

The Queensland Competition Authority (QCA) sets regulated retail electricity prices for residential and small business customers, as well as some large business customers in 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.

How electricity prices are set

We set regulated prices based on the latest forecasts of the costs of providing electricity services. There are three main stages in supplying electricity to homes and businesses:

- generating electricity in power stations for sale to retailers (energy costs)
- delivering electricity through 'poles and wires' to customers (network costs)
- selling electricity to customers (retail costs).

While we set prices for south east Queensland customers based on our estimate of the costs of supply, most customers in regional Queensland do not pay the full costs of supply.

Under the Queensland Government's uniform tariff policy, the prices paid by households and small businesses in regional Queensland reflect the lower costs of supply in south east Queensland.

Cost pressures are easing

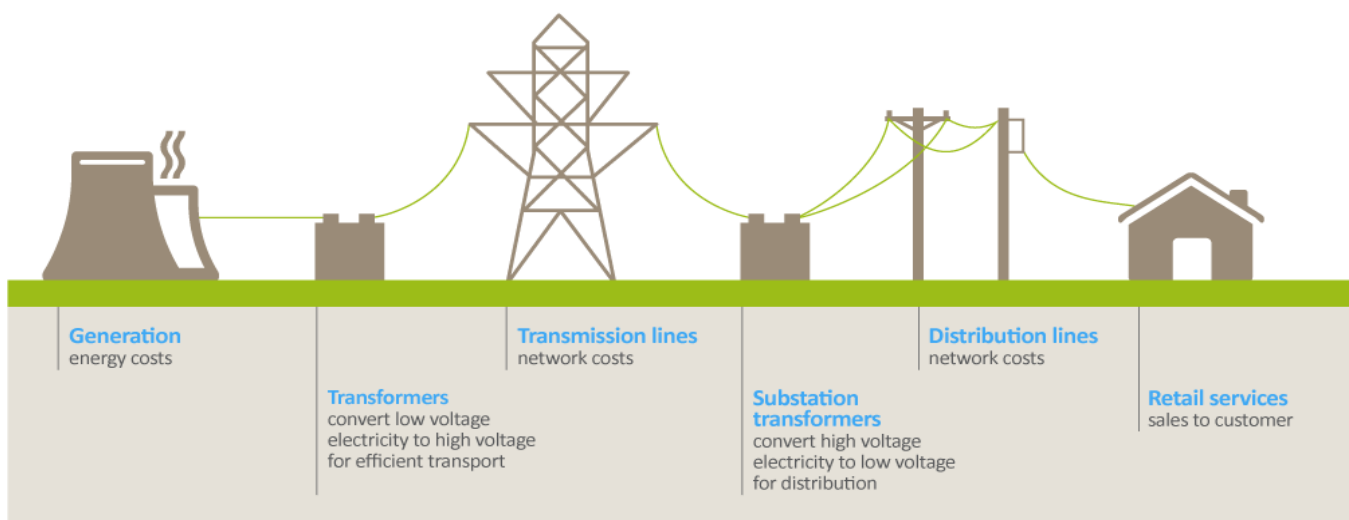
Electricity prices have risen sharply in recent years because of escalating network, energy and environmental costs. These cost pressures will moderate in 2015–16, resulting in prices either decreasing, or increasing slightly.

Network costs are typically the largest component of customers' bills and are set by the Australian Energy Regulator (AER). Many network charges will fall in 2015–16 as a result of the AER's preliminary determination on the distributors' allowed revenue for the five year period beginning on 1 July 2015.

The second largest component of customer bills is the cost of generating and purchasing wholesale electricity. Depending on the retail tariff, this cost is expected to increase by less than inflation or fall in 2015–16.

The last component of customer bills are retail costs, which will generally increase by inflation in 2015–16. These costs include customer administration, call centres, overheads, billing systems and compliance.

The table overleaf shows the expected changes in annual bills for typical (median consumption) business and residential customers in 2015–16.



Final Decision: Regulated retail electricity prices for 2015–16

Changes in customer bills in 2015–16
(for typical customers)

<i>Customer type</i>	<i>Annual consumption (kWh)</i>	<i>Estimated change in annual bill</i>
Residential - Tariff 11 only	4,053	-0.5%
Residential - Tariff 11 & Tariff 33	4,319	3.2%
Small business - Tariff 20 only	5,923	-3.5%
Small business - Tariff 22 (time-of-use) only	29,401	-1.7%

Metering charges

In 2015–16, most 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.

We have included metering charges in our assessment of 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 more information on their website at: <http://www.aer.gov.au/>.

More information

Please see our residential and business fact sheets for more information on how the new regulated prices will affect you.

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, residential and 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.

Until then, residential customers can continue to use the QCA's price comparator at <http://comparator.qca.org.au>.

Unfortunately, retailers do not generally make offers to residential customers in regional Queensland because of the way the Government's uniform tariff policy is applied.

Help with your bill

If you are struggling to pay your bill, you should discuss your situation with your retailer. Retailers offer support to customers in hardship.

The Queensland Government offers support to customers in some circumstances. For more information visit the Department of Energy and Water Supply's electricity concessions page at www.dews.qld.gov.au/energy-water-home/electricity/rebates or call 13 QGOV (13 74 68).