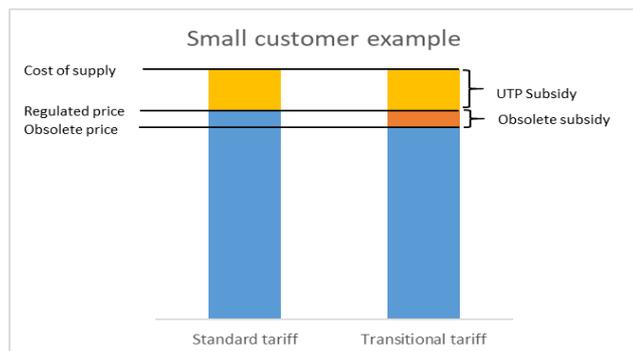


Regulated electricity prices for regional Queensland customers on transitional and obsolete tariffs for 2019–20 — draft determination

What are transitional and obsolete tariffs?

Some business customers, including farmers and irrigators, are supplied under transitional or obsolete tariffs (i.e. tariffs 20 (large), 21, 22 (small and large), 37, 47, 48, 62, 65 and 66). These are legacy retail tariffs, which do not reflect the costs of supply faced by retailers. The majority of these tariffs will be retained until 2020 (tariffs 47 and 48 will be retained until 2022) to allow customers to adapt their business operations to the standard business tariffs, under which other regional businesses already operate. For some customers on transitional and obsolete tariffs, particularly those with high usage levels, their electricity costs are subsidised to a greater extent than other regional business customers.



How are transitional and obsolete tariff prices expected to change in 2019–20?

The QCA’s draft determination is to maintain all transitional and obsolete tariffs at their 2018–19 levels.

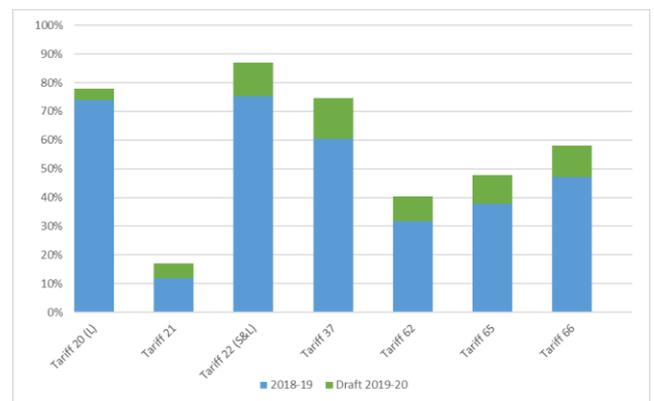
What are the proposed arrangements for transitional and obsolete tariffs in the 2019–20 draft determination?

The QCA’s draft decision is to maintain existing time periods for these tariffs, and allow existing customers to remain on their current tariff until 30 June 2020, but close tariffs to new customers. Businesses will have had up to seven years to prepare for the transition to standard business tariffs, which other regional businesses already face. This means that tariffs 20 (large), 21, 22 (small and large), 37, 62, 65 and 66 will expire on 30 June 2020, and tariffs 47 and 48 will expire on 30 June 2022.

What happens to customers on transitional and obsolete tariffs in 2020?

On 1 July 2020, any customers still on tariffs 20 (large), 21, 22 (small and large), 37, 62, 65 and 66 would be moved to a standard business tariff that best reflects their consumption profile. Tariffs 47 and 48 would expire on 30 June 2022.

Analysis from Ergon Retail shows that for many customers this will not increase their electricity bills.



In fact, a significant number of customers on transitional tariffs can save money by switching to standard business tariffs and continuing to operate their business as usual.

We strongly encourage customers on these tariffs to contact their retailer as soon as possible for advice on the most appropriate tariffs for their business, and how best to adapt to standard business tariffs.

How does the QCA’s draft determination affect my business?

The draft pricing determination does not affect any electricity bills, it is released to get feedback on how we plan to calculate prices for 2019–20. While it provides indicative price estimates, these are based on information available at the time, and these prices will be updated for the final determination based on updated data and feedback from stakeholders.

Where can I find more information or make a submission?

You can find out more and/or make a submission on our website: <http://www.qca.org.au>.