



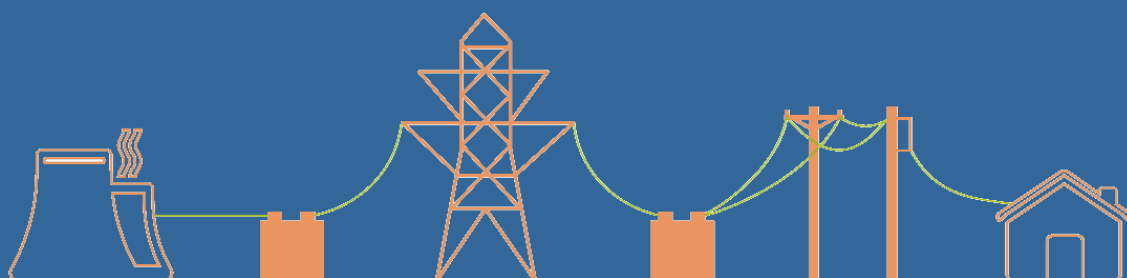
Information booklet

Regulated retail electricity prices for 2020–21

Applies to customers in regional Queensland

Final determination

June 2020



Overview

What is the QCA's role in setting electricity prices?

The Queensland Government has asked us to set regulated electricity prices (**notified prices**) for regional customers to apply from 1 July 2020 to 30 June 2021.

What is this document?

This booklet gives an overview of final prices, the price setting process, and **potential** customer bill impacts. It is **not a substitute** for the final determination, and should be **read in conjunction with that**.

What is our approach to determine notified prices?

Continuing to apply the **Uniform Tariff Policy**

which provides that, **wherever possible**, customers of the same class **should pay no more for their electricity**, and should be able to pay for their electricity via **similar price structures**.

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Continuing to use the **‘N+R’ framework**

in which network, energy, retail costs and other adjustments are **individually calculated** to determine prices for each tariff.

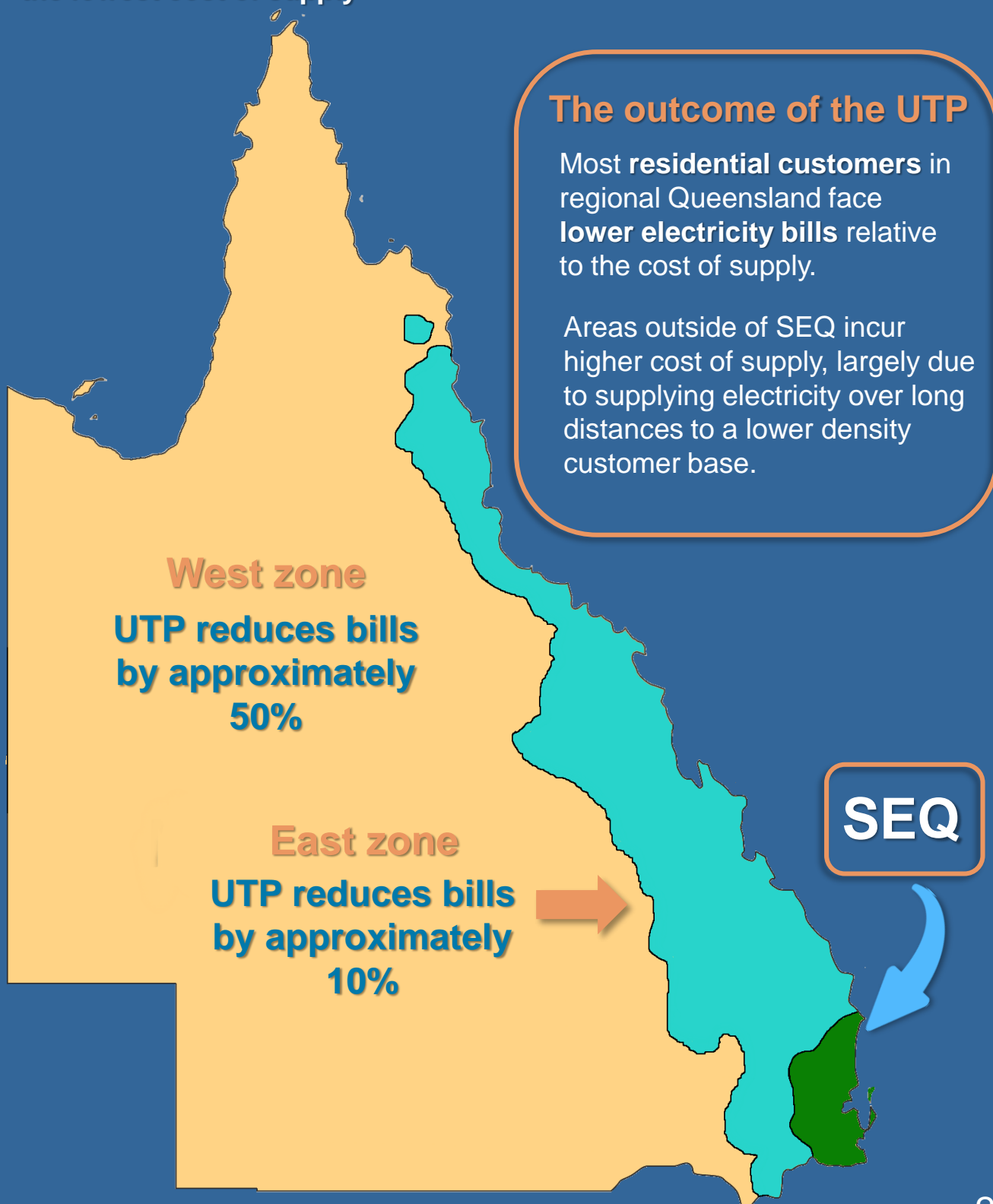
Key dates



How does the UTP impact electricity bills?

What does the UTP mean for regional Queensland?

Regulated prices for **small customers** are based on the cost of supply in **SEQ**, and prices for **large customers** are based on the **Ergon region** with the lowest cost of supply.



What makes up my electricity bill?

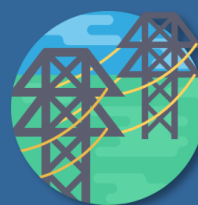


Retail costs

These include costs for customer services like call centres and administrative tasks (e.g. sending bills).

Energy costs

These include costs to buy electricity from the wholesale market. It also includes the costs to comply with 'green schemes' such as the Renewable Energy Target.



Network costs

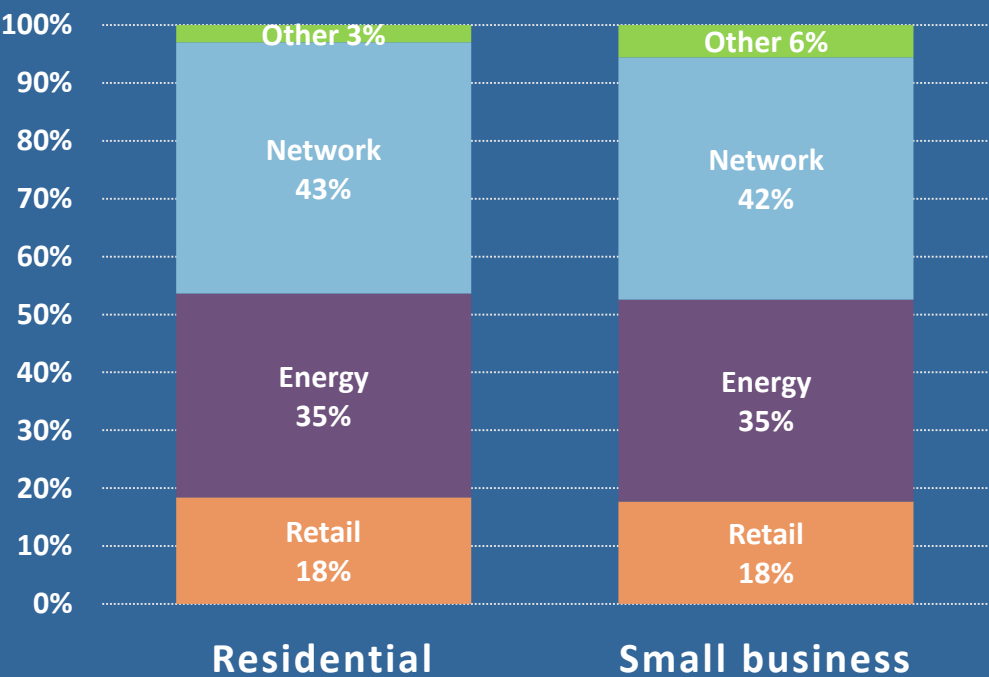
These include costs to transport electricity via the electricity network. It also includes other costs, such as the solar bonus scheme.

Other adjustments

These adjustments include matters that we are required to consider under our legal framework.



Components of a typical customer bill



Percentage share has been rounded to the closest whole percent.

How did we determine prices this year?

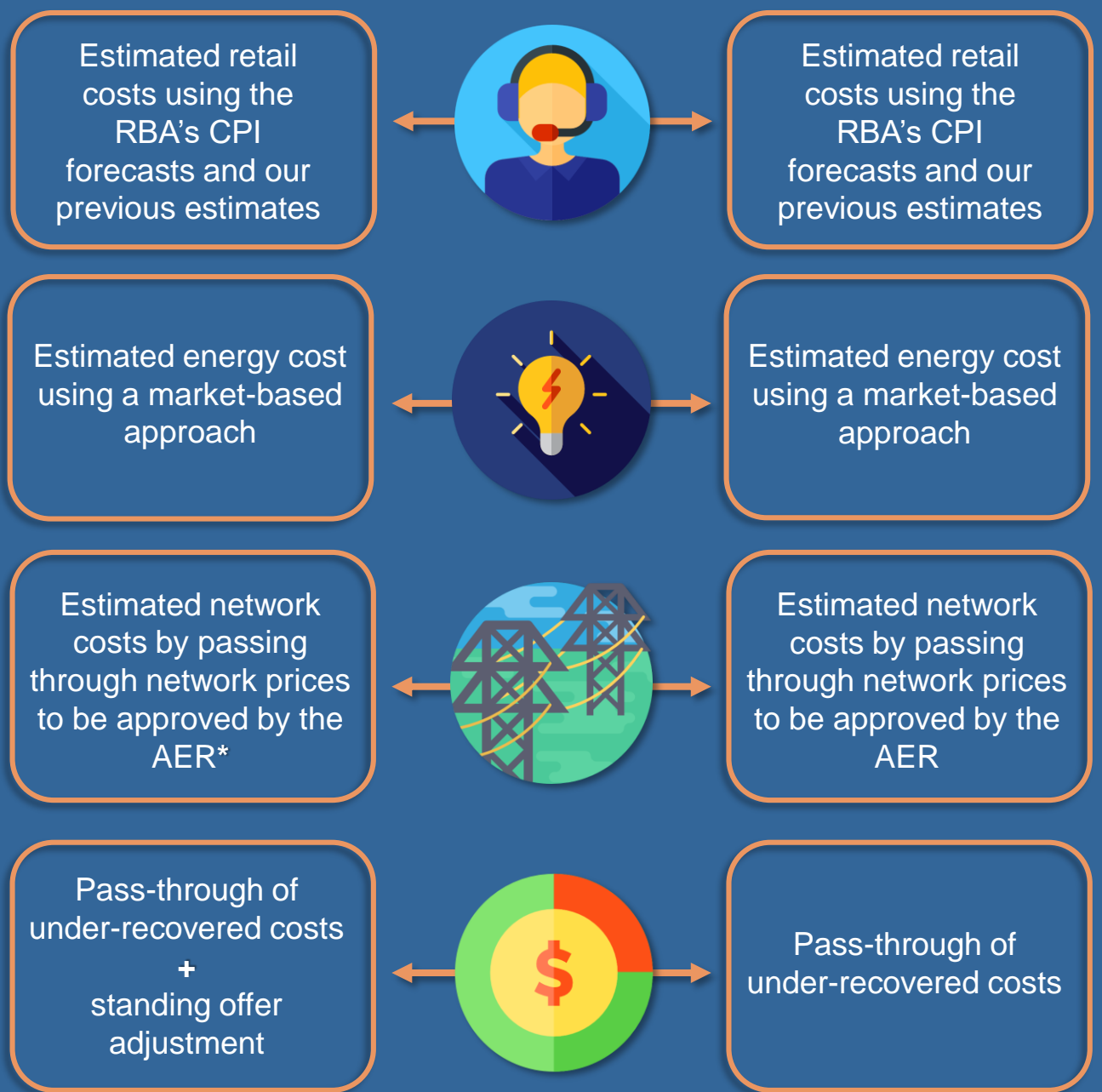
Using the N+R methodology, we have set prices for each cost component based on the following inputs.

Small customers

Cost base—SEQ

Large customers

Cost base—Ergon region
(lowest cost)



*Except for tariffs 12A, 14, 22 and 24, which have been indexed based on the **changes in allowable revenue** that network businesses can recover in 2020–21.

Small customer tariffs



Why are bills decreasing for 2020–21?

Bills are expected to decrease primarily due to a projected reduction in energy costs.



Bill impact

Flat rate

Tariff 11

5.9%
lower

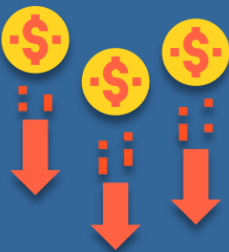
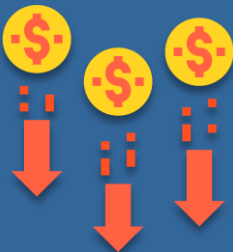
Tariff 20

3.2%
lower



\$1,336

\$2,263



Down from
\$1,420
last year

Down from
\$2,338
last year

Load control

Tariff 31

16.6%
lower

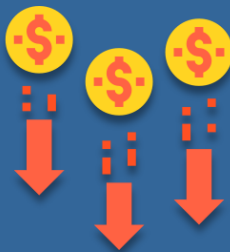
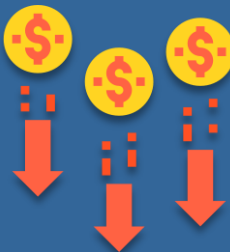
Tariff 33

15.2%
lower



\$223

\$184



Down from
\$267
last year

Down from
\$217
last year

Most residential customers are on tariff 11 and most small business customers are on tariff 20.

Large customer tariffs



Why are bills decreasing for 2020–21?

Bills are expected to decrease primarily due to a projected reduction in network and energy costs.



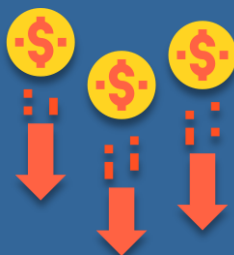
Bill impact

Tariff 44

**13.6%
lower**



\$48,808



down from
\$56,494
last year

Tariff 45

**11.8%
lower**



\$165,594

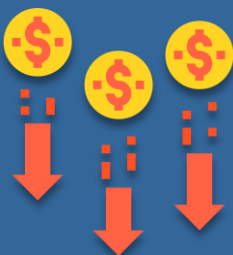


down from
\$187,688
last year

Tariff 46

**10.8%
lower**

\$398,797



down from
\$447,008
last year

Customers will now have the option to access **\$/kW or \$/kVA** based demand pricing.
Contact Ergon Energy on 1300 135 210 for more details.

Obsolete tariffs

What are obsolete tariffs?

Legacy tariffs, some of which are more **heavily subsidised than the standard tariffs**

Which tariffs are obsolete?

Tariffs 20 (large), 21, 22 (small and large), 37, 47, 48, 62, 65, 66

This year prices will remain unchanged.
(Prices for these tariffs have **not increased** since 2017–18.)

Who can access these tariffs?

Customers on obsolete tariffs are allowed to remain on them until the tariff expires. Customers who move off obsolete tariffs, **cannot go back on.**

These tariffs have typically been accessed for:



Irrigation



Farming



Manufacturing

Obsolete tariffs are scheduled to expire

1 July 2021	Tariff 20 (L), 21, 22 (S and L), 37, 62, 65 and 66
1 July 2022	Tariff 47 and 48

When obsolete tariffs expire, customers on these tariffs will be required to move to another regulated tariff.



Many customers could **reduce their electricity costs by moving to a standard business tariff.**

Contact Ergon Energy on 1300 135 210 to find out which standard business tariff is best for you.

How do I calculate my annual electricity bill?

Bill calculation method

Customers on **flat-rate** residential and small business tariffs can calculate their **potential** 2020–21 electricity bill in the following way:

	Supply cost		Electricity cost		
Tariff 11	\$331 per year	+	21.756 c/kWh × annual electricity use	+	10% GST

	Supply cost		Electricity cost		
Tariff 20	\$468 per year	+	23.258 c/kWh × annual electricity use	+	10% GST

What other factors can impact my electricity bill?



Solar feed-in
tariff payments



Rebates and
concessions



Metering
costs