

Residential electricity prices from 1 July 2013

The main regulated tariff for residential customers is tariff 11. Most customers (70%) in south east Queensland have switched from tariff 11 to a market contract.

In the Ergon Energy area, nearly all residential customers are supplied under tariff 11.

Our overview fact sheet explains how tariff 11 prices will increase in 2013–14. This fact sheet provides more details on the impact of these increases on households in Queensland.

A tariff 11 bill has two charges: a daily service charge and a usage charge for the electricity consumed.

The table below shows tariff 11 charges for 2012–13 and 2013–14 for the typical residential customer.

	2012–13	2013–14	Increase
Service charge (cents/day)	26.2	50.2	24 cents
Usage charge (cents/kWh)	23.1	26.7	3.7 cents
Annual Bill (\$)	1,184	1,451	\$268

totals may not sum due to rounding

Increases in annual bills for Tariff 11 households

Household size	Consumption (kilowatt hrs)	2012–13	2013–14	Difference (\$)	Difference (%)
Single person	3,070	\$884	\$1,104	\$220	25%
Two persons	4,091	\$1,143	\$1,405	\$261	23%
Typical (median)	4,250	\$1,184	\$1,451	\$268	22.6%
Four persons	6,133	\$1,662	\$2,005	\$343	21%
Six persons	8,490	\$2,260	\$2,698	\$438	19%

GST inclusive

Charges for Tariffs 31 and 33 for 2012–13 and 2013–14

Charge	2012–13	2013–14	Difference (c/kWh)	Difference (%)
Tariff 31 – usage Charge (cents/kWh)	11.0	12.4	1.4	12%
Tariff 33 – usage Charge (cents/kWh)	15.6	18.1	2.5	16%

GST exclusive

The most obvious change is the increase in the service charge. At 26 cents, the service charge is considerably less than the actual fixed cost per customer (79 cents). The usage charge has to be higher than what it should be to offset the under-recovery of the service charge. This imbalance means customers with higher consumption are subsidising customers with lower consumption.

The QCA intends to rebalance the two charges gradually over three years. Rebalancing reduces the subsidy received by lower use customers. As the table below shows, lower use customers will see higher *percentage* increases in their bills. By 1 July 2015, tariff 11 customers should be paying cost-reflective service and usage charges.

Increases to Tariff 11 by consumption levels

The typical household, consuming about 4,250kWh per annum, is likely to see an increase of 22.6% (or \$268) in their annual bill.

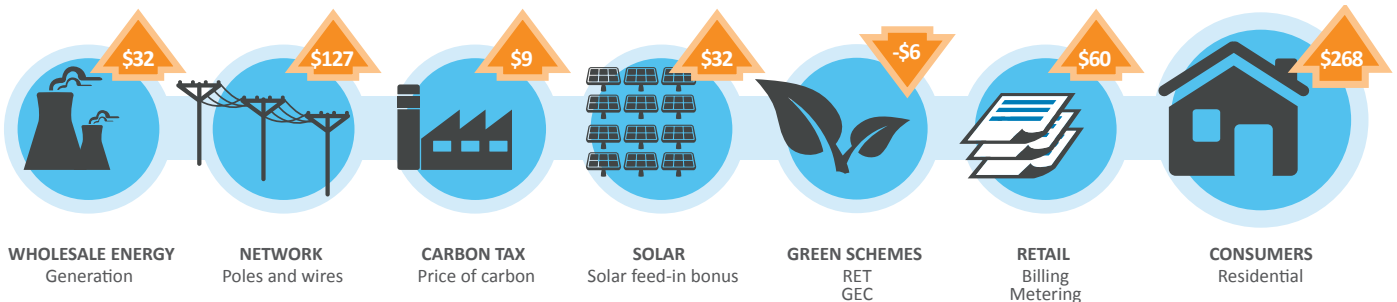
The QCA has assessed the likely impact of the tariff increases on five representative households.

Besides tariff 11, many residential customers also use off-peak tariffs 31 or 33 for heating water, pool pumps and other appliances. These tariffs do not have a service charge. The increases to these tariffs in 2013–14 are lower than the increase for tariff 11.

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Changes to a typical residential bill 2013-14*

Higher prices under tariff 11 stem from across the board increases in costs.



*does not show \$15 in additional costs – rebalancing fixed and variable charges

Changing your tariff

Most customers in south east Queensland have already chosen to take up market contracts, which usually offer lower rates than regulated tariffs. For customers who can change from regulated tariffs it may be worth investigating market prices.

Our price comparator can help customers compare electricity prices in Queensland. It's free to use and is available on our website www.qca.org.au

Help with your bill

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

The Queensland Government offers support to customers in some circumstances.

For more information visit the Department for Energy and Water Supply's electricity concessions page or call them on: 13 QGOV (13 74 68).