

Which customers can access the regulated Statewide uniform tariffs?

The Queensland Government is committed to ensuring all Queenslanders have access to an affordable electricity supply, no matter where they live.

To achieve this, the Government sets regulated electricity prices which are published in the Queensland Government Gazette and called **notified prices**. These notified prices are often referred to as the Statewide uniform tariffs, because the tariff rates are the same throughout Queensland despite geographical differences in the cost of supply.

In regional Queensland, where the cost of supply is greater than the Statewide uniform tariffs, the Government subsidises the electricity supply to customers through community service obligation payments to the retail entity, Ergon Energy Queensland Pty Ltd.

Under the *Electricity Act 1994*, a retail entity must charge its **non-market** customers the notified prices. However, there are some differences between **large** and **small** customers¹, in terms of who can be a non-market customer and have access to the notified prices.

Large customers

A large **non-market** customer is a large customer who either:

- has never entered into a negotiated (i.e. market) retail contract for the supply of electricity to their premises, or
- has moved into new premises for which the previous occupant was a non-market customer.

Large non-market customers must be charged the notified prices.

However, it is important to note that, once a large customer becomes a **market** customer, the customer no longer has access to the notified prices.

¹ Large customers are those who consume more than 100 megawatt hours (approximately \$15,000) of electricity per annum. Small customers are those that consume up to 100 megawatt hours of electricity per annum. Refer to the *Classification of Customers* fact sheet for more information about how customers are classified as large or small.

A large customer may become a market customer in one of two ways:

- if a large customer enters into a negotiated retail contract for supply to their premises, they become a market customer, and
- if a large customer moves into premises for which the previous occupant was a market customer, the large customer who is the new occupant is also a market customer.

Large market customers cannot return to the notified prices.

If a large market customer does not have a current negotiated retail contract (because, for example, their previous market contract has expired and a new contract has not been agreed), the customer will be deemed to be on their existing retailer's Standard Large Customer Retail Contract, on prices set by the retailer². These prices must be fair and reasonable and may be based on the National Electricity Market spot market price, which can vary significantly over time and at times can be very high³.

Small customers

A small **non-market** customer is a small customer who has never entered into a negotiated retail contract for supply to their premises.

Small non-market customers must be charged the notified prices.

Unlike large customers, if a small customer becomes a market customer, they may later return to the notified prices in certain circumstances as explained below.

A small customer becomes a **market** customer by entering into a negotiated (i.e. market) retail contract for supply to their premises. As a market customer, the prices charged will be those set out in the contract with the customer's retailer.

² For more information about contracts types, refer to the *Electricity Retail Contracts and Prices* fact sheet.

³ For more information about wholesale electricity prices, refer to the *Wholesale Electricity Prices* fact sheet.

Small market customers may return to the notified prices in the following circumstances:

1. By **electing not to enter** into a new negotiated contract when their current negotiated contract expires.

At the expiry of the negotiated contract and if a new negotiated contract is not entered into, the small customer becomes a non-market customer of their existing retailer on the standard retail contract and at the notified prices;

2. By **terminating** a negotiated contract and electing not to enter a new negotiated contract.

If the customer's negotiated contract allows for early termination, and subject to any early termination conditions or fees, by terminating the customer's current market contract. If a new market contract is not entered into, the small customer becomes a non-market customer of their existing retailer on the standard retail contract and at the notified price;

3. If the customer **moves in** to new premises and does not enter into a negotiated contract for supply to those premises.

In these circumstances, the small customer becomes a non-market customer of the existing retailer for those premises (i.e. the retailer that supplied the previous customer at those premises), on the standard retail contract and at the notified prices.

This right to return to the notified prices is sometimes referred to as the right of 'reversion'.

In summary, if a small customer does not have a current market contract in place, the customer is a small non-market customer on the standard retail contract and at the notified price.

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