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Peter Dane
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Dear Peter

I write in relation to the *Aurora Energy Draft Retail Tariff Strategy and Pricing Proposal* on which you have called for comments by 25 February 2011.

TasCOSS would like to confirm that our joint publication with Anglicare Tasmania, *Making electricity affordable: A four point plan* (November 2010) is considered by Aurora in its deliberations on the retail tariff strategy and pricing proposal, as discussed with you earlier this year.

Making electricity affordable proposes the introduction of a 'lifeline tariff' for households that consists of inclining blocks, the first of which would be small and priced at a very low rate that is affordable to those on very low incomes. The second usage block would also be affordably priced, but at a slightly higher rate. Subsequent blocks would increase in price and have cost recovery returns built into them.

All households would have access to the 'lifeline tariff' and those with higher usage would pay increasing prices as their usage rises. This would be complemented by a revised concession system made up of two parts – a fixed rate concession on the standing charges and a percentage based concession on consumption costs.

The 'lifeline tariff' would be accompanied by a relatively low standing daily charge. TasCOSS has argued for a lower standing or fixed charge component in electricity tariffs for a number of years and our argument is reiterated in the *Making electricity affordable* document.

The full details of our proposals are included in *Making electricity affordable: A four point plan*, which is attached. Please feel free to contact us if you require any further information or clarification of our proposals.

Yours sincerely

Tony Reidy
Chief Executive Officer