

Business electricity prices from 1 July 2014 – updated 24 July 2014

On 30 May 2014, the QCA released its final decision on regulated electricity prices that will apply from 1 July 2014.

The QCA's final determination provided two sets of regulated prices for each tariff; one including the carbon tax and one without the carbon tax.

On 17 July 2014, the Commonwealth Government repealed the carbon tax with effect from 1 July 2014. The Queensland Minister for Energy and Water Supply then determined that the carbon-exclusive retail prices would apply in 2014–15. These prices will be backdated so that they apply from 1 July 2014.

Most small businesses in Queensland on a regulated tariff buy electricity under one of two regulated tariffs (tariffs 20 and 22).

Large business customers in south east Queensland do not have access to regulated tariffs: these customers must use market contracts. However, in regional Queensland, large businesses can still use five regulated tariffs (tariffs 44 – 48).

In 2014–15, business tariffs are expected to rise by between 1.0% and 3.3% now that the carbon tax has been repealed. The exception to this is tariff 46, which is expected to fall slightly.

The table below explains the changes to the main business tariffs for 2014–15 (tariffs 47 and 48 are used by very few customers).

The costs experienced by individual businesses will vary according to the tariff they use and their consumption.

Changes for business customers from 1 July 2014

Retail Tariff	without carbon
	Change %
Tariff 20 (flat rate)	3.3%
Tariff 22 (time of use)	1.7%
Tariff 44	2.8%
Tariff 45	1.0%
Tariff 46	-0.7%

Please see our carbon tax fact sheet for more information on how the removal of the carbon tax has affected different tariffs.

Changes to tariff charges

The proposed tariff 20 and 22 increases in 2014–15 include changes to service and usage charges.

Tariff 20 has two charges:

- A service charge – a daily connection charge.
- A usage charge – a charge for electricity consumed.

Tariff 22 has three charges:

- A service charge – a daily connection charge
- A peak usage charge – a charge for electricity used between 7am and 9pm Monday to Friday.
- An off-peak usage charge – a charge for electricity used at all other times.

The daily service charge is intended to cover the fixed retail and network costs of serving each customer. The usage charge can be either a flat price for all electricity consumed by the customer or a 'time of use' charge which varies prices according to the demand on the electricity grid. Setting higher prices at times of peak demand encourages customers to shift discretionary use to less busy times. See table overleaf.

Businesses on other tariffs

Some businesses are on transitional tariffs (e.g. tariffs 21 and 37).

Information on these tariffs can be found in the fact sheet devoted to transitional tariffs.

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Charges for tariff 20 and tariff 22

	2013–14	Without the carbon tax	
		2014–15	Change %
Tariff 20			
Fixed Charge (c/cust/day)	130.2	140.4	7.9%
Variable Charge (c/kwh)	23.2	23.6	1.6%
Tariff 22			
Fixed Charge (c/cust/day)	130.2	140.4	7.9%
Peak Variable Charge (c/kwh)	25.5	25.6	0.4%
Off-peak Variable Charge (c/kwh)	18.7	18.9	1.3%

GST exclusive