

# Final Decision: Regulated electricity prices for business customers for 2015–16

The Queensland Competition Authority (QCA) sets regulated retail electricity prices for large and small business customers in regional Queensland, and small business customers in south east Queensland.

On 18 June 2015, we released our final decision on the regulated electricity prices that will apply from 1 July 2015. In general, these are the prices that will apply if customers have not switched to a market contract.

This fact sheet explains how regulated prices for the main business tariffs will change in 2015–16. Separate fact sheets explain changes for residential customers and provide an overview of our final determination.

Overall, cost pressures are expected to ease in 2015–16. As a result, many business customers will see prices fall compared to 2014–15. This is largely due to reductions in network costs, which have been a major driver of retail price increases in recent years.

The costs of purchasing wholesale energy and retail costs are similar to last year. The costs of the solar bonus scheme also continue to have an impact.

The impact of each of these costs on your bill will depend on how much electricity you use and the tariff you have selected. The table overleaf provides more information on prices for tariff 20 and tariff 22.

### Small business customers

#### Tariffs 20 & 22

Most small businesses on a regulated tariff use one of two tariffs: tariff 20 or tariff 22.

A typical small business customer on tariff 20 (consuming 5,923 kWh per year) will see their annual bill fall by 3.5% or \$73 in 2015–16. A typical customer on tariff 22 (consuming 29,401 kWh per year) will see a decrease of 1.7% or \$135.

The graphic below illustrates how and why bills will change in 2015–16 for a typical business customer on tariff 20.

#### New time-of-use tariff for regional customers

Tariff 22A will be introduced for small businesses in regional Queensland. This tariff is based on an Ergon Distribution network tariff structure.

Tariff 22A is a time-of-use tariff that replaces tariff 22. Like tariff 22, tariff 22A has different rates depending on when you use electricity. Tariff 22A has higher usage rates that apply at certain times in summer and lower off-peak charges for the rest of the year.

Typical customers moving from tariff 22 to tariff 22A can expect their annual bills to fall by around 1.7%. While the peak usage rate for tariff 22A is higher than



Percentage of bill



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tariff 22, it applies during summer months only.

However, as some existing tariff 22 customers may see significant increases with the new structure, we plan to allow regional customers to continue to access tariff 22 for two years. Tariff 22 will continue to be available in south east Queensland, but will be closed to new regional customers from 1 July 2015.

Some businesses may benefit from these new tariffs depending on their particular consumption patterns. Talk to your retailer to find out more.

### Large business customers

#### Tariffs 44, 45 and 46

Typical large customers on tariffs 44, 45 and 46 will see their annual bills decrease by between 0.7% and 4.0%. This is mainly due to lower wholesale energy costs and network charges. The actual bill impacts for these customers could vary significantly according to the tariff they use and their consumption.

#### New seasonal time-of-use demand tariff - Tariff 50

Tariff 50 will be introduced in 2015–16. This is a voluntary tariff with time-of-use demand charges, based on an Ergon Distribution network tariff. Some businesses may benefit from moving to tariff 50 depending on their consumption and demand patterns.

Changes to tariffs 20 and 22 (excluding GST)

		<i>Fixed charge (c/day)</i>	<i>Peak rate (c/kWh)</i>	<i>Shoulder rate (c/kWh)</i>	<i>Off-peak/flat (c/kWh)</i>
Tariff 20	2014–15	140.437	-	-	23.585
	2015–16	130.556	-	-	22.481
Tariff 22	2014–15	140.437	25.598	-	18.918
	2015–16	130.556	24.516	-	19.206
Tariff 22A (new)	2015–16	130.556	38.028	38.028	19.934

### Transitional and obsolete tariffs

Some customers use transitional or obsolete tariffs. These include tariffs used for farming and irrigation purposes. In many cases, these customers pay less than they would under a standard business tariff.

We intend to phase out most transitional tariffs in 2020. Two tariffs with relatively few customers and offering prices similar to other business tariffs – tariff 41 (large) and tariff 43 (large) – will be removed from 1 July 2015.

As standard business tariff prices have fallen, we will not escalate transitional and obsolete tariffs in 2015–16, instead leaving them at their 2014–15 levels.

### Treatment of metering charges

From 1 July 2015, some business customers will pay metering charges. Retailers will be responsible for including metering charges in customer bills.

These are not new charges. Previously, metering costs were part of network charges and included in the regulated prices we set.

Where they apply, we have included metering charges when presenting customer bill impacts to ensure a like for like comparison with 2014–15 annual total bills. These charges are regulated by the AER. You can find out more information on their website at: <http://www.aer.gov.au/>

### How to get a better deal

The QCA encourages customers who have the option of changing their plans to test the market for a better deal. From 1 July 2015, small business customers will be able to compare retailers' electricity offers on the Australian Energy Regulator's 'Energy Made Easy' website at [www.energymadeeasy.gov.au](http://www.energymadeeasy.gov.au).