

ESTIMATES COMMITTEE

Question Taken on Notice

Date: 19/06/2019

Subject: Cost of residential power if customer service obligation not supplied

From: Mr Gerry Wood

To: Mr Noel Faulkner

Agency: Jacana Energy

Number: 12.1

Question: Could you provide what the cost of residential power would be per kilowatt hour if the CSO was no longer applied?

Answer:

The cost of residential power is set by Government via the Pricing Order.

The following may provide an illustration of the impact of removing the CSO subsidies:

The average consumption for a NT representative customer* is 6,613kWh per annum at a unit cost of \$0.2616 (incl. GST) per kWh, giving a total annual cost of \$1,730.

Recently the Government advised that the total CSO equated to around \$1,200 per household (refer attached budget 2019-20 fact sheet). If that \$1,200 subsidy were removed, the annual cost for a NT representative customer would increase from \$1,730 to \$2,930, which would represent a revised unit cost of \$0.4431 (incl. GST) per kWh, i.e. a 69% increase.

* NT representative customer = 2 person household; no mains gas; no pool; air conditioning; on the Government set Pricing Order (Source: AEMC's Electricity Price Trends Report 2018).