

Carbon Tax Removal Substantiation Statement

Blair Fox Pty Ltd as trustee for the Blair Fox Trust
ABN 70 232 149 087
Blair Fox Energy Retail Pty Ltd
ABN 41 167 286 026

Blair Fox is a licensed retailer of electricity in the Western Australian Wholesale Electricity Market and a generator of wind-energy.

In accordance with the requirements of section 60FD of the Competition and Consumer Act 2010, Blair Fox provides this Statement of the savings that will be passed on to its customers as a result of the carbon tax repeal.

Background

Blair Fox supplies electricity only to Large Use contestable customers in the Commercial & Industrial Class on the basis of individually negotiated contracts with well-informed customers.

Blair Fox does not supply electricity to Small Use Customers (consuming less than 160MWh per year) or any form of mass-market consumer.

Blair Fox does not supply customers under any form of regulated or standard contract; all contracts are negotiated.

Blair Fox sources electricity exclusively from its own wind generating assets (10MW installed capacity) and Western Australia's Wholesale Electricity Market.

Blair Fox has not been charged any aspect of its cost-of-supply expressly identified as carbon-related, although energy charges from the WEM implicitly include carbon in an unknown amount.

Cost savings due to repeal of the carbon tax

Blair Fox estimates that it will receive cost savings via reductions in the charges for its wholesale energy and ancillary services (including out of merit generation).

Blair Fox has no means of verifying the amount of the savings.

Acting as a Reasonable and Person in accordance with the attached Supplementary Information, Blair Fox estimates that on purchases it makes from the WEM, it will receive a cost saving equivalent to an average \$21.53/MWh (FY 13-14) on the grounds that this is the figure published by the State Government in respect of the regulated tariffs offered by the State Owned Retailer.

Pass-through to customers

Blair Fox supplies electricity to well-informed Commercial & Industrial customers under individually negotiated contracts.

These contracts provide two broad styles of charge:

1. By reference to the Gazetted Tariffs set and amended from time to time under the Energy Operators (Powers) Act 1979 Western Australia, and applying a discount to these rates, with the discount also applying to the carbon component inherent in the rates;
2. By negotiated fixed rates for energy usage over defined periods;

We estimate that the repeal of the carbon tax will result in a reduction of approximately 2.1c/kWh +GST in the amount that would otherwise have been passed through for the supply of electricity to our customers.

Blair Fox is a new retailer in a growth phase and in the month of June 2014 supplied 665MWh (delivered) of energy of which 233MWh was self-generated. The average cost was 20.3c/kWh delivered, inclusive of carbon. The reduction of 2.1c/kWh is applied to all delivered energy. On this basis, the annualised saving is estimated to be 10.3%.



Timothy Rosser
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Blair Fox Pty Ltd as trustee for the Blair Fox Trust
Blair Fox Energy Retail Pty Ltd

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