obtain the best prices.

TABLE 2.1 RESIDENTIAL ELECTRICITY PRICES, JEMENA ZONE

2013-14, $ per annum

	Single rate, 4,000 kWh				Two rate, 4,000 kWh peak + 2,500 kWh off-peak				Time of use, 3,000 kWh peak + 6,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	1 679	1 679	1 341	4	2 188	2 188	1 707	4	2 913	2 908	2 237	3
Alinta Energy	1 575	1 575	1 401	**0**	2 061	2 061	**1 814**	0	2 670	2 670	2 329	0
Click Energy	**1 770**	1 619	1 344	**12**	**2 320**	2 113	1 753	**11**	**3 063**	2 774	2 302	10
Commander Power & Gas	1 692	1 692	**1 429**	—	2 152	2 152	1 796	—	2 683	2 683	2 221	—
Diamond Energy	1 550	1 377	1 336	—	1 948	1 773	1 720	—	**2 351**	2 246	2 179	—
Dodo Power & Gas	1 674	1 674	1 279	9	2 132	2 132	1 600	9	2 664	2 664	1 972	6
EnergyAustralia	1 584	1 596	1 275	4	2 059	2 076	1 624	3	2 807	2 828	2 173	2
Lumo Energy	1 716	**1 716**	1 373	6	2 192	2 163	1 731	5	2 695	2 695	2 156	7
Momentum Energy	1 631	**1 261**	1 261	4	2 094	1 627	1 627	5	2 835	2 132	2 132	**10**
Origin Energy	1 630	1 630	1 290	2	2 035	2 035	1 581	2	2 650	2 650	2 024	2
People Energy	1 696	1 696	1 356	9	2 227	**2 227**	1 743	5	2 990	**2 990**	2 310	9
Powerdirect	1 679	1 413	1 413	0	2 188	1 810	1 810	**-5**	2 956	2 399	**2 399**	-1
Powershop	1 510	1 283	**1 117**	0	1 914	**1 627**	**1 416**	0	2 404	2 044	**1 779**	0
QEnergy	1 594	1 336	1 336	—	1 999	1 741	1 741	—	2 603	**2 023**	2 023	—
Red Energy	**1 462**	1 356	1 220	0	**1 902**	1 729	1 556	-3	2 564	2 326	2 093	**-4**
Simply Energy	1 655	1 626	1 340	3	2 087	2 034	1 645	2	2 759	2 547	2 037	3
AVERAGE	**1 633**	**1 533**	**1 319**	**2.7**	**2 098**	**1 968**	**1 679**	**1.7**	**2 731**	**2 536**	**2 148**	**0.8**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied

Note: **Green** – lowest, **Red** – highest

TABLE 2.2 RESIDENTIAL ELECTRICITY PRICES, CITIPOWER ZONE

2013-14, $ per annum

	Single rate, 4,000 kWh				Two rate, 4,000 kWh peak + 2,500 kWh off-peak				Time of use, 3,000 kWh peak + 6,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	1 430	1 430	1 137	2	1 931	1 931	1 499	4	2 543	**2 543**	1 956	4
Alinta Energy	1 312	1 312	1 169	0	1 766	1 766	1 556	1	2 377	2 377	2 076	0
Click Energy	**1 780**	1 427	1 184	**14**	**2 131**	**1 937**	**1 608**	**12**	**2 717**	2 477	2 056	**10**
Commander Power & Gas	1 400	1 400	1 183	—	1 854	1 854	1 547	—	2 410	2 410	1 991	—
Diamond Energy	1 397	1 213	1 177	—	1 775	1 560	1 514	—	**2 107**	2 009	1 949	—
Dodo Power & Gas	1 385	1 385	1 060	3	1 837	1 837	1 377	6	2 392	2 392	1 764	9
EnergyAustralia	1 362	1 373	1 105	3	1 816	1 830	1 439	3	2 421	2 440	1 886	3
Lumo Energy	1 445	**1 445**	1 156	6	1 864	1 864	1 492	7	2 489	2 489	1 991	4
Momentum Energy	1 378	**1 071**	1 071	3	1 815	**1 396**	1 396	3	2 407	—	—	—
Origin Energy	1 344	1 344	1 076	1	1 723	1723	1 348	3	2 269	2 269	1 742	5
People Energy	1 435	1 435	1 153	9	1 799	1 799	1 418	6	2 331	2 331	1 807	9
Powerdirect	1 430	1 200	**1 200**	-2	1 931	1 592	1 592	**-5**	2 543	2 082	**2 082**	-1
Powershop	1 320	1 122	**977**	0	1 682	1 430	**1 245**	0	2 170	1 844	**1 606**	0
QEnergy	1 330	1 173	1 173	—	**1 667**	1 519	1 519	—	2 160	**1 828**	1 828	—
Red Energy	**1 279**	1 173	1 055	**-3**	1 669	1 516	1 365	-3	2 152	1 916	1 724	**-5**
Simply Energy	1 385	1 309	1 080	1	1759	1 680	1 358	1	2 311	2 274	1 821	2
AVERAGE	**1 405**	**1 301**	**1 122**	**1.7**	**1 821**	**1 702**	**1 454**	**1.8**	**2 379**	**2 245**	**1 885**	**2.6**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied
Note: **Green** – lowest, **Red** – highest

TABLE 2.3 RESIDENTIAL ELECTRICITY PRICES, POWERCOR ZONE

2013-14, $ per annum

	Single rate, 4,000 kWh				Two rate, 4,000 kWh peak + 2,500 kWh off-peak				Time of use, 3,000 kWh peak + 6,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	1 624	1 624	1 286	3	2 148	2 148	1 665	5	2 710	2 710	2 210	5
Alinta Energy	**1 485**	1 485	1 318	0	2 030	1 965	1 727	1	2 596	2 596	2 266	0
Click Energy	**1 963**	1 629	1 352	**46**	**2 400**	2 167	1 798	12	**3 033**	2 740	**2 274**	**13**
Commander Power & Gas	1 688	1 688	**1 419**	—	2 174	**2 174**	**1 808**	—	2 698	2 698	2 227	—
Diamond Energy	1 513	1 367	1 326	—	1 932	1 758	1 706	—	**2 261**	2 155	2 090	—
Dodo Power & Gas	1 675	1 675	1 273	6	2 160	2 160	1 613	8	2 694	2 694	1 986	11
EnergyAustralia	1 589	1 601	1 281	4	2 028	2 044	1 604	**33**	2 542	2 562	1 980	3
Lumo Energy	1 621	1 621	1 297	4	2 092	2 092	1 673	4	2 758	**2 758**	2 206	3
Momentum Energy	1 606	**1 284**	1 284	3	2 053	**1 622**	1 622	1	2 625	2 126	2 126	3
Origin Energy	1 604	1 604	1 272	2	2 008	2 008	1 562	3	2 599	2 599	1 988	6
People Energy	1 704	**1 704**	1 356	9	2 094	2 094	1 641	6	2 646	2 646	2 044	9
Powerdirect	1 624	1 359	1 359	**-1**	2 122	1 768	1 768	**-4**	2 710	2 210	2 210	0
Powershop	1 523	1 295	**1 127**	0	1 918	1 630	**1 419**	0	2 308	1 962	**1 708**	0
QEnergy	1 580	1 294	1 294	—	1 941	1 664	1 664	—	2 452	**1 926**	1 926	—
Red Energy	1 666	1 371	1 234	-1	**1 900**	1 735	1 561	-3	2 479	2 137	1 924	**-6**
Simply Energy	1 577	1 595	1 303	2	1 994	2 012	1 615	26	2 504	2 638	2 091	3
AVERAGE	**1 629**	**1 512**	**1 299**	**3.6**	**2 068**	**1 940**	**1 653**	**5.1**	**2 620**	**2 447**	**2 079**	**1.8**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied

Note: **Green** – lowest, **Red** – highest

TABLE 2.4 RESIDENTIAL ELECTRICITY PRICES, SP AUSNET ZONE

2013-14, $ per annum

	Single rate, 4,000 kWh				Two rate, 4,000 kWh peak + 2,500 kWh off-peak				Time of use, 3,000 kWh peak + 6,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	1 762	1 762	1 411	5	2 328	2 328	1 820	5	2 857	2 857	2 190	3
Alinta Energy	1 681	1 681	**1 492**	0	2 184	2 184	1 920	0	2 771	2 771	2 416	0
Click Energy	**2 132**	1 761	1 462	**20**	**2 543**	**2 330**	**1 934**	**12**	**3 319**	**3 024**	**2 510**	**18**
Commander Power & Gas	1 725	1 725	1 456	—	2 246	2 246	1 880	—	3 055	2 749	2 283	—
Diamond Energy	**1 505**	1 442	1 399	—	**1 931**	1 797	1 744	—	2 523	2 224	2 158	—
Dodo Power & Gas	1 704	1 704	1 301	7	2 227	2 227	1 679	8	2 876	2 876	2 134	11
EnergyAustralia	1 680	1 693	1 351	4	2 153	2 169	1 699	4	2 732	2 752	2 125	3
Lumo Energy	1 752	1 752	1 401	3	2 241	2 241	1 793	3	2 917	2 917	2 334	3
Momentum Energy	1 705	1 444	1 444	6	2 176	1 792	1 792	5	2 801	2 220	2 220	1
Origin Energy	1 671	1 671	1 337	1	2 076	2 076	1 628	**-5**	2 795	2 795	2 146	0
People Energy	1 765	1 765	1 405	10	2 257	2 257	1 765	6	2 904	2 904	2 237	10
Powerdirect	1 762	1 486	1 486	1	2 328	1 929	1 929	-4	2 857	2 333	2 333	-2
Powershop	1 573	**1 337**	**1 164**	11	2 010	**1 708**	**1 487**	0	**2 421**	**2 058**	**1 791**	0
QEnergy	1 657	1 486	1 486	—	2 089	1 899	1 899	—	2 794	2 283	2 283	—
Red Energy	1 708	1 456	1 311	**-1**	2 026	1 846	1 661	-4	2 676	2 427	2 184	**-2**
Simply Energy	1 797	**1 804**	1 475	6	2 227	2 213	1 781	5	2 770	2 892	2 296	3
AVERAGE	**1 729**	**1 623**	**1 399**	**4.4**	**2 199**	**2 078**	**1 776**	**1.5**	**2 837**	**2 630**	**2 228**	**1.7**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied

Note: **Green** – lowest, **Red** – highest

TABLE 2.5 RESIDENTIAL ELECTRICITY PRICES, UNITED ENERGY ZONE

2013-14, $ per annum

	Single rate, 4,000 kWh				Two rate, 4,000 kWh peak + 2,500 kWh off-peak				Time of use, 3,000 kWh peak + 6,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	1 555	1 555	1 237	5	2 028	2 028	1 577	5	2 604	2 604	1 995	4
Alinta Energy	1 439	1 439	1 277	0	1 882	1 882	1 653	0	2 423	2 423	2 109	0
Click Energy	**1 748**	1 597	1 325	**12**	**2 257**	2 063	1 712	**11**	**2 947**	2 691	2 234	9
Commander Power & Gas	1 618	**1 618**	**1 363**	—	2 065	2 065	**1 720**	—	2 531	2 531	2 105	—
Diamond Energy	**1 308**	1 246	1 209	—	**1 711**	1 640	1 591	—	2 273	2 158	2 093	—
Dodo Power & Gas	1 604	1 604	1 223	8	2 051	2 051	1 535	7	2 526	2 548	1 884	6
EnergyAustralia	1 491	1 503	1 202	4	1 914	1 930	1 513	4	2 534	2 554	1 965	4
Lumo Energy	1 608	1 608	1 287	7	2 012	2 012	1 610	7	2 517	2 517	2 014	7
Momentum Energy	1 542	**1 184**	1 184	3	1 974	**1 515**	1 515	4	2 599	1 991	1 991	9
Origin Energy	1 581	1 581	1 252	3	1 980	1 980	1 538	2	2 625	2 625	2 003	6
People Energy	1 600	1 600	1 277	10	2 096	**2 096**	1 638	6	2 712	**2 712**	2 094	**10**
Powerdirect	1 555	1 305	1 305	1	2 028	1 674	1 674	-4	2 624	2 144	2 144	0
Powershop	1 419	1 206	**1 050**	0	1 783	1 516	**1 320**	0	**2 220**	**1 887**	**1 643**	0
QEnergy	1 537	1 241	1 241	—	1 945	1 648	1 648	—	2 480	2 423	**2 423**	—
Red Energy	1 382	1 275	1 148	**-2**	1 829	1 653	1 487	**-4**	2 332	2 085	1 876	**-7**
Simply Energy	1 581	1 551	1 279	3	1 980	1 915	1 552	3	2 471	2 399	1 924	2
AVERAGE	**1 538**	**1 445**	**1 241**	**2.7**	**1 975**	**1 854**	**1 580**	**1.7**	**2 535**	**2 393**	**2 031**	**2.8**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied

Note: **Green** – lowest, **Red** – highest

2.3 RESIDENTIAL ELECTRICITY SUPPLY CHARGES

Electricity supply charges are another consideration when looking at market offer pricing, particularly for consumers that may have lower than average consumption. The supply charge is a daily charge included in a customer's bill, and is included in the annual prices discussed elsewhere in this report. This section looks at how retailers' electricity supply charges differed in each distribution zone, and how average supply charges have changed over time. The supply charges listed in this section are from each retailer's cheapest market offer available on 30 June 2014, which was also used to calculate prices in section 2.2.

Tables 2.6 and 2.7 show that:

- Simply Energy and Click Energy had the highest supply charges in 2013-14, while Momentum Energy and Dodo Power & Gas had the lowest.
- Supply charges varied significantly across retailers. The difference in retailers' supply charges can be as much as 50 cents per day in some distribution zones (which equates to $183 per year).

TABLE 2.6 ELECTRICITY MARKET OFFER SUPPLY CHARGES
2013-14, $ per day

	CitiPower	Jemena	Powercor	United Energy	SP AusNet
AGL	1.05	1.29	1.14	1.14	**1.39**
Alinta Energy	0.98	1.13	1.01	0.98	1.15
Click Energy	**1.13**	1.18	**1.27**	1.18	1.27
Commander Power & Gas	0.86	1.02	0.93	0.93	1.04
Diamond Energy	1.05	—	1.08	1.07	1.12
Dodo Power & Gas	**0.82**	0.98	**0.91**	0.91	0.99
EnergyAustralia	1.04	1.10	1.12	1.05	1.16
Lumo Energy	1.01	1.20	1.09	1.17	1.23
Momentum Energy	0.84	**0.81**	0.96	**0.80**	1.08
Origin Energy	0.95	0.99	1.03	0.91	0.97
People Energy	1.06	1.19	1.14	1.10	1.19
Powerdirect	1.05	1.29	1.14	1.14	**1.39**
Powershop	0.91	1.01	0.94	0.90	**0.96**
QEnergy	1.05	1.14	1.13	0.96	1.31
Red Energy	0.88	1.08	0.99	0.94	1.10
Simply Energy	1.07	**1.31**	1.16	**1.27**	1.33
AVERAGE	**0.99**	**1.11**	**1.08**	**1.03**	**1.17**

TABLE 2.7 AVERAGE ELECTRICITY MARKET OFFER SUPPLY CHARGES
2009-10 to 2013-14, $ per day

	2009-10	2010-11	2011-12	2012-13	2013-14	1 year % change	5 year % change
AGL	0.78	**0.88**	**1.00**	1.07	1.20	12	**54**
Alinta Energy	—	—	0.91	1.03	1.05	2	—
Australian Power & Gas	**0.80**	0.84	0.91	0.99	—	—	—
Click Energy	0.66	0.65	0.74	0.86	1.20	**40**	83
Commander Power & Gas	—	—	—	—	0.96	—	—
Diamond Energy	—	—	—	—	1.08	—	—
Dodo Power & Gas	—	**0.59**	**0.64**	0.88	0.92	5	—
EnergyAustralia	**0.58**	0.74	0.93	1.04	1.09	5	87
Energy Australia (old)	0.70	0.71	0.89	—	—	—	—
Lumo Energy	0.62	0.65	0.88	1.04	1.14	10	85
Momentum Energy	—	**0.59**	0.70	**0.83**	**0.90**	9	—
Neighbourhood Energy	**0.58**	0.70	0.91	—	—	—	—
Origin Energy	0.59	0.65	0.77	1.02	0.97	**-5**	65
People Energy	—	—	—	1.03	1.13	10	—
Powerdirect	0.78	**0.88**	**1.00**	1.07	1.20	12	**54**
Powershop Australia	—	—	—	—	0.94	—	—
QEnergy Limited	—	—	—	—	1.12	—	—
Red Energy	0.62	0.70	0.88	0.90	1.00	11	60
Simply Energy	0.64	0.85	0.88	**1.11**	**1.23**	11	**92**
AVERAGE	**0.67**	**0.67**	**0.83**	**0.99**	**1.07**	**8**	**60**

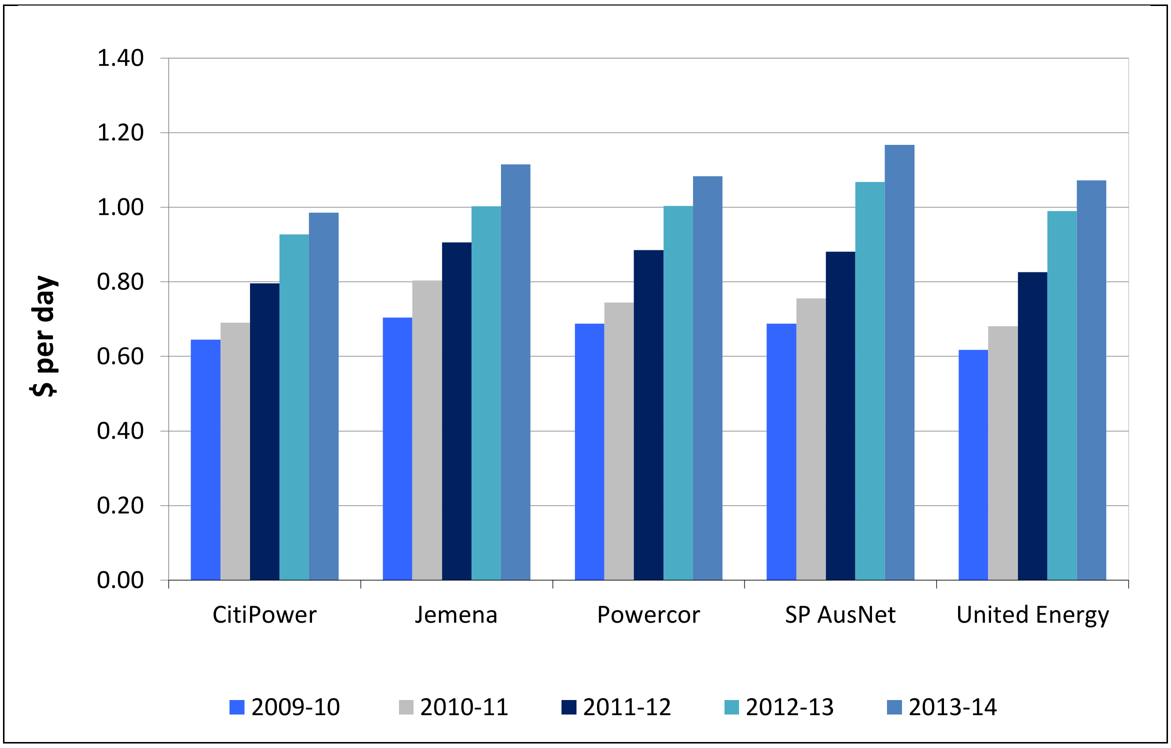
Note: **Green** – lowest, **Red** – highest

Figure 2.4 shows the average increases across the five electricity distribution zones from 2009-10 to 2013-14:

- Overall, average supply charges have increased 60 per cent since 2009-10.
- This compares to an overall average market offer price increase of 45 per cent. These increases demonstrate that some retailers may be re-balancing their tariffs towards placing greater reliance on fixed charges and less on variable charges.
- Average electricity supply charges increased by between 6 and 11 per cent in 2013-14, depending on the distribution zone.

FIGURE 2.4 AVERAGE MARKET OFFER ELECTRICITY SUPPLY CHARGES, BY DISTRIBUTION ZONE

2009-10 to 2013-14, $ per day



2.4 SMALL BUSINESS ELECTRICITY PRICES

Prices in the small business electricity market followed a similar pattern to residential prices, with only minimal price increases, and in some cases price decreases, in 2013-14. Across all tariff types and zones, electricity market offer prices for small businesses recorded an average 1 per cent decrease in 2013-14, while standing offers increased by an average of 3.9 per cent.

Figure 2.5 shows that single rate market offer prices fell in each distribution zone in 2013-14, with an average decrease of 2.1 per cent. Figure 2.6 shows that time of use prices decreased in the Jemena and United Energy distribution zones, while recording a small increase in the remaining areas. On average, market offer time of use prices for small businesses increased by 0.1 per cent.

As with residential electricity, average 2013-14 prices for small businesses were highest in the SP AusNet area, with the lowest prices in the CitiPower zone.

FIGURE 2.5 SMALL BUSINESS ELECTRICITY AVERAGE MARKET OFFER PRICES BY DISTRIBUTION ZONE, NO DISCOUNTS, SINGLE RATE TARIFF

2009-10 to 2013-14, $ per annum

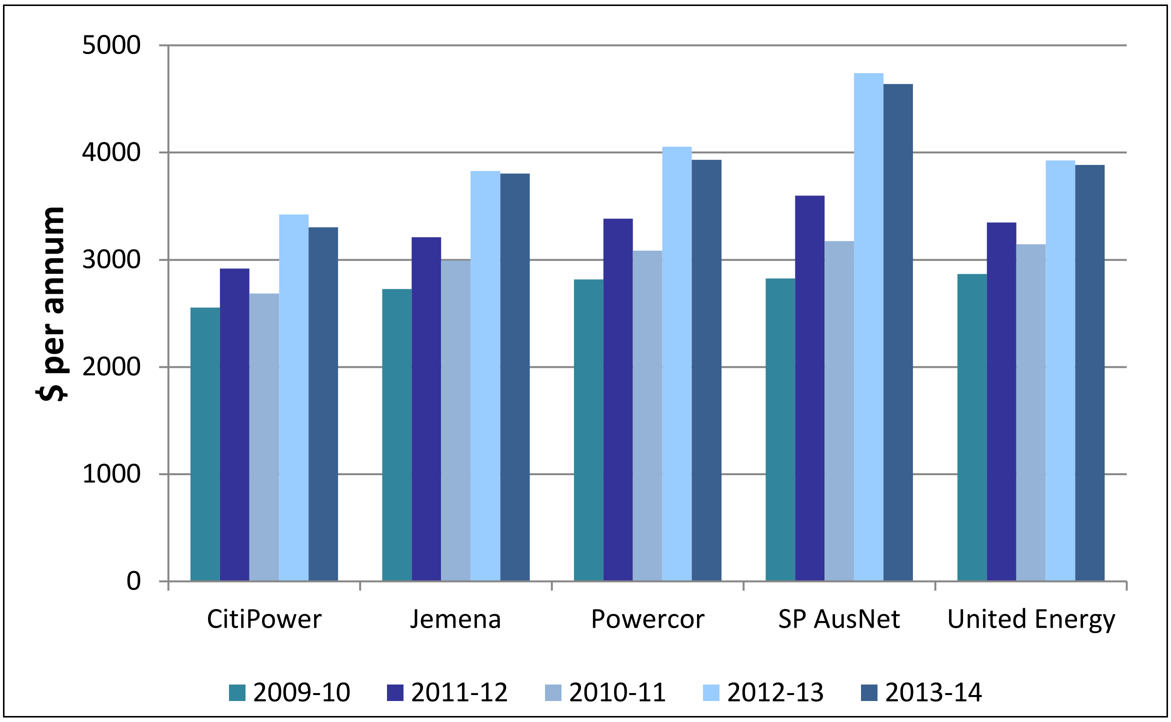
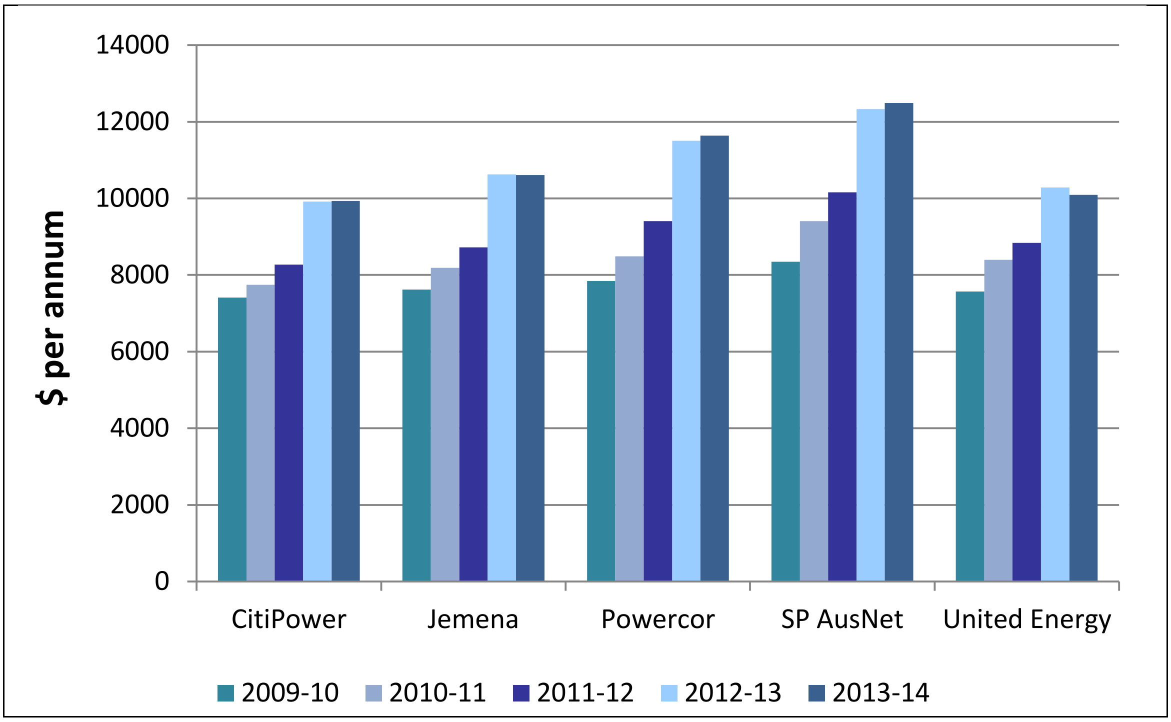


FIGURE 2.6 SMALL BUSINESS ELECTRICITY AVERAGE MARKET OFFER PRICES BY DISTRIBUTION ZONE, NO DISCOUNTS, TIME OF USE TARIFF
2009-10 to 2013-14, $ per annum



Tables 2.8 to 2.12 provide further details on each retailer's small business electricity prices in 2013-14. They show that prices can vary greatly between retailers, and that the lowest and highest prices for any given tariff and distribution zone are offered by a range of different retailers.

Points of particular note include:

- Taking into account all available discounts, the lowest prices were most commonly available from Powershop or Dodo Power & Gas.
- The highest prices in most categories were published by Click Energy, AGL or People Energy.
- Small business customers can save an average of 13 per cent from the full market offer price by meeting conditions for receiving discounts, while the average discounted market offer is 22 per cent lower than the average standing offer price. Discounts of up to 29 per cent are available on some market offers.

TABLE 2.8 SMALL BUSINESS ELECTRICITY PRICES, CITIPOWER ZONE

2013-14, $ per annum

	Single rate, 12,000 kWh				Time of use, 25,000 kWh peak + 15,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer, no discounts	Discounted market offer	Change in market offer from 2012-13 %
AGL	**4 133**	**4 200**	3 108	6	**12 154**	**12 249**	8 788	7
Click Energy	3 822	3 656	**3 400**	8	11 444	11 532	**10 725**	**15**
Commander Power & Gas	3 648	3 648	3 008	—	10 785	10 785	8 716	—
Dodo Power & Gas	3 648	3 300	2 713	2	10 785	9 816	7 941	1
EnergyAustralia	3 724	3 954	3 169	**11**	11 104	11 787	9 219	10
ERM Power	3 566	2 535	2 535	—	11 316	8 124	8 124	—
Lumo Energy	3 323	2 726	2 726	—	10 353	8 477	8 477	—
Momentum Energy	3 848	2 690	2 690	0	11 516	8 060	8 060	1
Origin Energy	3 687	3 687	3 051	1	11 160	11 160	9 062	5
People Energy	3 926	3 926	3 023	—	11 593	11 593	8 846	—
Powerdirect	**4 133**	3 108	3 108	-5	**12 154**	8 815	8 815	-5
Powershop	**3 285**	2 792	**2 431**	**-15**	**9 801**	8 331	**7 253**	**-14**
QEnergy	3 647	**2 516**	2 516	—	10 745	**7 636**	7 636	—
Red Energy	3 581	3 257	2 931	-6	10 591	9 517	8 566	5
Simply Energy	3 660	3 532	2 785	-5	10 904	11 131	8 530	5
AVERAGE	**3 709**	**3 302**	**2 880**	**-3.5**	**11 094**	**9 934**	**8 584**	**0.2**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied

Note: **Green** – lowest, **Red** – highest

TABLE 2.9 SMALL BUSINESS ELECTRICITY PRICES, JEMENA ZONE

2013-14, $ per annum

	Single rate, 12,000 kWh				Time of use, 25,000 kWh peak + 15,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	4 475	4 548	3 369	5	12 205	12 321	8 817	5
Click Energy	4 332	4 332	**4 029**	12	12 522	12 632	**11 748**	**13**
Commander Power & Gas	4 134	4 134	3 383	—	11 206	11 206	9 039	—
Dodo Power & Gas	4 134	**3 105**	**2 549**	2	11 206	8 857	**7 150**	1
EnergyAustralia	4 309	4 501	3 593	9	11 935	12 672	9 891	10
ERM Power	4 124	3 108	3 108	—	12 346	9 219	9 219	—
Lumo Energy	3 961	3 256	3 256	—	11 390	9 279	9 279	—
Momentum Energy	4 338	3 172	3 172	-1	12 013	9 060	9 060	0
Origin Energy	4 301	4 301	3 551	1	11 787	11 787	9 539	1
People Energy	**4 632**	**4 632**	3 566	**13**	**12 825**	**12 825**	9 775	—
Powerdirect	4 475	3 370	3 370	-5	12 205	8 820	8 820	-8
Powershop	**3 870**	3 289	2 864	**-15**	**10 481**	8 909	7 756	**-14**
QEnergy	4 245	3 174	3 174	—	11 761	**8 591**	8 591	—
Red Energy	4 142	3 813	3 432	1	11 656	10 573	9 516	3
Simply Energy	4 221	4 319	3 381	2	11 741	12 464	9 505	3
AVERAGE	**4 246**	**3 804**	**3 320**	**-0.61**	**11 819**	**10 614**	**9 180**	**-0.1**

All prices listed are in $ per annum, based on the consumption levels noted above. % change is in the market offer price, before discounts are applied

Note: **Green** – lowest, **Red** – highest

TABLE 2.10 SMALL BUSINESS ELECTRICITY PRICES, POWERCOR ZONE

2013-14, $ per annum

	Single rate, 12,000 kWh				Time of use, 25,000 kWh peak + 15,000 kWh off-peak			
	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %	Standing offer	Market offer	Discounted market offer	Change in market offer from 2012-13 %
AGL	**4 776**	**4 853**	3 542	5	13 143	**13 962**	9 923	9
Click Energy	4 274	4 274	**3 975**	5	**13 355**	13 544	**12 596**	**17**
Commander Power & Gas	4 428	4 428	3 632	—	12 847	12 847	10 368	—
Dodo Power & Gas	4 428	3 827	3 126	2	12 847	11 435	9 213	3
EnergyAustralia	4 535	4 736	3 757	**8**	12 908	13 536	10 537	10
ERM Power	3 981	**3 064**	3 064	—	12 700	9 714	9 714	—
Lumo Energy	**3 872**	3 158	3 158	—	12 314	9 973	9 973	—
Momentum Energy	4 546	3 250	3 250	-1	13 108	9 752	9 752	0
Origin Energy	4 399	4 399	3 608	0	12 829	12 829	10 354	5
People Energy	4 727	4 727	3 640	—	13 335	13 335	10 115	—
Powerdirect	**4 776**	3 542	3 542	-6	13 143	9 925	9 925	-4
Powershop	3 956	3 363	**2 928**	**-15**	**11 222**	9 539	**8 305**	**-14**
QEnergy	4 381	3 088	3 088	—	12 357	**9 459**	9 459	—
Red Energy	4 326	4 001	3 601	-2	12 249	11 164	10 048	-1
Simply Energy	4 321	4 284	3 338	2	12 415	13 543	10 288	6
AVERAGE	**4 382**	**3 933**	**3 417**	**-3.0**	**12 718**	**11 637**	**10 038**	**1.2**

All prices listed are in $ per annum, based on the consumption levels noted above

Note: **Green** – lowest, **Red** – highest

TABLE 2.11 SMALL BUSINESS ELECTRICITY PRICES, SP AUSNET ZONE
2013-14, $ per annum

	Single rate, 12,000 kWh				Time of use, 25,000 kWh peak + 15,000 kWh off-peak			
	Standing Offer	Market Offer	Discounted Market Offer	% change in market offer from 2012-13	Standing Offer	Market Offer	Discounted Market Offer	% change in market offer from 2012-13
AGL	5 178	5 263	3 840	0	15 137	**15 267**	10 858	10
Click Energy	**5 656**	5 656	**5 260**	**22**	14 219	14 365	**13 359**	12
Commander Power & Gas	4 727	4 727	3 871	—	13 307	13 307	10 742	—
Dodo Power & Gas	4 727	4 035	**3 293**	2	13 307	11 210	9 039	-6
EnergyAustralia	**4 565**	4 893	3 872	11	14 055	15 062	11 721	**13**
ERM Power	5 249	4 004	4 004	—	13 112	10 275	10 275	—
Lumo Energy	5 024	4 159	4 159	—	13 112	10 808	10 808	—
Momentum Energy	4 909	3 980	3 980	-10	14 429	10 141	10 141	3
Origin Energy	4 791	4 791	3 941	-3	13 964	13 964	11 282	8
People Energy	5 031	5 031	3 874	—	**15 263**	15 263	11 582	—
Powerdirect	5 178	**3 840**	3 840	-10	15 137	10 859	10 859	-3
Powershop	5 186	4 409	3 838	**-15**	**11 910**	10 123	**8 813**	**-14**
QEnergy	5 040	4 129	4 129	—	13 074	**10 091**	10 091	—
Red Energy	5 024	4 673	4 206	10	12 767	11 629	10 466	-3
Simply Energy	5 206	**5 999**	4 641	-1	13 659	14 981	11 384	10
AVERAGE	**5 033**	**4 639**	**4 050**	**-2.2**	**13 763**	**12 490**	**10 761**	**1.3**

All prices listed are in $ per annum, based on the consumption levels noted above
Note: **Green** – lowest, **Red** – highest

TABLE 2.12 SMALL BUSINESS ELECTRICITY PRICES, UNITED ENERGY ZONE

2013-14, $ per annum

	Single rate, 12,000 kWh				Time of use, 25,000 kWh peak + 15,000 kWh off-peak			
	Standing Offer	Market Offer	Discounted Market Offer	% change in market offer from 2012-13	Standing Offer	Market Offer	Discounted Market Offer	% change in market offer from 2012-13
AGL	4 641	4 717	3 464	6	12 762	12 891	9 184	5
Click Energy	4 204	4 204	**3 909**	9	10 892	10 980	10 211	6
Commander Power & Gas	4 261	4 261	3 490	—	11 220	11 220	9 064	—
Dodo Power & Gas	4 261	3 813	3 116	2	11 220	9 393	7 578	1
EnergyAustralia	4 438	4 635	3 678	**10**	11 750	12 475	9 720	**11**
ERM Power	4 023	**3 088**	3 088	—	10 921	7 784	7 784	—
Lumo Energy	3 827	3 192	3 192	—	**9 432**	7 750	7 750	—
Momentum Energy	4 454	3 147	3 147	2	12 012	7 762	7 762	4
Origin Energy	4 356	4 356	3 590	1	11 415	11 415	9 238	1
People Energy	**4 902**	**4 902**	3 775	—	**13 497**	**13 497**	**10 247**	—
Powerdirect	4 641	3 464	3 464	-5	12 762	9 185	9 185	-7
Powershop	**3 824**	3 251	**2 830**	**-15**	10 092	8 579	7 469	**-14**
QEnergy	4 293	3 152	3 152	—	11 403	**7 412**	**7 412**	—
Red Energy	4 146	3 834	3 450	-2	11 382	10 348	9 313	-3
Simply Energy	4 293	4 279	3 341	2	11 458	10 659	8 132	3
AVERAGE	**4 304**	**3 886**	**3 379**	**-1.0**	**11 481**	**10 090**	**8 670**	**-1.9**

All prices listed are in $ per annum, based on the consumption levels noted above

Note: **Green** – lowest, **Red** – highest

3 GAS PRICES

WHAT WE FOUND

Residential gas prices for market offers (before conditional discounts) increased by a nominal average of 5.5 per cent in 2013-14. This compares to a 13.4 per cent increase in 2012-13, which was partially due to the introduction of the carbon price.

On average, residential gas prices have increased by 34 per cent in the past five years.

As with electricity, discounts are available on the full market offer price, although gas discounts are generally lower than for electricity. Residential gas consumers could save on average 12 per cent on the full market offer price by meeting discount conditions.

Small business gas prices increased by 6.6 per cent in 2013-14, which is a considerably lower increase than the 19 per cent in 2012-13. On average, small business gas prices have increased by 45 per cent in the past five years.

Small business gas customers can save an average of 11 per cent from the full market offer price by meeting conditions for receiving discounts.

3.1 HOW GAS PRICES ARE REPORTED

This chapter shows a range of available market and standing offer prices for gas, using the customer consumption patterns shown in Box 1.1. The annual prices are based on the offers available at 30 June of the relevant year, with the rate annualised based on the sample consumption levels; any changes to offers during the year are not shown. Many offers and prices shown are no longer available, as they may have been discontinued or replaced with new offers. All offers include the full price impact of the carbon price, as the repeal of carbon price legislation was only effective from 1 July 2014. All the prices in this chapter are in nominal dollars and include GST.

The Commission has compared the annual cost of gas in each distribution zone. Tables 3.1 and 3.2 provide a comparison of a retailer's standing offer, the full price of each retailer's cheapest market offer before discounts are applied and the market offer price of a retailer's cheapest market offer once potential discounts are applied.

The highest (red) and lowest (green) offers available for each tariff type are also indicated in the tables.

3.2 RESIDENTIAL GAS PRICES

Figure 3.1 shows the changes over the past five years in annual prices for residential gas consumers across Victoria.

The chart shows that residential gas prices increased in 2013-14, although generally the increase was less than in 2012-13. In 2013-14 average residential market offer gas prices across all zones increased by 5.5 per cent, which compares with a 13.4 per cent increase in 2012-13. The Commission notes that the increase in 2012-13 included costs associated with the introduction of the carbon price from 1 July 2012. Residential standing offer gas prices increased by an average of 3.9 per cent in 2013-14. On average, residential market offer gas prices have increased by 34 per cent in the past five years.

The highest increase in market offer prices in 2013-14 was for the Envestra Mildura zone, which increased by an average of 11.3 per cent, while the lowest increase was 2.8 per cent for prices in Envestra Murray Valley.

The highest average residential market offer gas prices were in the Envestra Mildura zone ($1853), while the Multinet Main 2 zone had the lowest average prices ($1305).

FIGURE 3.1 RESIDENTIAL GAS, MARKET OFFER PRICES, NO DISCOUNTS
2009-10 to 2013-14, $ per annum

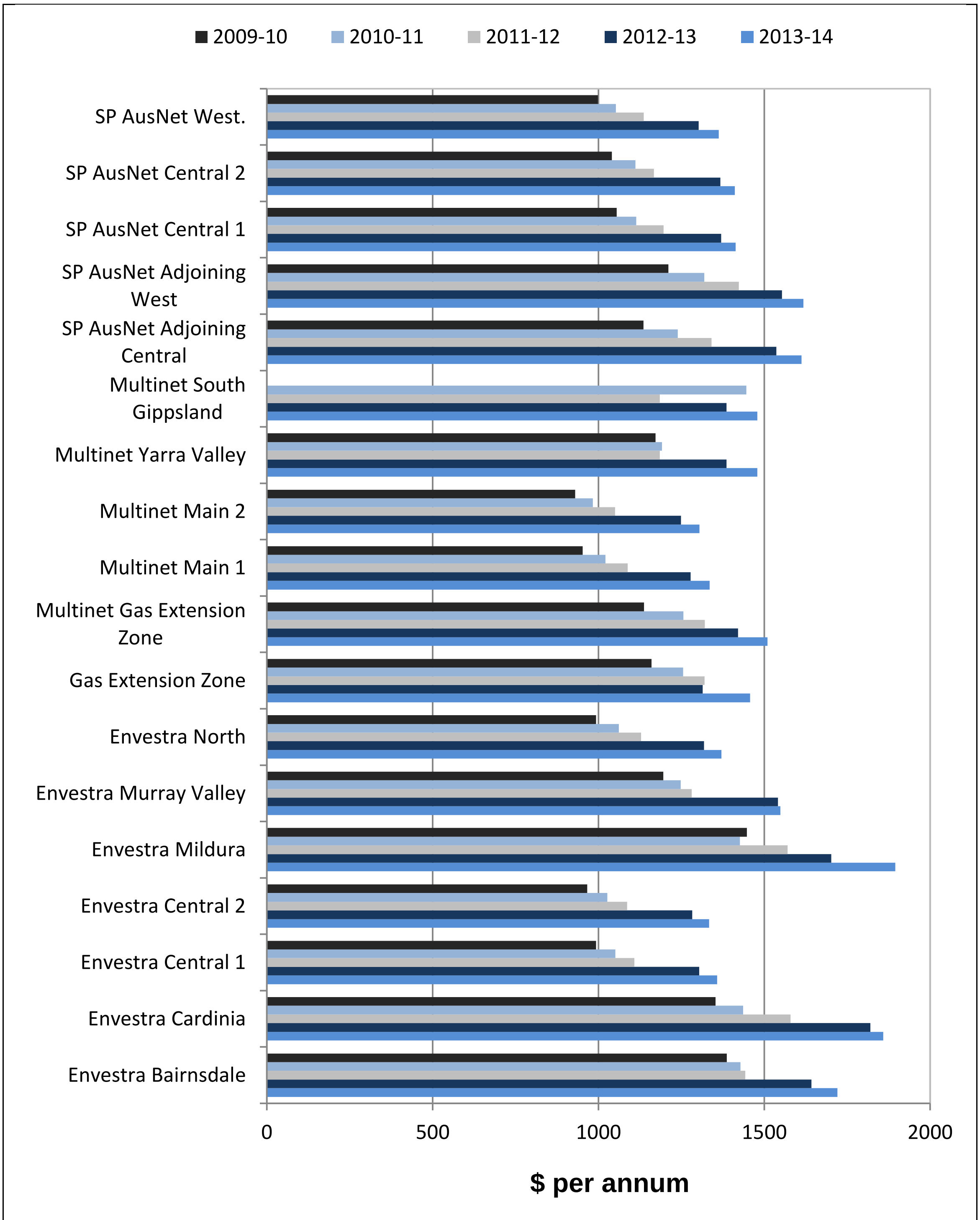


Table 3.1 provides further details on each retailer's residential gas prices in 2013-14. It shows that prices can vary greatly between retailers, and that the lowest and highest prices for each zone are typically offered by a range of different retailers.

Points of particular note include:

- Once all available discounts are applied, Dodo Power & Gas generally had the lowest price in the zones it offered services.
- Alinta Energy or Simply Energy had the highest prices in most zones.
- On average, consumers could receive a 12 per cent discount on the base market offers by satisfying the conditions for all available discounts.
- As with electricity, the Commission notes that there has been a high level of convergence between retailers' standing offers and their undiscounted market offers. This is even more the case with gas offers, with a large majority of gas market offers at the same price as standing offers, prior to any discounts being applied. This underlines the importance of consumers meeting the conditions for receiving discounts in order to obtain the best prices.

TABLE 3.1 RESIDENTIAL GAS PRICES
2013-14, $ per annum

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
			Envestra Bairnsdale		
AGL	**1 635**	**1 635**	**1 448**	**10**	—
Alinta Energy	**1 784**	**1 784**	**1 633**	**0**	—
EnergyAustralia	1 696	1 710	1 481	6	**10**
Lumo Energy	1 726	1 726	1 467	4	—
Origin Energy	1 749	1 749	1 599	6	**43**
AVERAGE	**1 718**	**1 721**	**1 526**	**5**	**24**
			Envestra Cardinia		
Alinta Energy	**1 883**	**1 883**	**1 720**	—	—
EnergyAustralia	1 863	1 877	1 620	**5**	**40**
Lumo Energy	1 843	1 843	**1 566**	**4**	—
Origin Energy	**1 834**	**1 834**	1 610	4	**32**
AVERAGE	**1 851**	**1 859**	**1 629**	**4**	**37**
			Envestra Central 1		
AGL	**1 289**	1 289	1 144	5	36
Alinta Energy	1 368	1 368	**1 256**	—	—
Dodo Power & Gas	1 363	1 363	1 136	6	—
EnergyAustralia	1 405	1 420	1 234	6	**44**
Lumo Energy	1 417	1 417	1 205	4	32
Origin Energy	1 376	1 376	1 214	5	37
Red Energy	1 323	**1 207**	**1 086**	**0**	—
Simply Energy	**1 478**	**1 424**	1 246	**7**	**31**
AVERAGE	**1 378**	**1 358**	**1 190**	**5**	**37**
			Envestra Central 2		
AGL	**1 254**	**1 254**	1 113	**2**	33
Alinta Energy	1 319	1 319	1 211	5	—
Dodo Power & Gas	1 324	1 324	**1 105**	4	—
EnergyAustralia	1 391	1 407	**1 222**	6	**49**
Lumo Energy	1 417	**1 417**	1 204	4	**29**
Origin Energy	1 332	1 332	1 177	6	39
Red Energy	1 303	1 231	1 108	0	—
Simply Energy	**1 438**	1 387	1 214	**8**	34
AVERAGE	**1 347**	**1 334**	**1 170**	**4**	**38**

All prices listed are in $ per annum, based on 60GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
Envestra Mildura					
Origin Energy	1 895	1 895	1 736	11	31
Envestra Murray Valley					
AGL	1 529	1 529	1 349	1	**33**
Alinta Energy	1 604	1 604	**1 468**	2	—
EnergyAustralia	**1 636**	**1 661**	1 437	**6**	**36**
Lumo Energy	**1 388**	**1 388**	**1 180**	4	—
Origin Energy	1620	1 620	1 427	4	33
Red Energy	1584	1 489	1 340	**0**	—
AVERAGE	**1560**	**1 548**	**1 367**	**3**	**29**
Envestra North					
AGL	1 349	1 349	1 195	**8**	39
Alinta Energy	1 357	1 357	1 245	1	—
Dodo Power & Gas	1 384	1 384	1 153	6	—
EnergyAustralia	1 384	1 401	1 217	8	**40**
Lumo Energy	1 418	1 418	1 206	4	**28**
Origin Energy	1 379	1 379	**1 264**	6	38
Red Energy	**1 310**	**1 254**	**1 129**	**0**	—
Simply Energy	**1 481**	**1 426**	1 248	7	31
AVERAGE	**1 383**	**1 371**	**1 207**	**5**	**38**
Gas Extension Zone					
AGL	**1 540**	**1 540**	**1 355**	**13**	**40**
EnergyAustralia	**1 367**	**1 375**	**1 196**	**9**	**13**
AVERAGE	**1 453**	**1 458**	**1 276**	**11**	**26**
Multinet Gas Extension Zone					
AGL	1 540	1 540	**1 355**	8	**44**
EnergyAustralia	**1 407**	**1 415**	**1 229**	**10**	**17**
Lumo Energy	**1 574**	**1 574**	1 338	**2**	—
AVERAGE	**1 507**	**1 510**	**1 307**	**6**	**33**

All prices listed are in $ per annum, based on 60GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
			Multinet Main 1		
AGL	**1 289**	1 289	1 143	8	42
Alinta Energy	1 301	1 301	1 194	4	—
Dodo Power & Gas	1 301	**1 421**	1 179	**12**	—
EnergyAustralia	1 336	1 344	1 171	5	**53**
Lumo Energy	1 359	1 359	1 155	4	**24**
Origin Energy	1 340	1 340	1 183	5	38
Red Energy	1 313	**1 227**	**1 105**	**-1**	—
Simply Energy	**1 452**	1 402	**1 231**	7	34
AVERAGE	**1 336**	**1 335**	**1 170**	**5**	**40**
			Multinet Main 2		
AGL	1 299	1 299	1 148	9	40
Alinta Energy	1 315	1 315	**1 207**	6	—
Dodo Power & Gas	**1 269**	1 269	**1 057**	3	—
EnergyAustralia	1 331	1 339	1 165	5	**48**
Lumo Energy	1 344	1 344	1 143	4	**23**
Origin Energy	1 315	1 315	1 162	5	43
Red Energy	1 295	**1 198**	1 078	**0**	—
Simply Energy	**1 406**	**1 357**	1 189	**9**	37
AVERAGE	**1 322**	**1 305**	**1 144**	**5**	**39**
			Multinet Yarra Valley		
AGL	1 540	1 540	1 355	—	33
Alinta Energy	1 564	1 564	**1 433**	**5**	—
Dodo Power & Gas	1 358	1 358	**1 132**	5	—
EnergyAustralia	**1 349**	**1 357**	1 181	5	**14**
Lumo Energy	1 574	—	—	—	—
Origin Energy	**1 576**	**1 576**	1 388	**7**	**35**
Red Energy	1 531	—	—	—	—
AVERAGE	**1 499**	**1 479**	**1 298**	**6**	**26**
			SP AusNet Adjoining Central		
AGL	**1 342**	**1 342**	**1 187**	**2**	39
Alinta Energy	**1 724**	**1 724**	**1 575**	**6**	—
EnergyAustralia	1 677	1 703	1 469	6	**33**
Origin Energy	1 681	1 681	1 479	5	**44**
Red Energy	1 640	—	—	—	—
AVERAGE	**1 613**	**1 613**	**1 427**	**5**	**42**

All prices listed are in $ per annum, based on 60GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
SP AusNet Adjoining West					
AGL	1 663	1 663	1 463	4	34
Alinta Energy	1 667	1 667	**1 523**	3	—
EnergyAustralia	**1 432**	**1 470**	**1 270**	**9**	**19**
Lumo Energy	1 636	1 636	1 391	4	—
Red Energy	1 613	—	—	—	—
Origin Energy	**1 680**	**1 680**	1 478	**3**	**46**
AVERAGE	**1 615**	**1 618**	**1 424**	**5**	**34**
SP AusNet Central 1					
AGL	**1 342**	1 342	1 187	2	29
Alinta Energy	1 407	1 444	**1 322**	6	—
Dodo Power & Gas	1 369	1 369	**1 137**	2	—
EnergyAustralia	1 489	**1 526**	1 320	7	—
Lumo Energy	1 397	1 397	1 187	2	**20**
Origin Energy	1 399	1 399	1 236	3	**38**
Red Energy	1 353	**1 329**	1 196	**0**	—
Simply Energy	**1 560**	1 503	1 315	**9**	33
AVERAGE	**1 415**	**1 414**	**1 107**	**4**	**34**
SP AusNet Central 2					
AGL	**1 340**	1 340	1 184	2	32
Alinta Energy	1 463	1 463	**1 340**	9	—
Dodo Power & Gas	1 397	1 397	**1 160**	1	—
EnergyAustralia	1 437	1 470	1 272	6	**47**
Lumo Energy	1 396	1 396	1 187	1	**20**
Origin Energy	1 408	1 408	1 244	3	34
Red Energy	1 378	**1 301**	1 170	**0**	—
Simply Energy	**1 570**	**1 514**	1 323	**10**	37
AVERAGE	**1 424**	**1 411**	**1 235**	**4**	**36**
SP AusNet West					
AGL	1 332	1 332	1 178	5	38
Alinta Energy	1 372	1 372	1 257	9	42
EnergyAustralia	1 403	1 438	1 245	9	**46**
Lumo Energy	1 333	1 333	1 133	3	**23**
Origin Energy	1 352	1 352	1 196	4	37
Red Energy	**1 320**	**1 252**	**1 127**	**0**	—
Simply Energy	**1 516**	**1 461**	**1 277**	**11**	39
AVERAGE	**1 375**	**1 363**	**1 202**	**6**	**37**

All prices listed are in $ per annum, based on 60GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

3.3 SMALL BUSINESS GAS PRICES

Figure 3.2 shows the changes over the past five years in annual prices for small business gas consumers across Victoria.

The chart shows that small business gas prices increased in 2013-14, although as with residential gas prices, the increase was generally less than in 2012-13. In 2013-14 average gas prices across all zones increased by 6.6 per cent, which compares with a 19 per cent increase in 2012-13. The Commission notes that the increase in 2012-13 included costs associated with the introduction of the carbon price from 1 July 2012. Standing offer prices for small businesses increased by an average of 4.9 per cent in 2013-14. On average, small business market offer gas prices have increased by 45 per cent in the past five years.

The highest increase in market offer prices in 2013-14 was for the Multinet Yarra Valley zone, which increased by an average of 16.2 per cent, while the lowest increase was 1.9 per cent for prices in SP AusNet West.

The highest average small business market offer gas prices were in the Envestra Cardinia zone ($12 560), while the Multinet Main 1 zone had the lowest average prices ($7585).

FIGURE 3.2 SMALL BUSINESS GAS, MARKET OFFER PRICES
2009-10 to 2013-14, $ per annum

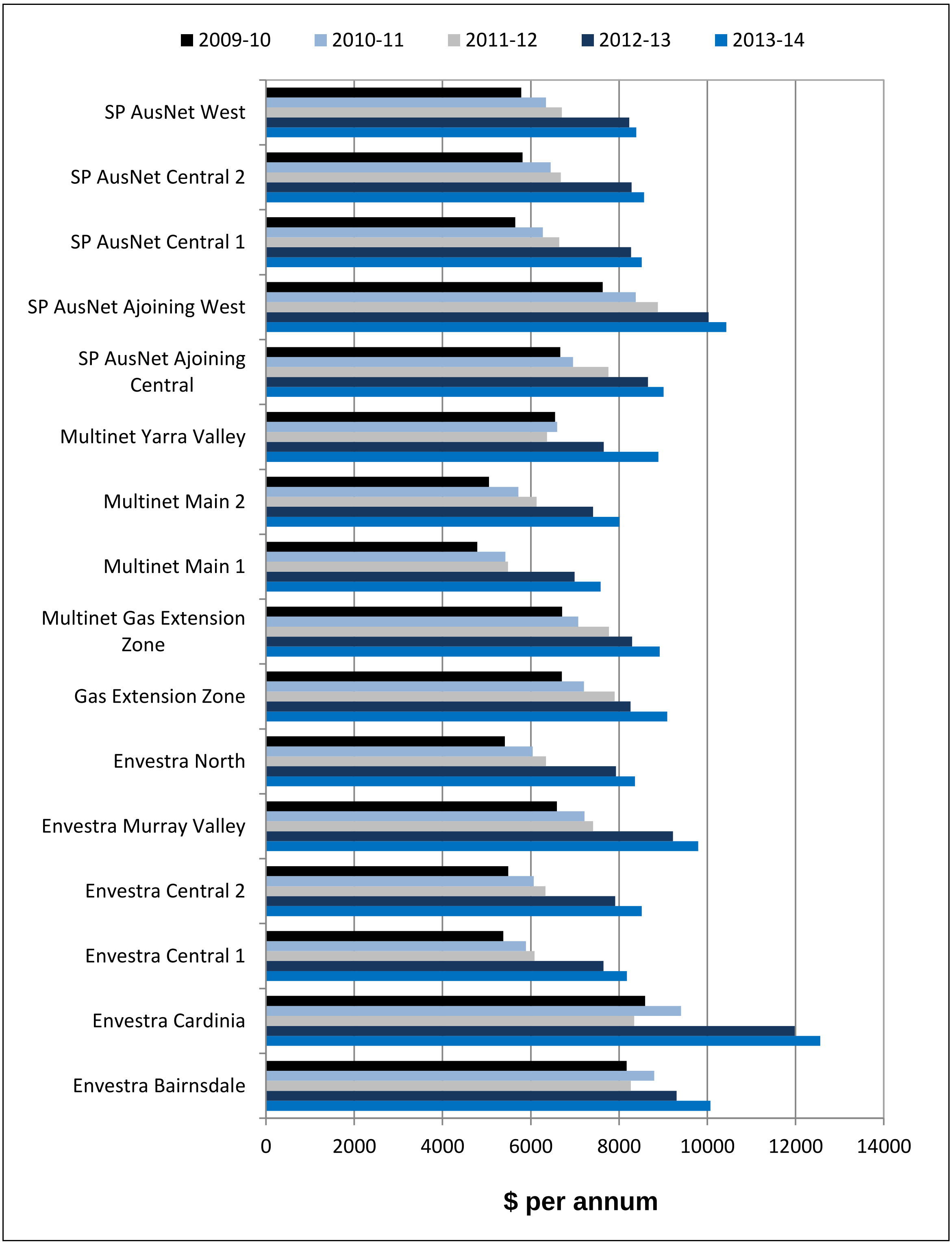


Table 3.2 provides further details on each retailer's small business gas prices in 2013-14. It shows that prices can vary greatly between retailers, and that the lowest and highest prices for each zone are typically offered by a range of different retailers.

Points of particular note include:

- Small business customers can save an average of 11 per cent from the full market offer price by meeting conditions for receiving discounts.
- The lowest prices were dependent on the zone, with AGL, Origin Energy and Energy Australia the lowest in a number of areas.
- Simply Energy generally offered the highest prices in areas where it offers services.
- There are fewer retailers offering small business gas services than in other sectors of the Victorian energy market.

TABLE 3.2 SMALL BUSINESS GAS PRICES
2013-14, $ per annum

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
		Envestra Bairnsdale			
AGL	10 210	10 210	8 827	**11**	—
EnergyAustralia	9 785	9 995	**8 647**	6	**-2**
Lumo Energy	**11 549**	**10 339**	**10 339**	—	—
Origin Energy	**9 737**	**9 737**	8 704	**5**	**58**
AVERAGE	**10 320**	**10 070**	**9 129**	**8**	23
		Envestra Cardinia			
EnergyAustralia	**12 226**	**12 416**	**10 729**	**6**	46
Origin Energy	**12 703**	**12 703**	**10 969**	**4**	46
AVERAGE	**12 465**	**12 560**	**10 849**	**5**	46
		Envestra Central 1			
AGL	7 941	7 941	**6 874**	**5**	**30**
EnergyAustralia	7 912	8 029	6 951	8	57
Lumo Energy	9 026	8 091	8 091	—	**56**
Origin Energy	**7 758**	**7 758**	6 935	6	37
Simply Energy	**9 348**	**9 065**	**8 191**	**9**	—
AVERAGE	**8 397**	**8 177**	**7 408**	**7**	52
		Envestra Central 2			
AGL	8 066	8 066	6 977	7	46
EnergyAustralia	8 267	8 449	7 307	8	**55**
Lumo Energy	9 551	8 566	**8 566**	—	59
Origin Energy	**8 062**	**8 062**	**6 968**	**5**	**36**
Simply Energy	**9 736**	**9 443**	8 527	**10**	—
AVERAGE	**8 736**	**8 517**	**7 598**	**8**	55
		Envestra Murray Valley			
AGL	**10 093**	**9 244**	**7 997**	**2**	**45**
EnergyAustralia	**9 407**	**10 346**	**8 948**	**7**	**61**
Origin Energy	9 581	—	—	—	—
AVERAGE	**9 581**	**9 795**	**8 472**	**6**	49
		Envestra North			
AGL	**7 849**	**7 849**	**6 794**	**2**	42
EnergyAustralia	8 381	8 549	7 397	7	**59**
Lumo Energy	9 108	8 165	8 165	—	57
Origin Energy	8 056	8 056	7 200	6	**36**
Simply Energy	**9 493**	**9 193**	**8 304**	**6**	—
AVERAGE	**8 577**	**8 362**	**7 572**	**5**	**61**

All prices listed are in $ per annum, based on 500GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
Gas Extension Zone					
AGL	9 468	9 468	8 186	14	50
EnergyAustralia	8 632	8 718	7 543	6	23
AVERAGE	**9 050**	**9 093**	**7 864**	**10**	**36**
Multinet Gas Extension Zone					
AGL	9 468	9 468	8 186	7	43
EnergyAustralia	8 063	8 143	7 049	6	20
Lumo Energy	10 238	9 162	9 162	—	—
AVERAGE	**9 256**	**8 924**	**8 132**	**8**	**33**
Multinet Main 1					
AGL	7 280	7 280	6 309	5	50
EnergyAustralia	7 526	7 601	6 586	7	60
Lumo Energy	8 187	7 359	7 359	—	62
Origin Energy	7 355	7 355	6 367	17	40
Simply Energy	8 568	8 329	7 531	9	—
AVERAGE	**7 783**	**7 585**	**6 831**	**8**	**59**
Multinet Main 2					
AGL	7 663	7 663	6 639	0	65
EnergyAustralia	7 945	8 024	6 953	6	54
Lumo Energy	8 849	7 951	7 951	—	64
Origin Energy	7 452	7 452	6 455	14	36
Simply Energy	9 211	8 952	8 090	13	—
AVERAGE	**8 224**	**8 009**	**7 218**	**8**	**58**
Multinet Yarra Valley					
AGL	9 468	9 468	8 186	—	44
EnergyAustralia	7 679	7 755	6 718	14	19
Origin Energy	9 454	9 454	8 183	11	—
AVERAGE	**8 867**	**8 893**	**7 696**	**16**	**36**
SP AusNet Adjoining Central					
AGL	8 244	8 244	7 131	0	42
EnergyAustralia	8 399	8 495	7 346	6	13
Origin Energy	10 284	10 284	9 188	6	—
AVERAGE	**8 976**	**9 007**	**7 888**	**4**	**35**

All prices listed are in $ per annum, based on 500GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

	Standing Offer	Market Offer	Discounted Market Offer	1 year % change in market offer	5 year % change in market offer
			SP AusNet Adjoining West		
AGL	10 924	**10 924**	9 429	**0**	**46**
EnergyAustralia	**9 256**	**9 437**	**8 156**	**7**	**21**
Lumo Energy	**11 761**	10 491	**10 491**	—	—
Origin Energy	10 870	10 870	9 711	5	—
AVERAGE	**10 703**	**10 430**	**9 447**	**4**	**37**
			SP AusNet Central 1		
AGL	8 244	8 244	7 131	**0**	42
EnergyAustralia	8 591	8 790	7 603	6	**54**
Lumo Energy	8 905	7 992	7 992	—	46
Origin Energy	**7 943**	**7 943**	**6 870**	3	**36**
Simply Energy	**9 950**	**9 618**	**8 687**	**9**	—
AVERAGE	**8 727**	**8 517**	**7 656**	**3**	**51**
			SP AusNet Central 2		
AGL	**8 255**	8 255	**7 140**	**1**	**34**
EnergyAustralia	8 293	8 499	7 354	6	**47**
Lumo Energy	8 944	**8 080**	8 080	—	47
Origin Energy	8 269	8 269	7 150	2	38
Simply Energy	**10 017**	**9 721**	**8 775**	**9**	—
AVERAGE	**8 756**	**8 565**	**7 700**	**3**	**47**
			SP AusNet West		
AGL	**8 039**	8 039	**6 955**	**0**	35
EnergyAustralia	8 379	8 495	7 350	5	46
Lumo Energy	8 641	**7 782**	7 782	—	**48**
Origin Energy	8 252	8 252	7 136	0	**29**
Simply Energy	**9 683**	**9 373**	**8 465**	**9**	—
AVERAGE	**8 599**	**8 388**	**7 537**	**2**	**45**

All prices listed are in $ per annum, based on 500GJ of gas consumption
Note: **Green** – lowest, **Red** – highest

APPENDIX A

LONGER TERM TRENDS IN STANDING OFFERS

WHAT WE FOUND

For both electricity and gas, standing offers (in real dollars, adjusted for inflation) published by the three ex-local retailers—AGL, Origin Energy and EnergyAustralia (formerly TRUenergy)— increased in the past seven years. This followed a long period to 2006-07 during which standing offer prices generally decreased.

When residential electricity standing offers are adjusted for inflation, the average increase from 2009-10 to 2013-14 was 43 per cent. The annual bills for single rate business electricity customers rose 42 per cent since 2009-10.

For residential gas customers, the average standing offer adjusted for inflation rose 35 per cent since 2009-10. Average adjusted standing offers for business gas customers increased by 33 per cent over the same period.

A.1 HOW STANDING OFFER PRICES ARE REPORTED

This Appendix shows standing offer pricing trends from the mid-1990s. Until 1 January 2009, only the local retailers AGL, Origin Energy and EnergyAustralia (formerly TRUenergy) were obliged to publish standing offers. This Appendix shows the historical trends for these offers. Data collection commenced in 1994-95 for electricity and in 1999 (calendar year) for gas.

All figures in this Appendix are adjusted for CPI changes, based on the Australian Bureau of Statistics' September quarter data, meaning that prices in this Appendix are reported in 2014 dollars.

It should be noted that prices in this Appendix are derived only from the gazetted tariffs from the three ex-local retailers for the zones in which they were previously the sole operator. As a result, these prices are provided as a tool to observe long term historical trends, rather than to provide information on current offers available in the energy market. Detailed market information is provided in chapters 2 and 3.

While prices in earlier chapters are based on prices on 30 June of the relevant year, in order to enable consistency with historical methodologies, prices in this Appendix are calculated as an average of the two halves of the financial year. As a result, prices in this Appendix cannot be directly compared with those in chapters 2 and 3. For example, the average residential electricity single rate standing offer increase of 9 per cent outlined in this Appendix, is not comparable to the average residential electricity standing offer increase of 3.9 per cent outlined in section 2.2. This is because

(a) the standing offers used to calculate figures in this Appendix are only those from ex-local retailers for the zone in which they were previously the sole operator, and

(b) part of the calculation of prices in this Appendix relates to prices in 2013, not just at 30 June 2014 as per the remainder of the report. As the prices relate to different periods, any increases are not necessarily the same.

A.2 ELECTRICITY AND GAS STANDING OFFERS OVER TIME

Figures A.1 to A.3 show the trend in average electricity standing offers for the three ex-local retailers for three typical consumption patterns: the residential single rate and two-rate tariffs, and the business single rate tariff (as explained in Box 1.1).

In 2014 dollars:

- the average single rate residential electricity standing offer is $531 higher than it was in 1994-95, an increase of 51 per cent
- the average two-rate residential electricity standing offer is $782 higher than it was in 1994-95, an increase of 64 per cent
- the average single rate small business electricity standing offer is $239 higher than it was in 1994-95, an increase of 6 per cent.

FIGURE A.1 AVERAGE ANNUAL STANDING OFFERS (REAL PRICES)—ELECTRICITY, RESIDENTIAL, SINGLE RATE
1994-95 to 2013-14, 2014$ per annum

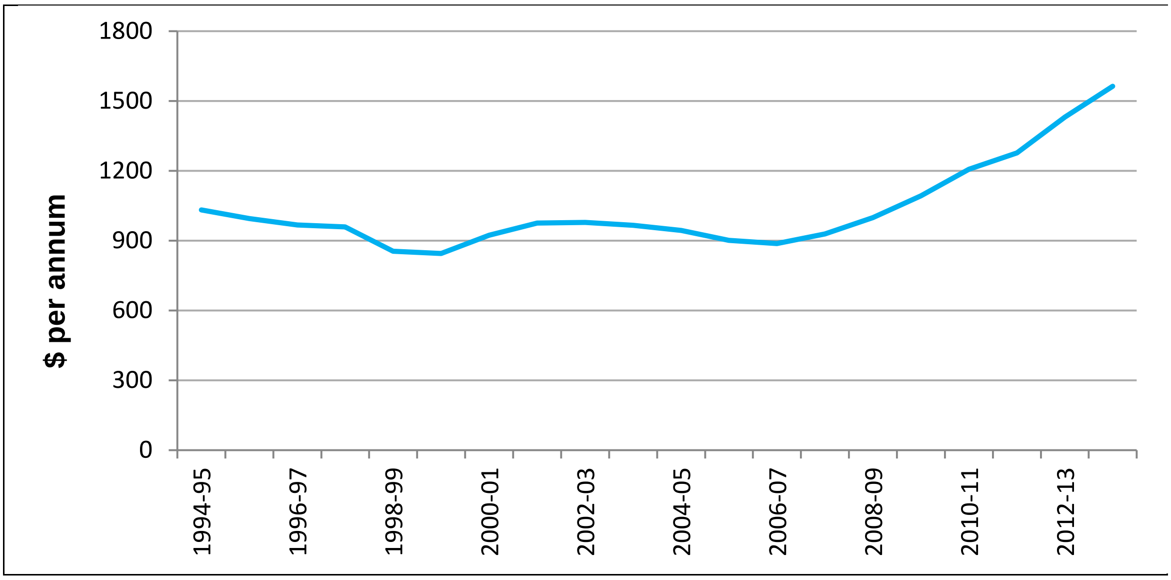


FIGURE A.2 AVERAGE ANNUAL STANDING OFFERS (REAL PRICES)—ELECTRICITY, RESIDENTIAL, TWO-RATE

1994-95 to 2013-14, 2014$ per annum

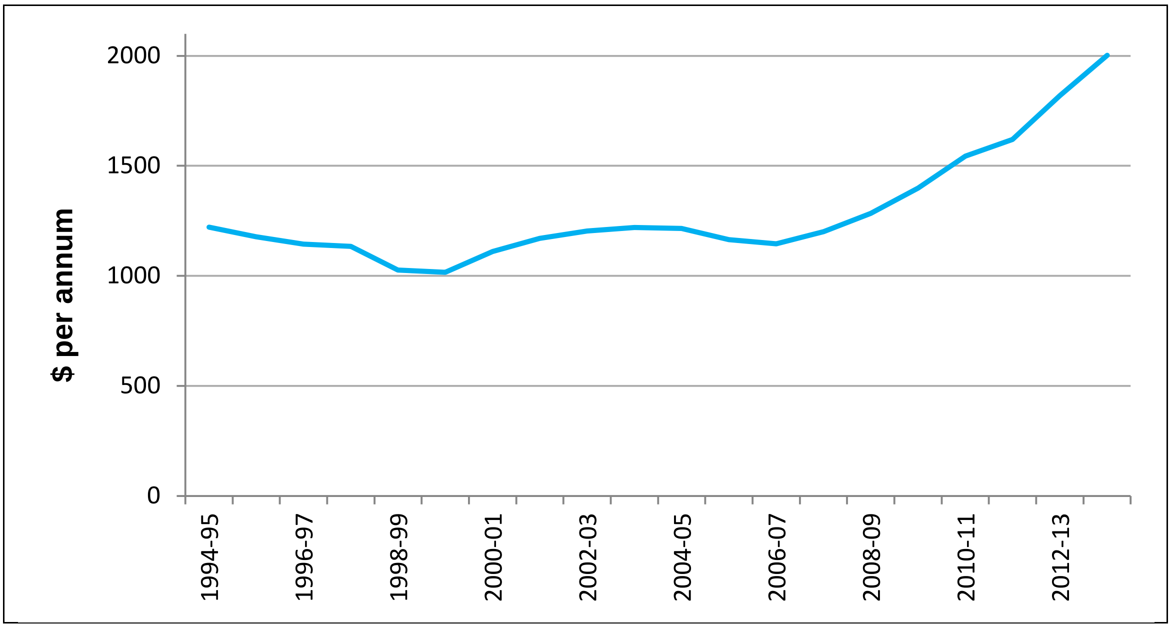
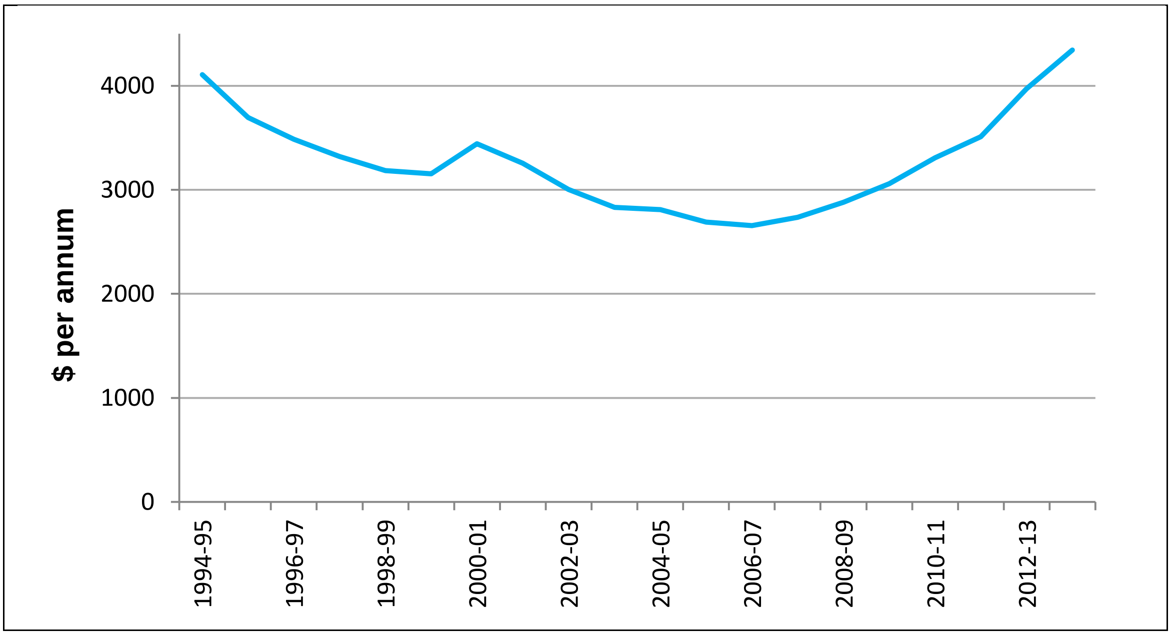


FIGURE A.3 AVERAGE ANNUAL STANDING OFFERS (REAL PRICES)—ELECTRICITY, SMALL BUSINESS, SINGLE RATE

1994-95 to 2013-14, 2014$ per annum



Figures A.4 and A.5 show the trend in average gas standing offer prices for residential and small business customers.

In today's dollars:

- the average residential gas standing offer is $549 higher than it was in 1999, an increase of 61 per cent
- the average small business gas standing offer is $1696 higher than it was in 1999, an increase of 25 per cent.

FIGURE A.4 AVERAGE ANNUAL STANDING OFFERS (REAL PRICES)—GAS, RESIDENTIAL
1999 to 2014, 2014$ per annum

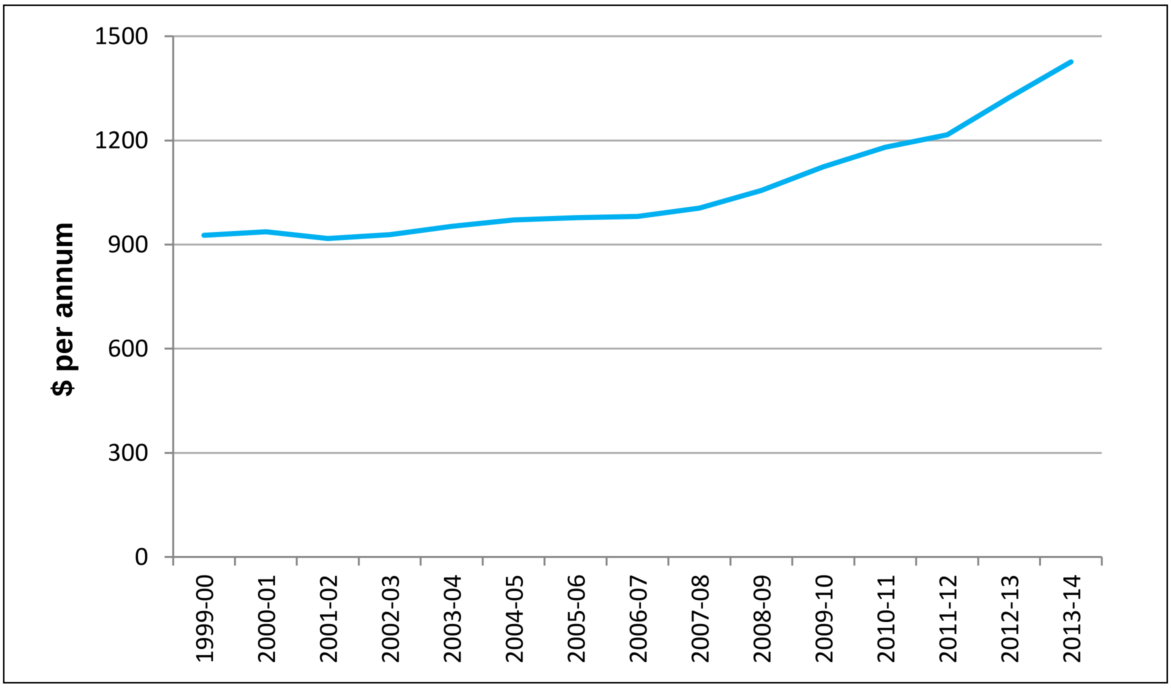
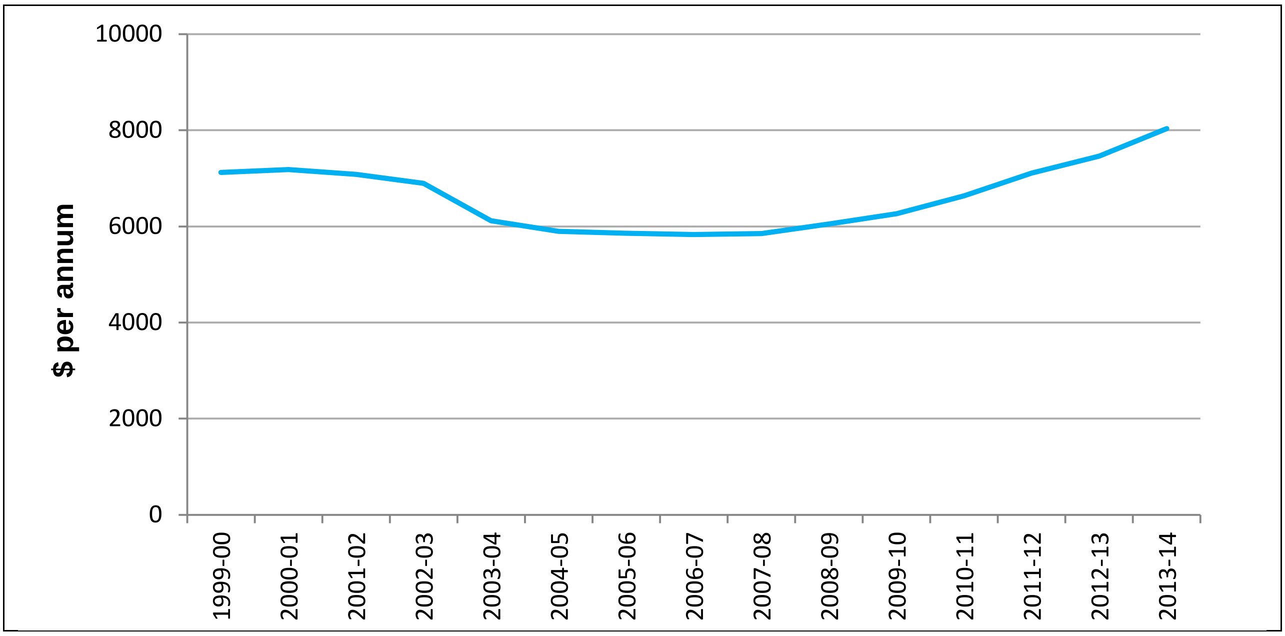


FIGURE A.5 AVERAGE ANNUAL STANDING OFFERS (REAL PRICES)—GAS, SMALL BUSINESS

1999 to 2014, 2014$ per annum



A.3 ELECTRICITY STANDING OFFER TRENDS

Tables A.1 to A.3 show the standing offer trends across a five year period for residential customers on single rate and two-rate tariffs, and for business customers on a single rate tariff. The data show the movements in standing offers published by AGL, Origin Energy and EnergyAustralia in their traditional distribution zones. All standing offers increased in the past five years across the various tariff types.

TABLE A.1 ANNUAL STANDING OFFERS (REAL PRICES)— ELECTRICITY, RESIDENTIAL, SINGLE RATE TARIFF

2009-10 to 2013-14, 2014$ per annum

Distribution zone	2009-10	2010-11	2011-12	2012-13	2013-14	1 year change %	5 year change %
United Energy (AGL)	1 076	1 173	1 252	1 398	1 530	9	42
Jemena (AGL)	1 140	1 288	1 369	1 523	1 661	9	46
CitiPower (Origin)	1 038	1 101	1 094	1 222	1 350	11	30
Powercor (Origin)	1 159	1 260	1 322	1 485	1 608	8	39
SP AusNet (EAust)	1 046	1 210	1 344	1 526	1 668	9	59
Industry Average	**1 092**	**1 206**	**1 276**	**1 431**	**1 563**	**9**	**43**

- The average annual standing offer in real terms for single rate customers rose 9 per cent to $1563 in the last year.
- Origin Energy customers in the CitiPower distribution zone had the largest percentage increase in 2013-14 (11 per cent), while Powercor customers had the lowest rise of 8 per cent.
- The industry average standing offer was 43 per cent higher in real terms in 2013-14 than in 2009-10.

TABLE A.2 ANNUAL STANDING OFFERS (REAL PRICES)—ELECTRICITY, RESIDENTIAL, TWO RATE TARIFF

2009-10 to 2013-14, 2014$ per annum

Distribution zone	2009-10	2010-11	2011-12	2012-13	2013-14	1 year change %	5 year change %
United Energy (AGL)	1 352	1 498	1 595	1 808	2 002	11	48
Jemena (AGL)	1 465	1 645	1 749	1 969	2 169	10	48
CitiPower (Origin)	1 300	1 381	1 373	1 534	1 713	12	32
Powercor (Origin)	1 416	1 542	1 618	1 820	1 995	10	41
SP AusNet (EAust)	1 458	1 653	1 765	1 964	2 135	9	46
Industry Average	**1 398**	**1 544**	**1 620**	**1 819**	**2 003**	**10**	**43**

- The average annual standing offer in real terms for two-rate customers rose 10 per cent in the last financial year.
- CitiPower customers with Origin Energy had the largest percentage increase in 2013-14 (12 per cent), while SP AusNet customers with EnergyAustralia had the lowest increase of 9 per cent.
- CitiPower customers with Origin Energy had the lowest annual charge across the period.
- The industry average standing offer was 43 per cent higher in real terms in 2013-14 than in 2009-10.

TABLE A.3 ANNUAL STANDING OFFERS (REAL PRICES)— ELECTRICITY, BUSINESS, SINGLE RATE TARIFF

2009-10 to 2013-14, 2014$ per annum

Distribution zone	2009-10	2010-11	2011-12	2012-13	2013-14	1 year change %	5 year change %
United Energy (AGL)	3 023	3 315	3 620	4 127	4 599	11	**52**
Jemena (AGL)	2 980	3 262	3 506	4 004	4 441	11	**49**
CitiPower (Origin)	2 962	3 107	3 115	3 447	3 706	8	**25**
Powercor (Origin)	3 298	3 555	3 705	4 140	4 438	7	**35**
SP AusNet (EAust)	3 022	3 305	3 607	4 141	4 534	9	**50**
Industry Average	**3 057**	**3 309**	**3 510**	**3 972**	**4 344**	**9**	**42**

- The average annual standing offer in real terms for single rate business customers rose 9 per cent in the last year.
- AGL customers in the Jemena and United Energy distribution zones had the largest percentage increase in 2013-14, up 11 per cent. Origin Energy customers in the Powercor distribution zone had the lowest annual percentage increase (7 per cent)
- The industry average standing offer was 42 per cent higher in real terms in 2013-14 than in 2009-10.

A.4 GAS STANDING OFFER TRENDS

The Commission also publishes data on the trends in gas standing offers for residential and business customers. Tables A.4 and A.5 show the trends for both residential and business gas customers with consumption levels as explained in Box 1.1. The data compares the prices of local retailers over the five years to 2013-14.

TABLE A.4 ANNUAL STANDING OFFERS (REAL PRICES)— GAS, RESIDENTIAL
2009-10 to 2013-14, 2014$ per annum

Distribution zone	2009-10	2010-11	2011-12	2012-13	2013-14	1 year change %	5 year change %
Mulitnet Main 2 (AGL)	979	1 062	1 102	1 170	1 282	10	39
SP AusNet Central 2 (AGL)	1 076	1 160	1 204	1 281	1 343	5	33
Envestra North (Origin)	1 080	1 107	1 133	1 248	1 355	9	34
Envestra Central 1 (Origin)	1 075	1 107	1 132	1 247	1 354	9	35
Multinet Main 1 (Origin)	1 000	1 032	1 060	1 170	1 269	9	35
Envestra Cardinia (Origin)	1 487	1 536	1 559	1 692	1 818	7	30
Envestra Murray Valley (Origin)	1 321	1 347	1 367	1 486	1 603	8	27
Envestra Central 2 (EAust)	1 038	1 111	1 155	1 268	1 371	8	43
SP AusNet Central 1 (EAust)	1 110	1 194	1 271	1 387	1 481	7	41
SP AusNet West (EAust)	1 073	1 147	1 182	1 282	1 386	8	38
Industry average	**1 124**	**1 181**	**1 217**	**1 323**	**1 426**	**8**	**35**

- The ex-local retailer average gas standing offer in real terms rose 8 per cent in the last financial year.
- Standing offers in 2013-14 ranged from $1269 in the Multinet Main 1 distribution zone to $1818 in the Envestra Cardinia distribution zone.
- AGL customers in the Multinet Main 2 distribution zone had the largest percentage increase in 2013-14 (10 per cent), while AGL customers in the SP AusNet Central 2 distribution zone had the lowest percentage increase of 5 per cent.
- The industry average standing offer was 35 per cent higher in real terms in 2013-14 than in 2009-10.

TABLE A.5 ANNUAL STANDING OFFERS (REAL PRICES)—GAS, SMALL BUSINESS

2009-10 to 2013-14, 2014$ per annum

Distribution zone	2009-10	2010-11	2011-12	2012-13	2013-14	1 year change %	5 year change %
Mulitnet Main 2 (AGL)	6 684	6 876	7 016	7 124	7 718	8	25
SP AusNet Central 2 (AGL)	5 868	6 040	6 325	7 661	7 524	-2	28
Envestra North (Origin)	5 839	6 221	6 434	6 472	7 054	9	28
Envestra Central 1 (Origin)	5 557	5 934	6 144	6 184	6 748	9	29
Multinet Main 1 (Origin)	5 137	5 482	5 708	5 784	6 319	9	31
Envestra Cardinia (Origin)	8 244	8 833	10 169	10 738	11 614	8	41
Envestra Murray Valley (Origin)	6 707	7 153	7 783	7 827	8 501	9	27
Envestra Central 2 (EAust)	5 864	6 313	6 914	7 361	7 887	7	41
SP AusNet Central 1 (EAust)	6 219	6 662	7 286	7 821	8 258	6	40
SP AusNet West (EAust)	6 314	6 776	7 346	7 722	8 059	4	35
Industry average	**6 243**	**6 629**	**7 113**	**7 469**	**7 968**	**7**	**33**

- The ex-local retailer average gas standing offer in real terms rose 7 per cent in the last financial year.
- AGL's SP AusNet Central 2 prices decreased in 2013-14, while Origin customers in a number of different distribution zones had the highest annual percentage increase (9 per cent) from 2012-13.
- The industry average standing offer was 33 per cent higher in real terms 2013-14 than in 2009-10.