



Part of Energy Queensland

23 April 2025

Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Millstead

Ergon Energy Network and Energex submission to the Queensland Competition Authority's Regulated Retail Electricity Prices in Regional Queensland for 2025-26 - Draft Determination

Ergon Energy Corporation Limited (Ergon Energy Network) and Energex Limited (Energex), both distribution network service providers (DNSPs) operating in Queensland, welcome the opportunity to provide comment to the Queensland Competition Authority (QCA) on its Regulated Retail Electricity Prices in Regional Queensland for 2025-26 Draft Determination (Draft Determination).

Ergon Energy Network and Energex would like to respond to concerns raised regarding the proposed 12-month transition period for some large customer tariffs. Our comments on this issue are discussed in more detail below.

2025-30 Tariff Structure Statement

You will be aware that the Australian Energy Regulator (AER) will shortly make its final decision on the Ergon Energy Network and Energex Tariff Structure Statements (TSS) which will set out network tariff structures and assignment arrangements for the period commencing 1 July 2025 and ending 30 June 2030. The AER's decision follows a formal process which commenced with the submission of an initial TSS in January 2024, with ongoing engagement with customers on pricing since 2022.

Our tariffs for the 2025-30 regulatory control period reflect customer and retailer preferences for more streamlined and simpler tariff offerings. We have sought to achieve this by reducing the number of network tariffs for each customer segment with transitional arrangements where appropriate.

Part of these significant reforms include the removal of a Demand Small Tariff (DST) for basic metered large customers. From 1 July 2025, basic meter customers on DST will be reassigned to the Large Business Energy Tariff. We expect that in time these basic meters will be replaced with smart meters.

Application to QCA Notified Prices

Ergon Energy Network and Energex were recently contacted by Ergon Energy Retail regarding the QCA's proposal to expire, with a 12-month transition period, Tariffs 44¹ and 45². Ergon Energy Retail has advised that if it is required by the QCA to continue to offer these retail tariffs for another 12 months, billed quantities for demand need to be included in monthly billing to the retailer.

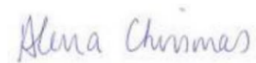
Detailed billing system upgrades required to give effect to the TSS, for both Ergon Energy Network and Energex, have been in development since August last year and involve an unprecedented number of system changes and tariff reassignment arrangements. Our revised basic meter tariffs do not include quantities for demand as part of these system design changes.

Modifying systems at this late stage would not only be costly but would also jeopardise the ability to deliver a comprehensive and complex set of network tariff structure changes and reassignment arrangements as required by the AER.

We note that Ergon Energy Retail has encouraged the QCA to consider expiring these tariffs earlier, rather than maintain them for another 12 months. Ergon Energy Network and Energex supports this approach on the basis that any option that requires billing systems changes at the network level to support a QCA notified tariff is no longer plausible at this late stage.

If you require any further information or wish to discuss this matter in further detail, please contact Mark Simpson, Policy and Regulatory Reform Specialist on 0467 837 450 or mark.simpson@energyq.com.au, or myself on the contact details below.

Yours sincerely



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¹ Tariff 44 Obsolete large business monthly demand primary tariff – Demand threshold 30 kW / 35 kVA

² Tariff 45 Obsolete large business monthly demand primary tariff – Demand threshold 120 kW / 135 kVA