Network Bill Impacts

In support of the 2025-30 Tariff Structure Statement

18 January 2024

ERGON ENERGY NETWORK
Part of Energy Queensland

CONTENTS

DOCUMENT VERSION

Version Number	Change Detail	Date	Updated by
1.0	Document submitted to the AER	January 2024	EQL

1 PURPOSE

This document presents indicative network bill impacts based on prices in our 2025-30 Indicative Network Pricing Schedule.

In order to ensure the network prices we set for customers continue towards more efficient pricing outcomes, our 2025-30 Tariff Structure Statement makes a number of changes to the tariffs currently available. Some tariffs have been withdrawn, while others have been closed to new customers. We expect many customers will be reassigned to a different tariff during the period, as they will either be upgraded from a basic meter to a smart meter or will transition to tariffs that include more efficient pricing signals or incentives for exporting at different times of the day. For customers remaining on a default tariff, there are changes to time of use windows, price signals, and new options for flexible load control.

Any structural change will result in changes to individual customer bills beyond any general increase to recover additional revenues and inevitably result in positive and negative impacts to different customers. As part of our engagement with customers, there has been a regular expectation that details be provided on the potential impact of change on customers. For residential customers in particular, customers have wanted us to explore the impact of changes on different customer types, having particular care for customers who may be vulnerable from an economic or health perspective.

This document aims to present a range of different bill outcomes that are possible based on changes in the tariff structures and assignment policies outlined in our TSS. Indicative network bill impacts in this document are based on a distribution use of system (DUOS) charges bill. Additionally, for our default tariffs we have provided indicative network bill impacts based on a network bill that includes DUOS charges, transmission use of system (TUOS) charges and costs related to jurisdictional scheme (JS) charges. The combined result of these network bill components is often referred to as the network use of system (NUOS) bill.

The bill impacts shown in this document represent the individual customer impact of our tariff prices charged to retailers. Customer impacts associated the full energy bill may be quite different to the network bill impact. Distribution network charges make up less than a third of a typical residential bill. For most residential customers with a smart meter in regional Queensland, the underlying structure of the default tariff is not passed through to the customer. A range of other factors are likely to impact a customer's bill which are not included in our analysis.

Arriving at specific conclusions from customer bill impacts from network charges should therefore be treated with caution.

This document should be reviewed in conjunction with our TSS compliance document and TSS explanatory statement for 2025-30. These documents provide further detail on our pricing reforms and customer impact considerations. In setting our tariffs we comply with pricing principles under clause 6.18.5 of the National Electricity Rules (NER) which includes consideration of customer impacts (NER section 6.18.5(h)).

A full list of our indicative NUOS and DUOS prices is included as Attachment 9.01: 2025-30 Indicative Network Prices – January 2024 – public.

Application of legacy metering service charges

Legacy metering services are currently classified as an alternative control service and charged to customers on a user-pays basis. Based on the AER's guidance and customer feedback, we are proposing a change to the classification of metering services standard control services. This proposed change in classification results in sharing of legacy metering costs across all low voltage connected customers and prevents the burden of legacy metering costs falling mostly on customers who will be among the last to receive a smart meter, including vulnerable customers.

From 1 July 2025, legacy metering service charges will be recovered via a daily fixed charge from our low voltage customers. The customer impacts of this change depend on each customer's meter type and the point at which the customer connected to the network. To minimise complexity, we have not incorporated the impacts of the changing classification for each metering ownership type from this report. Further information including customer bill impacts associated with legacy metering charges are discussed in the metering chapter of our Regulatory Proposal.

2 METHODOLOGY

We have modelled the annual network bill outcomes across different customer segments based on their 2022 calendar year energy consumption and demand data. For high voltage customers as well as residential and small business customers our analysis is based on all available smart meter data for the 2022 calendar year. For large low voltage (SAC Large) customer bill impact analysis, we used sample data for the 2022 calendar year.

Our scatterplot charts do not plot the impact of every customer used in the analysis. Rather, a scaled representative sample of customer data is presented for ease of viewing. Tariffs with fewer than 1,000 customers (including our high voltage tariffs), present bill impacts based on data from all customers assigned to that tariff.

Most customer impact analysis assumes no behavioural change. Where we have assumed potential bill impacts associated with changes in use, including the extent customers shift or reduce their consumption, we explain the assumptions used.

For our residential and small business customers we have also developed personas (based on actual customer information and data) to assist customers in understanding the impacts of the proposed tariff structure changes and network prices on sample individual customers. In the case of residential customers, we have modelled additional scenarios which assume some change in response to pricing signals.

2.1 Special considerations for Ergon Energy

The Queensland Government applies special pricing arrangements for Ergon Energy customers, aimed at ensuring most customers in regional Queensland face lower electricity bills relative to the cost of supply. This impacts how our network tariffs are passed through to the end use customer.

Our network charges reflect what we charge electricity retailers in regional Queensland, including Ergon Energy Retail. These costs reflect the true costs of distributing electricity in regional Queensland. The Queensland Government establishes notified prices in regional Queensland, including the application of a subsidy. This subsidy recognises that it costs more to supply electricity in regional Queensland compared to the Southeast due to the large geographic supply area and lower population.

Notified retail prices for small customers in Ergon Energy's area set by the Queensland Competition Authority based on the cost of supply in Southeast Queensland. For large customers notified prices are based on the Ergon Energy Network pricing region with the lowest cost of supply (region East).

Taking into account these considerations, customer bill impacts presented in this report are based on the following assumptions:

- Unless specified, our customer bill impact reflects impacts for Ergon Energy Network region East customers charged to the retailer.
- Customer segmentation and persona analysis is based on Energex prices as this is likely to be more representative outcome of the network only impact for an individual customer or a segment of customers, even though different charges are applied.

3 DOCUMENT STRUCTURE

This document presents the network bill impacts by customer segment (i.e., residential, small business, large low voltage business, and high voltage). Each section begins with an overview of the proposed tariff structure changes, including a list of new tariffs we propose to introduce in the next regulatory control period and list of tariffs we propose to withdraw from 1 July 2025.

For each customer segment we provide analysis of the bill impact for the following scenarios:

- The impact of customers on the default tariff at the end of this TSS period and remaining on the default tariff in the next TSS period (for residential and small business customers includes both basic meter and smart meter default tariffs)
- The impact for customers moving between tariffs in the first year of the next TSS period.
- The impacts for customers reassigned to another tariff at the beginning of the next TSS period.

Two types of charts are used to analyse customer bill impacts:

- One year scatter charts – used for the first year of the next TSS period (expected bill change from 2024-25 to 2025-26). These charts show the DUOS bill impacts only, as first year impacts are largely due to changes in the tariff structure and/or customer reassignment.
- Multi-year percentile distribution charts – 5-year charts are used to show expected customer impacts during the next TSS period (2025-30). Our charts provide the average impact for each percentile of customer from lowest to highest. We have provided both a DUOS and NUOS version of these charts to provide customers with expected bill changes over the 5 years. These charts are provided for our default tariffs and optional tariffs which will remain available during 2025-30. The expected customer bill impacts for years 2 to 5 reflect the changes in our forecast revenue and quantities (customer numbers, demand and energy consumption).

4 RESIDENTIAL CUSTOMERS

4.1 Changes to tariffs

4.1.1 Changes to default tariff structure

From 1 July 2025 TOU customers who are on the default Residential Transitional Demand tariff (Figure 1) will be assigned to the new TOU Residential Demand and Energy tariff (Figure 2). The structure of both tariffs is in presented below:

Figure 1 – Residential Transitional Demand Tariff Structure (current period)

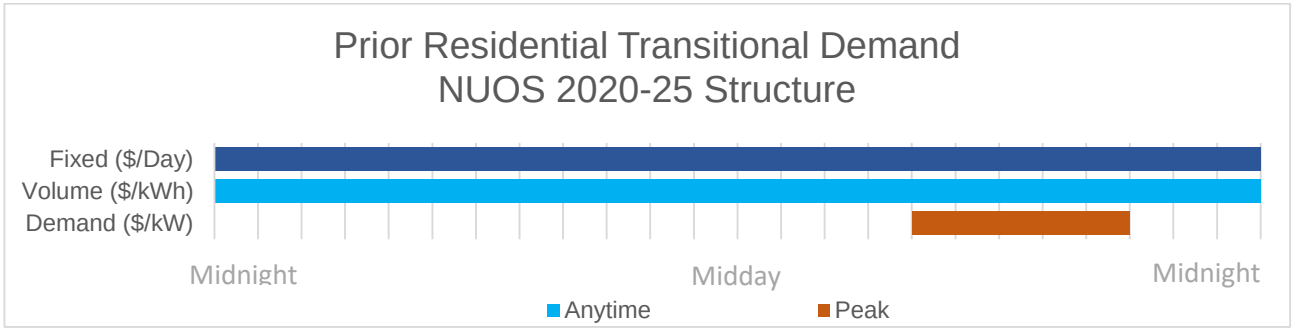
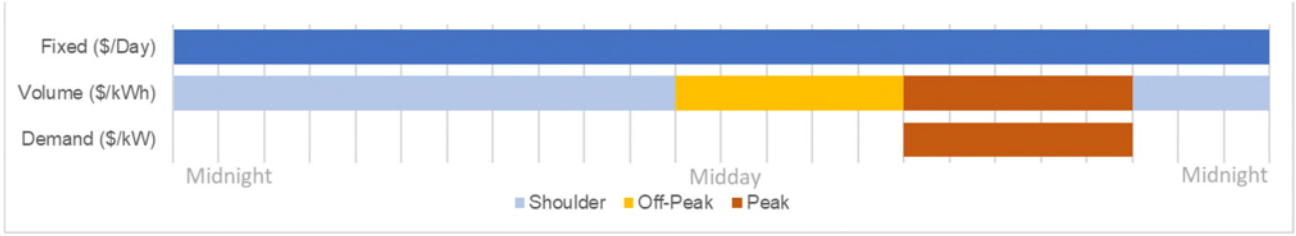


Figure 2 – Residential TOU Demand and Energy Tariff Structure (next TSS period)



4.1.2 Changes to optional tariff structure

From 1 July 2025 changes will apply to our optional Residential TOU Energy tariff (there will be no assignment changes to customers on this tariff. Figure 3 outlines the structure that applies to the current TSS period. Figure 4 explains the modified structure that applies in the next TSS period.

Figure 3 – Residential TOU Energy Tariff Structure (current TSS period)

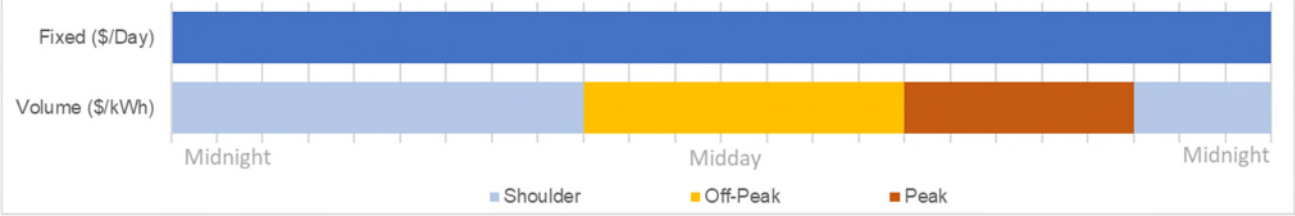
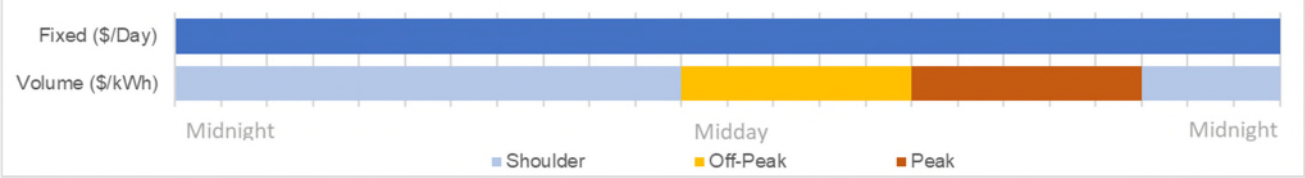


Figure 4 – Residential TOU Energy Tariff Structure (next TSS period)



4.1.3 Proposed new tariffs

The following new residential tariffs will be introduced in the next TSS period:

- Secondary Flexible Load tariff available from 1 July 2025 as an optional tariff.
- Secondary Two-way tariff available from 1 July 2026 as an optional tariff existing customers and mandatory for new customers (from 1 July 2028 all exporting residential customers with less than 30kW capacity will be assigned to this secondary tariff).
- Primary Demand TOU tariff available as an optional tariff from 1 July 2027.

4.1.4 Withdrawn tariffs

Table 1 lists the residential tariffs that will be withdrawn at the end of the current TSS period:

Table 1 – Residential Tariffs that will be withdrawn at the end of the current TSS period

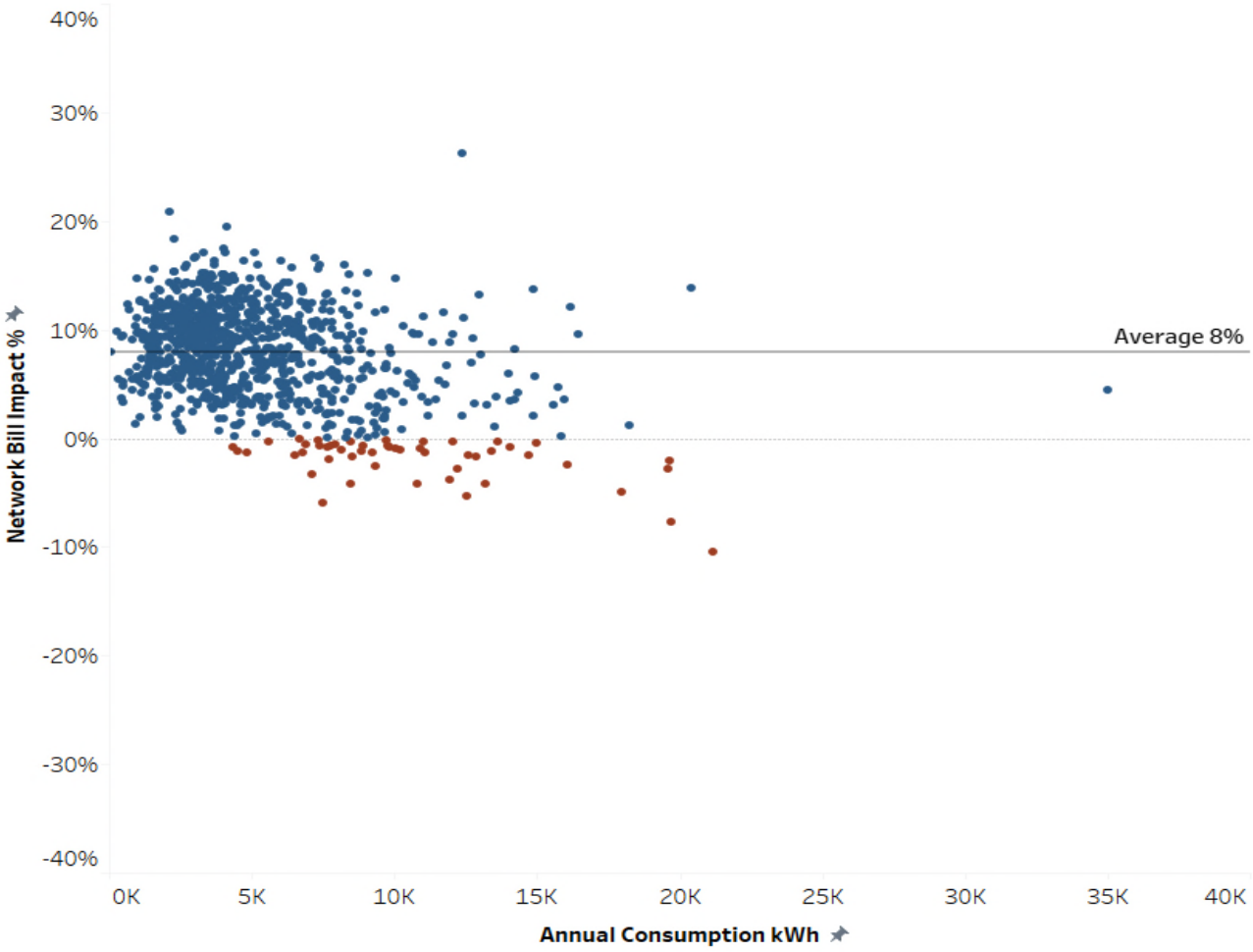
Network Tariff	Reassigned To
Residential Demand (NTC RDEM)	Residential Time of Use Demand and Energy (NTC RTDEM) on 1 July 2025

4.2 Bill Impacts for current tariffs

4.2.1 Default TOU Demand and Energy Tariff (2025-30)

The network bill impacts (DUOS only) for customers currently on the default tariff and moving to the new structure of the default tariff in 2025-26 are presented in Figure 5 below.

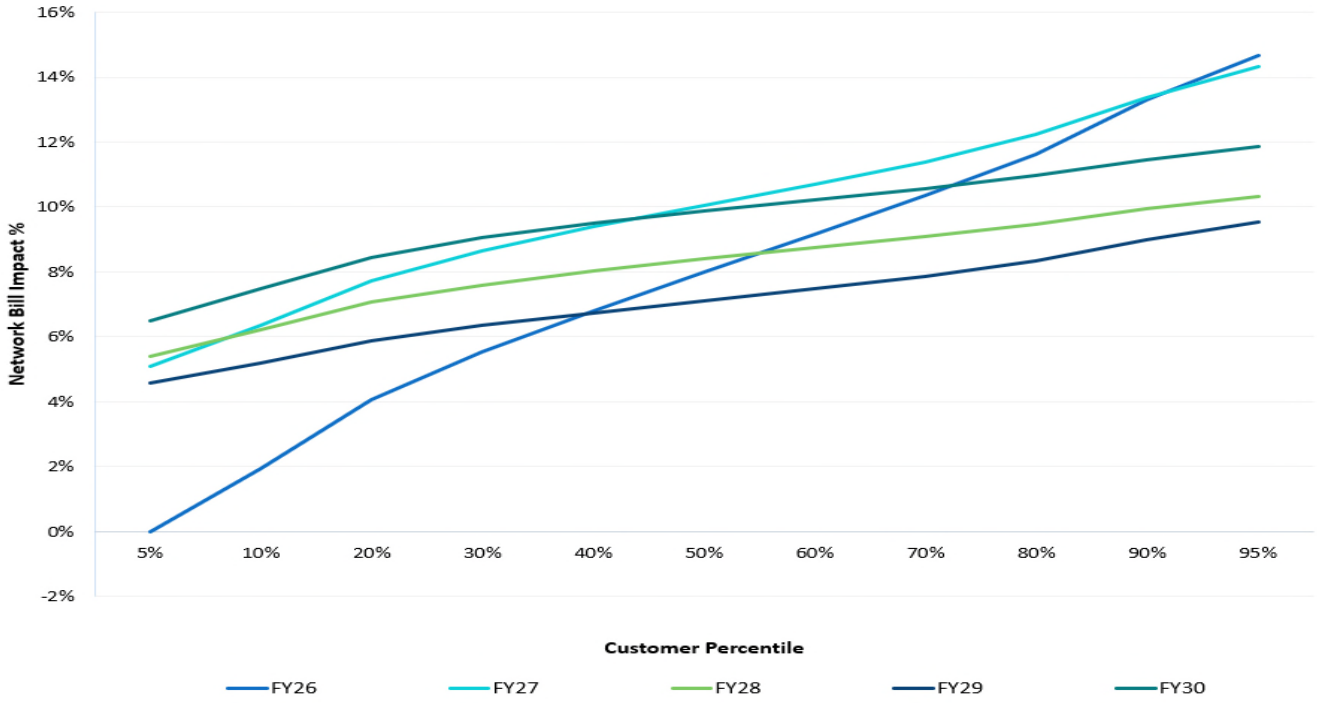
Figure 5 – Residential bill impact (DUOS only) default tariff: 2025-26



Impacts reflect changes in revenue as well as forecast quantities (i.e., energy consumption, customer numbers and demand). The average DUOS change is 8%. However, there is divergence between different customers. A stronger peak demand charge as well as the additional window with a zero volume charge means that customers with a high load in the evening, when the demand for electricity is high, are likely to experience a network bill increase in 2025-26. Similarly, customers consuming mainly during the lower price period during the day are expected to experience a lower bill increase in 2025-26, or in some cases a bill decrease.

Analysis of the annual impact from DUOS changes for residential customers shows significant variance in outcomes for customers in the first year, with less divergence in years 2 through 5. This is shown in Figure 6 below:

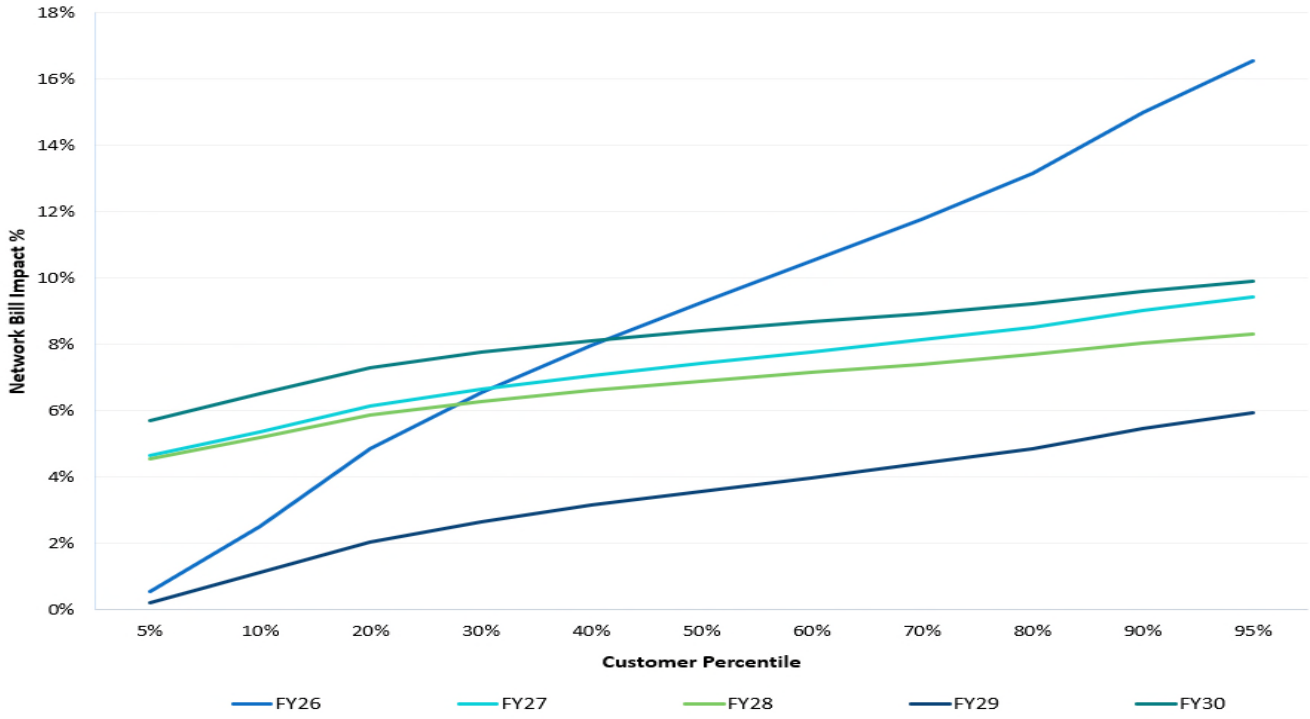
Figure 6 – Residential bill impact (DUOS only) default tariff by percentile – all years



The above figure shows that in the first year the median customer percentile faces an average 8% DUOS bill increase. The bottom fifth percentile faces no changes in DUOS bill impacts from 2024-25. The top fifth percentile faces an average 15% DUOS bill impact. Variances between the highest and lowest customer percentiles are much lower in the remaining years. This is largely due to the fact that structural changes are largely worked through to customer impacts in the first year.

Similar impacts are observed when forecast transmission charges and jurisdictional scheme charges are incorporated into the analysis – see Figure 7.

Figure 7 – Residential bill impact (NUOS) default tariff by percentile – all years



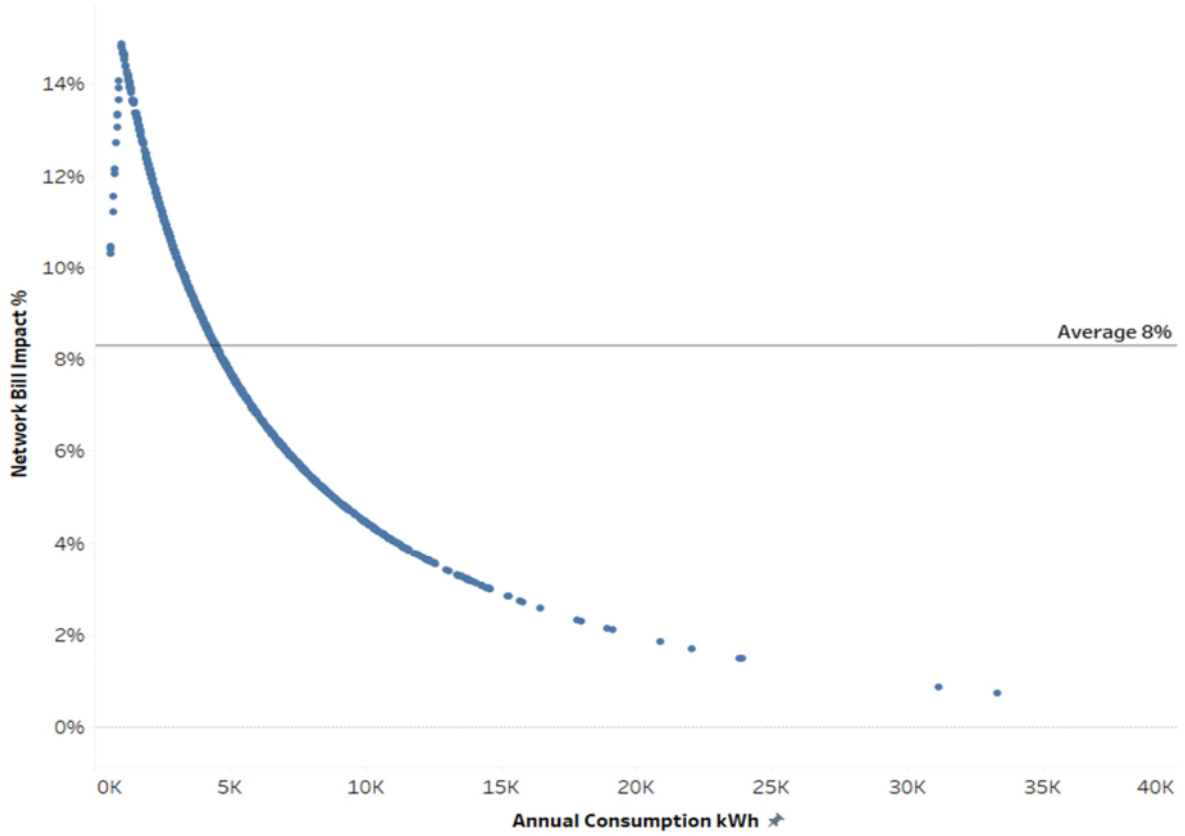
4.2.2 Basic meter (closed) Inclining Block tariff (2025-30)

To present the annual network bill impact for our basic meter customers we have used energy data from smart meter customers and applied the indicative Residential Inclining block tariff prices. Customers with rooftop solar are excluded from the analysis as customers with solar typically have a smart meter and are assigned on either our default tariff or the optional TOU Energy tariff.

The annual network bill impact (DUOS only) in 2025-26 for customers currently on the basic meter flat tariff is presented in

Figure 8 below. The key driver of these impacts are the changes in our forecast revenue between the end of the current TSS period and the beginning of the next TSS period.

Figure 8 – Residential bill impact (DUOS) Basic Meter tariff: 2025-26



Variance between customers of the same consumption is not as great between years compared to the default smart meter tariff. Basic meter tariff structures are limited to only modifying two variables – fixed daily charges and anytime energy. These tariffs provide better certainty for customers and strong signals to reduce energy consumption. However, they have been shown to provide weak signals to reflect Long Run Marginal Cost and can influence distortionary behaviour which creates pressure on future network costs and higher long-term prices for all customers, even where the customer reduces energy in response to the signal.

Analysis of the annual impact from DUOS and NUOS changes for residential customers on basic meter tariffs across all years is provided in the figures below:

Figure 9 – Residential bill impact (DUOS only) basic meter tariff by percentile – all years

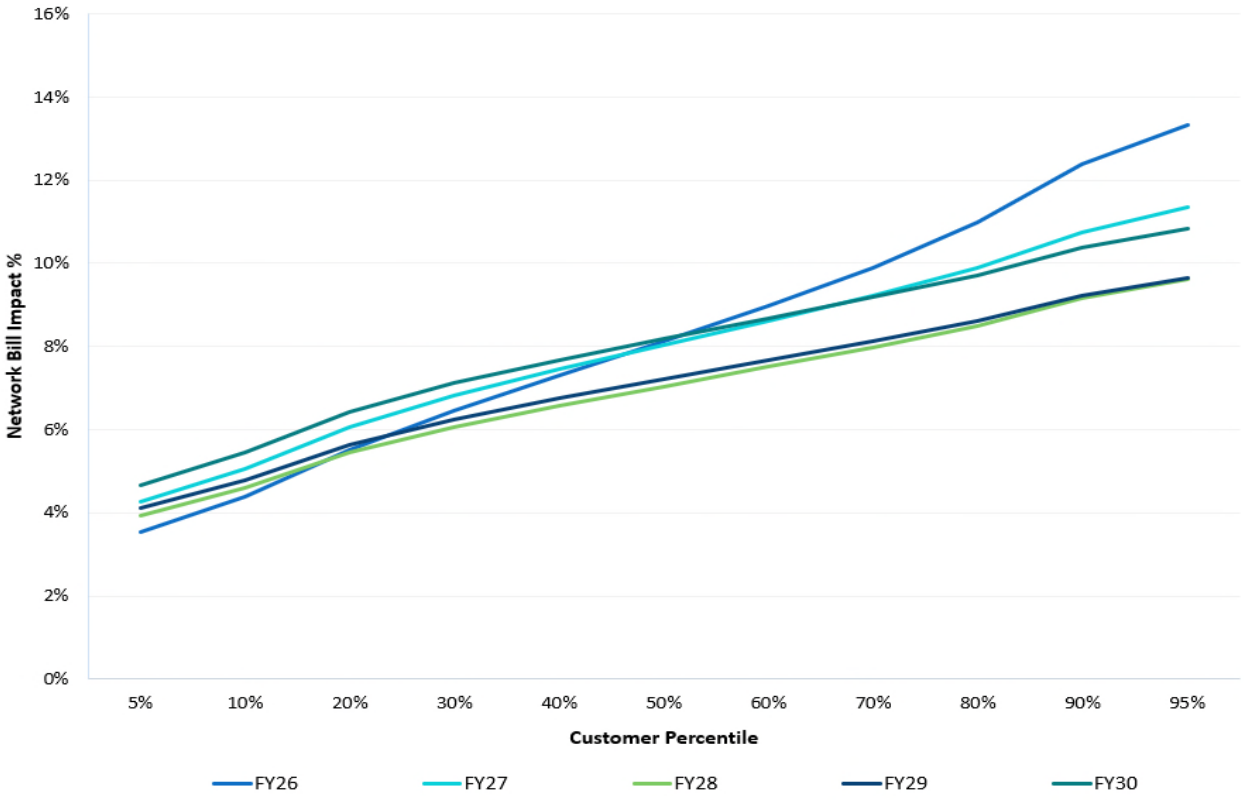
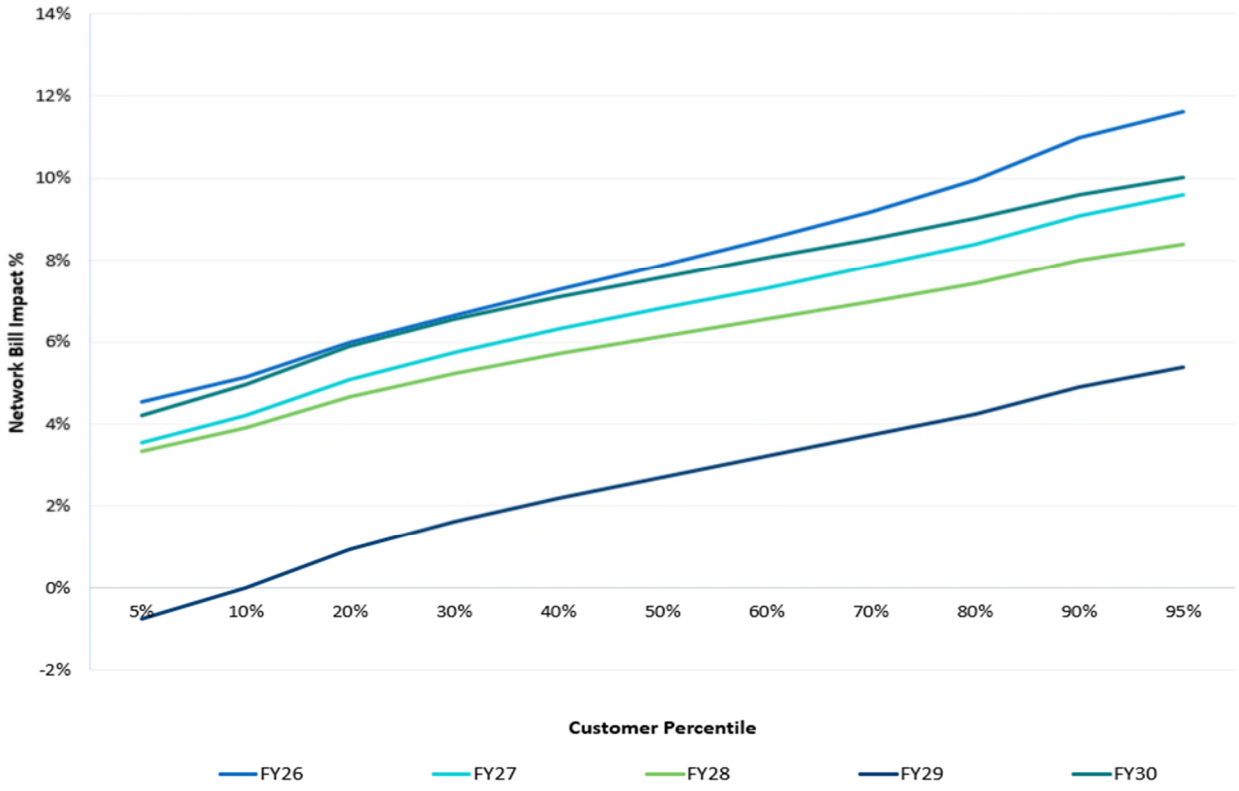


Figure 10 – Residential bill impact (NUOS) basic meter tariff by percentile – all years



4.3 Bill impacts for changing tariffs

Network bill impacts for residential customers changing tariffs from 1 July 2025 are shown below. Tariff changes can be network or customer driven and can occur because of:

- changes in customers metering from basic to smart meter
- customers seeking to opt-in to the optional TOU Energy tariff
- exporting customers opting into the two-way tariff.

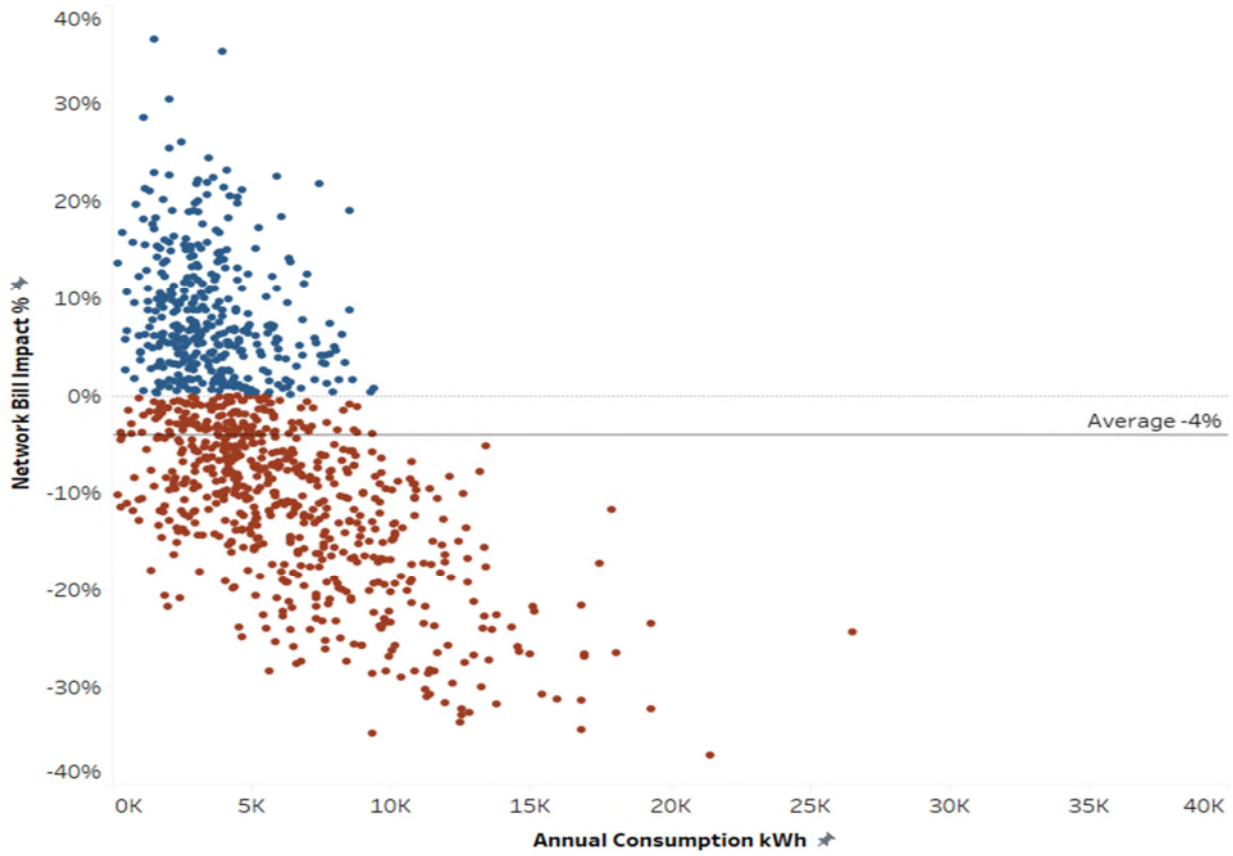
These tariff change scenarios are presented below.

4.3.1 Inclining block tariff to Default tariff (2025-26)

Under our proposed tariff assignment policy, existing customers on our basic meter (flat) tariff will be reassigned to the default tariff when they received a smart meter (subject to any grace period provisions outlined in our TSS Compliance document).

The indicative network bill impact of the reassignment from the Residential Inclining block tariff to the Residential TOU Demand and Energy tariff in 2025-26 is presented in Figure 11 below.

Figure 11 – Residential bill impact (DUOS) basic meter tariff to default tariff: 2025-26

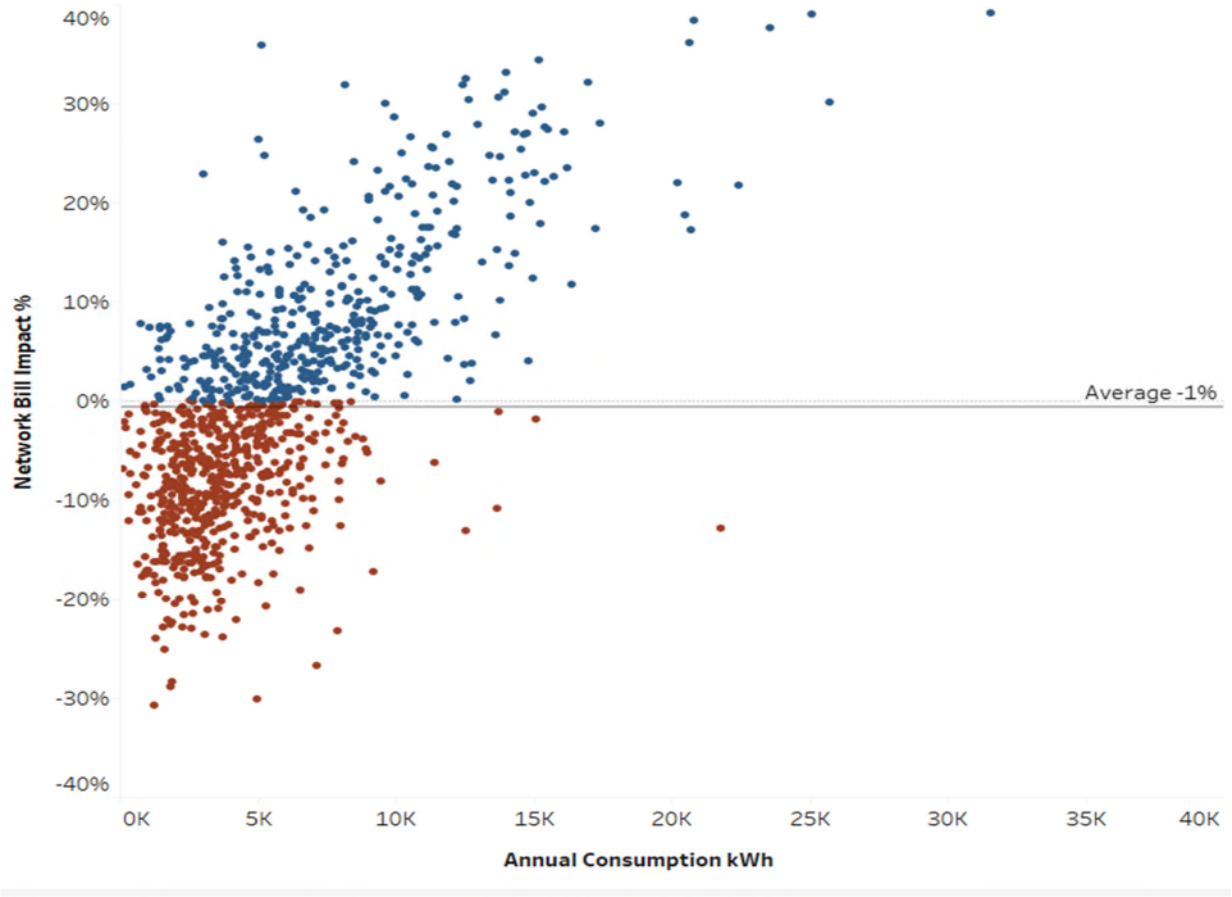


Variance in outcomes for customers is reflective of moving to a more efficient tariff structure. Under more efficient structures, customers who use more energy in peak periods and have traditionally avoided residual charges in other period will likely face higher network bills under more efficient structure. Customers who use relatively less energy in peak periods and who use more energy in non-peak times (particularly the new middle of the day window) are likely to pay lower charges compared to less efficient network tariff structures.

4.3.2 Default tariff to optional TOU Energy tariff (2025-26)

Customers may be assigned from a default TOU Demand and Energy tariff to a TOU Energy tariff upon request. Network bill impacts for customers seeking to opt out of the default tariff to the optional TOU Energy tariff during 2025-26 is presented in Figure 12 below:

Figure 12 – Residential bill impact (DUOS) TOU Demand and Energy to TOU Energy tariff: 2025-26



Variance in the movement between the default tariff and the time of use energy tariff reflects the impact of the signal at peak times between demand and energy. Under the demand based tariff customers receive a stronger LRMC signal representing their highest half hour use in the period whereas under TOU energy tariff the LRMC signal is applied to all periods across the peak charging window.

4.3.3 Secondary Two-way tariffs

Our TSS and Explanatory Statement provides information regarding our approach to transitioning customers with export capability to two-way tariffs. Two-way tariffs provide rewards for customers who export energy at times most likely to trigger investment due to high import demand. Charges above a basic export level are aimed at ensuring that future network investment required to manage exports in the middle of the day is paid by those causing that investment.

From 1 July 2026 new customers with export capability or customers upgrading to solar will be assigned to the secondary two-way tariff (customers with a dynamic connection may choose to be no longer assigned to the two-way tariff upon request). From 1 July 2028 all customers with export capability will be assigned to the two-way tariff (with an opt out option for customers with a dynamic connection).

During engagement we provided details of estimated bill impacts relating to two-way tariffs. Using available customer data, we analysed the expected network bill impact for all residential customers if they were assigned to the two-way tariff. Impacts vary depending on the amount of export capacity. Customers with a low export capacity take advantage of receiving the full reward from exporting at peak but benefit from the zero charge for exports up to 1.5kW.

Table 2 – Average Impact from Two-way tariffs – residential customers 2026-27

Inverter band	% of customers	Avg Export charge $	Avg Export reward $	Avg Two-way tariff $
>0 - 3kW	3%	3.8	-4.3	-0.4
3 - 5kW	39%	41.3	-21.0	20.3
5 - 7kW	38%	53.9	-26.1	27.8
7 - 10kW	11%	88.3	-41.2	47.1
>10kW	8%	134.2	-56.9	77.3

Variances also exist between different customers within inverter bands. The application of the charge will be dependent on the location and position of solar panels, and the extent to which customers use solar for self-consumption. Customers will face lower export charges to the extent they consume more during solar periods. Higher rewards are also available where there is more export in peak times. We expect customers with batteries will benefit from structures which reward consuming energy in the middle of the day and export in the evening.

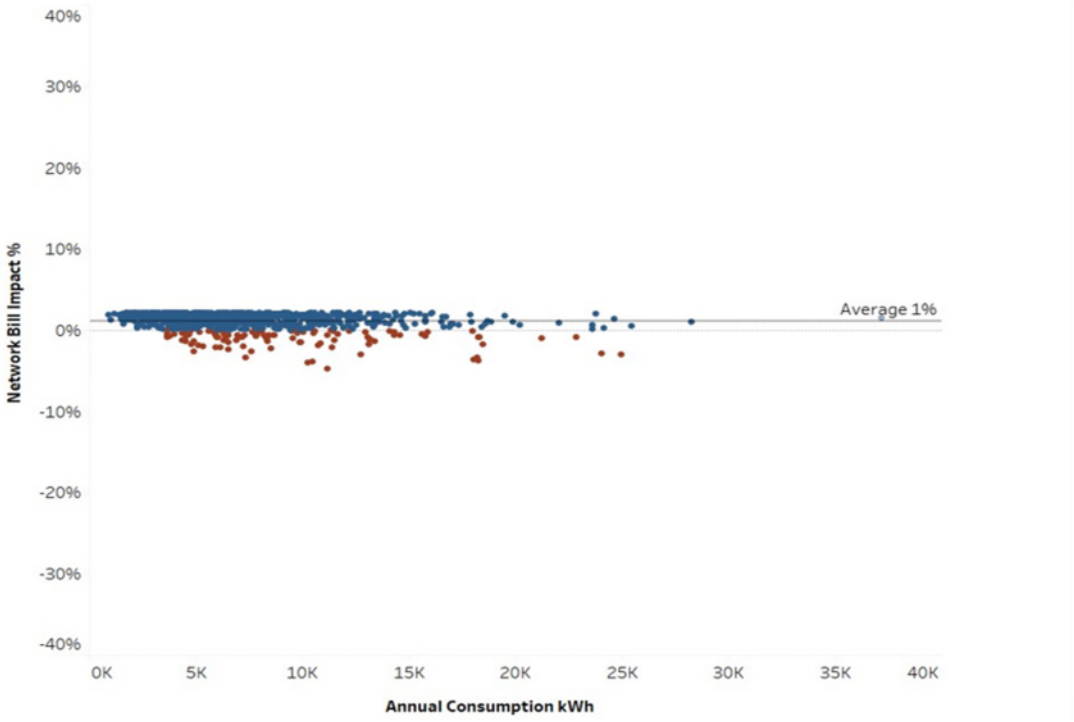
4.4 Bill impacts for withdrawn tariffs

The 2025-26 network bill impacts for customers who will be reassigned from a tariff we will withdraw at the end of the current TSS period are shown below. These impacts are only applicable to customers currently assigned to the tariffs to be withdrawn.

Majority of tariffs we propose to withdraw have been closed to new customers since 2020 and priced at a premium relative to our default tariffs, therefore a large number of customers who will be reassigned from these tariffs are expected to see a network bill decrease as a result of the reassignment to the default tariff.

4.4.1 Residential Demand to Default tariff (2024-25 to 2025-26)

Figure 13 – Residential bill impact (DUOS) Residential demand to TOU Demand and Energy: 2025-26



4.5 Socio-Economic Segmentation bill analysis

4.5.1 Background

During 2021 in engagement with our Residential Tariff Working Group we developed a framework to assist with analysis of network bill impacts on the different residential customer segments. The objective of this framework was to provide our Residential Tariff Working Group with insights into expected impacts of changes on our vulnerable customers and to ensure any proposed tariffs structure changes didn't result in cross subsidisation of different segments.

In 2023 we presented this analysis to our Network Pricing Working Group who indicated a preference for us to ensure tariff structure changes provided the greatest benefits to those customers at risk, specifically the lower income customers.

4.5.2 Methodology

A randomly selected representative sample of approximately 40,000 customers consumption data formed the basis of this analysis. Selected customers energy consumption data is matched to the Australian Bureau of Statistics (ABS) Socio-Economic Indexes for Areas (SEIFA) data and supporting external demographic data.

ABS SEIFA is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census. External demographic data is used to assist with customer profiling includes household income levels, assets values and information regarding household composition.

The table below describes the customer segments and associated socio-economic attributes used for segmentation bill analysis.

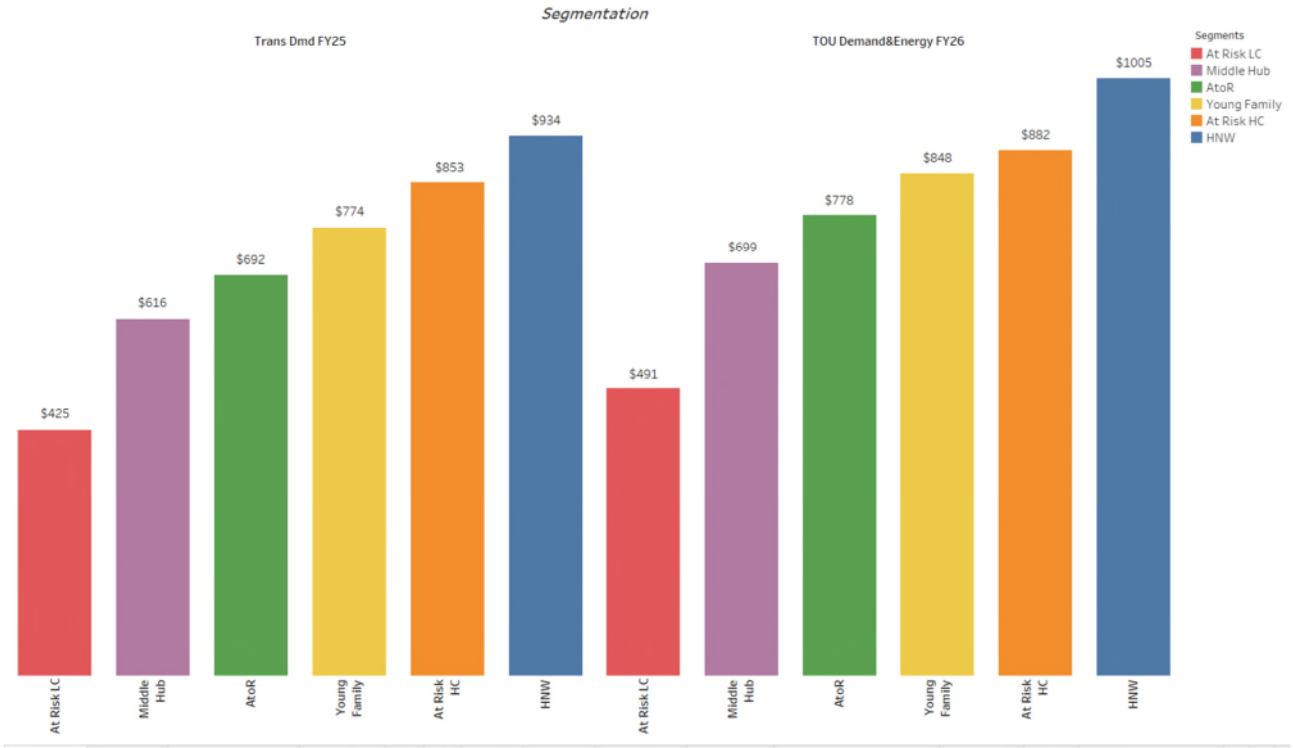
Table 3 – Customer segments and attributes

Segment Description	Associated Indicative Socio-Economic Attribute Building Blocks	SEIFA	Income and Affluence	Energy Consumption	Household Composition	Solar PV
1. At Risk – Low Income/Consumption	Income, low socio economic indicators, load factor/low annual consumption	1, 2	Low <=$41,599, Low Income and Assets	Low Consumption < 2800 (Bottom 25%)	Mixed	Mixed
2. At Risk –Low Income/High Consumption	Income, low socio economic indicators, load factor/high annual consumption	1, 2	Low <=$41,599, Low Income and Assets	High Consumption > 6500 (Top 25%)	Mixed	Mixed
3. At Risk – Young Families/Financial Commitment	Household composition (young children), higher income, geographic indicators such as new developments and city fringes	3+	Average Incomes and Assets, High Incomes Low Assets	Mixed	Young Family with Young Children	Mixed
4. Ability to Respond to Cost Reflective Tariffs	Solar PV and inverter, homeowner, household attributes (one or no children), annual consumption and income (TBD)	Mixed	High Incomes and Assets Income	Mixed	Mixed	Yes
5. Middle Hub (Middle Queensland)	Census average Queensland households and demographic medians, income (TBD), energy consumption (TBD)	4,5,6	Middle $65000 to $90,999 Average Incomes and Assets	Median +-5% 4,000 kWh to 5000 kWh	Mixed	Mixed
6. High Net Worth	Households with significant assets and income	9,10	Income $180,000+ Highest Incomes and Assets	High Consumption > 5000 kWh or Load Factor >.2	Mixed	Mixed

4.5.3 Socio-economic Segment bill impacts (2024-25 to 2025-26)

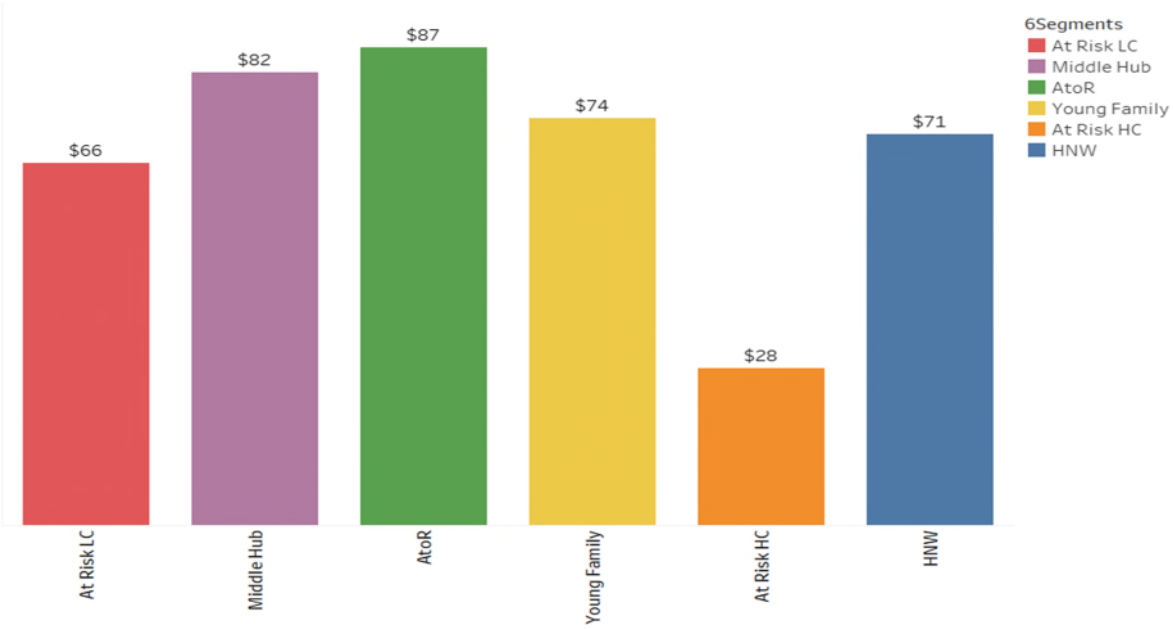
We analysed Network bill impacts of the proposed default tariff structure changes on the six different residential customer segments are presented in Figure 14 below. These results show that while all customers are expected to see a network bill increase in 2025-26 compared with 2024-25 due to the changes in our forecast revenue, customers with lower income levels and high consumption are expected to benefit from the proposed tariff structure changes. The average increase in network bill for these customers is expected to be $28 per annum in 2025-26 compared with 2024-25.

Figure 14 – Residential bill impact (NUOS) default tariff 2025-26 – segmentation analysis



Results differ between segment types. Our analysis also suggests within each segment better outcomes are achieved for customers with better load factors (differential between average and peak demands). Average impacts per segment type are shown in Figure 16 below.

Figure 15 – Network Bill change by customer segment (NUOS) 2025-26



The customer segment with the highest bill impact represents the segment with the greatest propensity to respond to the tariff signals. Customers with the least impact represent vulnerable or at risk customers with higher consumption use.

4.6 Persona Impact

4.6.1 Background and methodology

We developed four residential personas to assist our Voice of Customer engagements and understanding. The personas selected are derived from customer information provided in our 2022 Annual Household Energy Survey and cross-linked to relative energy quantities, in combination with the customer's 2022 interval meter data. The personas were further developed and modifies to broadly represent a different customer segment, representing different socio-economic attributes, load profiles and energy consumption patterns. While these customers do not necessarily represent the average customer in the segment, customers we engaged with appreciated example customers to understand the impacts of different structures and rates and how they impact different customer types.

4.6.2 Default tariff and Inclining block tariff

Using our residential personas as the basis for comparison, we looked at the impact of our different tariff structures on different customer types and estimated the potential for customers to reduce

their network bill by changing their energy consumption profiles in response to the price signals of our cost-reflective tariffs. Customers wanted to understand the overall impact but also the potential for savings if changes in behaviours could be made. We therefore not only analysed the bill impact assuming no behaviour change but also the potential savings that could be derived with the following assumptions:

- Reducing monthly peak demand by 5% (through shifting peak demand across the period or between periods)
- Moving 10% of energy into the middle of the day period.

A summary of the customer persona's bill in 2025-26 under our default tariff and the potential bill savings for our default tariff is presented in Figure 16 below.

Figure 16 – Residential customer persona – network bill in 2025-26 and potential savings

CUSTOMERS		FY26 Energex distribution bill per annum	Move from flat/ anytime tariff	Shift import from evening and night to 11am-4pm
 John	Family of four Majority of energy usage outside school hours and weekends 5000kWh/year With solar	$635	N/A*	-$46 ▼
 Zahara	Family of three Majority of energy usage in the evening when electricity demand is high 3800kWh/year With solar and electric vehicle	$625	N/A*	-$45 ▼
 Arush	Retired couple Majority of energy usage through the day to make use of solar 2300kWh/year With solar	$369	N/A*	-$19 ▼
 Azami	Single parent, family of five Works from home. Energy usage spread over the day 8000kWh/year Without solar	$784	-$52 ▼	-$61 ▼

*customer is already assigned to the default smart meter tariff

4.6.3 Two-way tariff

The personas we developed were also used to assist customers with understanding our proposed two-way tariff. The impact of our proposed two-way tariff on different customer types is summarised below. For illustrative purposes we assumed all personas opted into the two-way tariff from 1 July 2026 (noting that the proposed two-way tariff will not be mandatory for existing customers until 2028-29). We also provided some analysis of further bill savings through a two-way tariff through the shifting of energy into the middle of the day (therefore taking advantage of either self-generation or lower network prices). A total bill reduction assuming changes to import and to export is included

Figure 17 – Residential customer persona – network bill in 2025-26 and two-way tariffs

CUSTOMERS	FY25 Network distribution bill	FY26 Network distribution bill per annum	Bill change from FY25 to FY26	Move from flat/anytime tariff	Shift import from evening peak to daytime	Opt-in to two-way tariff	Shift export timing & increase self-consumption	Potential bill reduction
 John Family of four Majority of energy usage outside school hours and weekends 5,200kWh/year With solar	$538	$635	$96 ▲	-*	-$46 ▼	$5 ▲	-$3 ▼	-$48 ▼
 Zahara Family of three Majority of energy usage in the evening when electricity demand is high 3,800kWh/year With solar and electric vehicle	$496	$625	$128 ▲	-*	-$45 ▼	$16 ▲	-$10 ▼	-$39 ▼
 Arush Retired couple Majority of energy usage through the day to make use of solar 2,300kWh/year With solar	$330	$369	$39 ▲	-*	-$19 ▼	$14 ▲	-$2 ▼	-$7 ▼
 Azami Single parent, family of five Works from home. Energy usage spread over the day >8000kWh/year Without solar	$745	$784	$39 ▲	-$52 ▼	-$61 ▼	-	-	-$113 ▼

*customer is already assigned to the default smart meter tariff

5 SMALL BUSINESS CUSTOMERS

5.1 Changes to tariffs

5.1.1 Changes to default tariff structure

From 1 July 2025 TOU customers who are on the default Small Business Transitional Demand tariff will be assigned to the new Small Business TOU Demand and Energy tariff. The structure of both tariffs is in presented below:

Figure 18 – Small Business Transitional Demand Tariff Structure (current period)

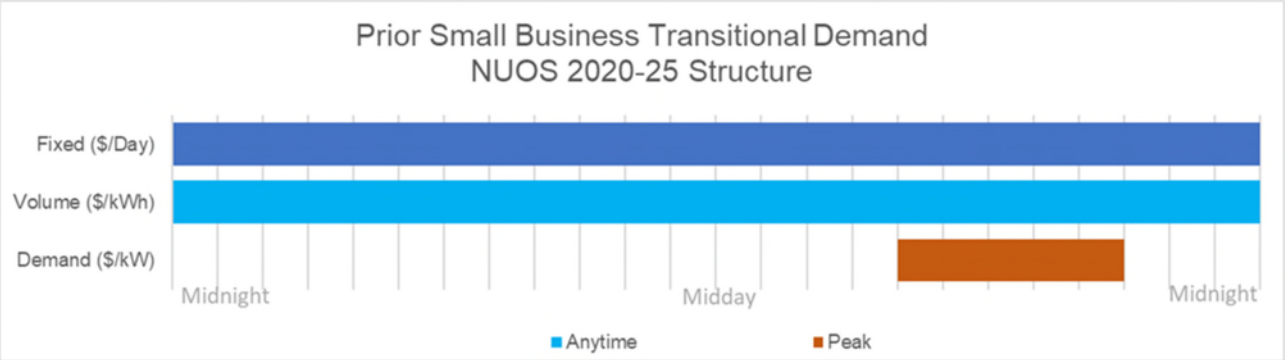
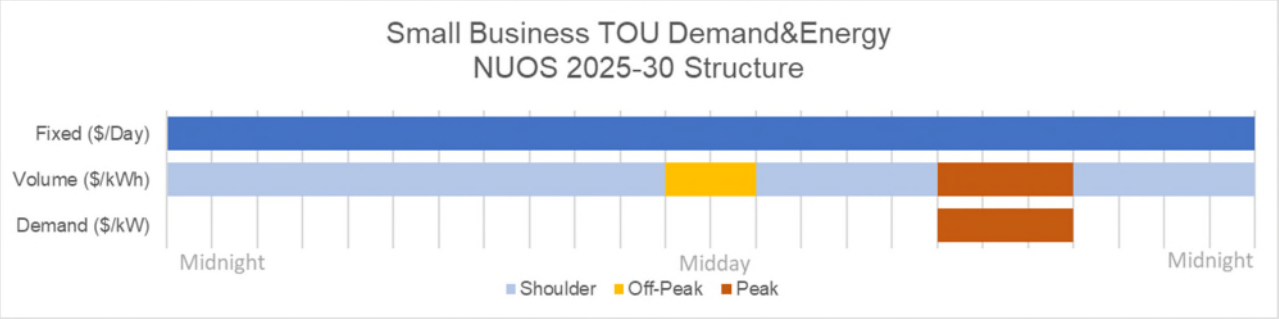


Figure 19 – Residential TOU Demand and Energy Tariff Structure (next TSS period)



5.1.2 Changes to optional tariff structure

From 1 July 2025 changes will apply to our optional Residential TOU Energy tariff (there will be no assignment changes to customers on this tariff. Figure 3 outlines the structure that applies to the current TSS period.

Figure 21 explains the modified structure that applies in the next TSS period.

Figure 20 – Small Business TOU Energy Tariff Structure (current TSS period)

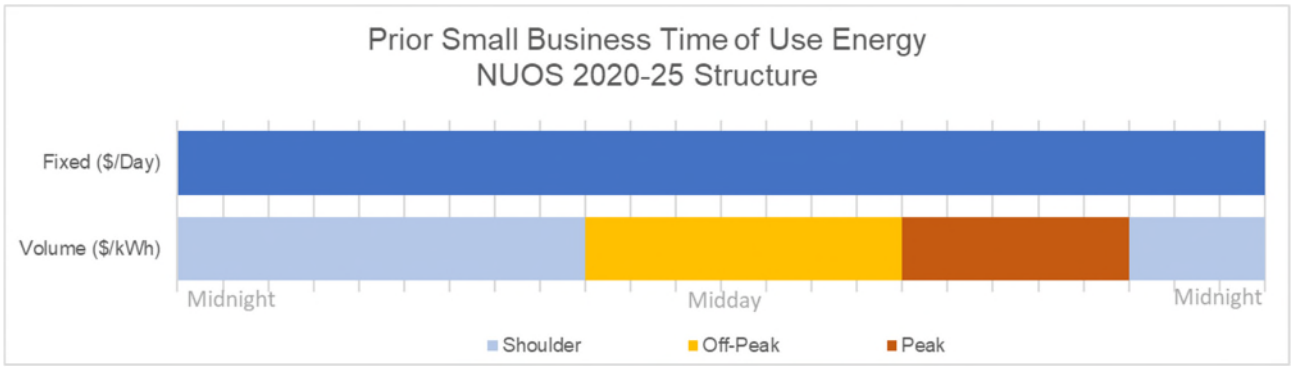
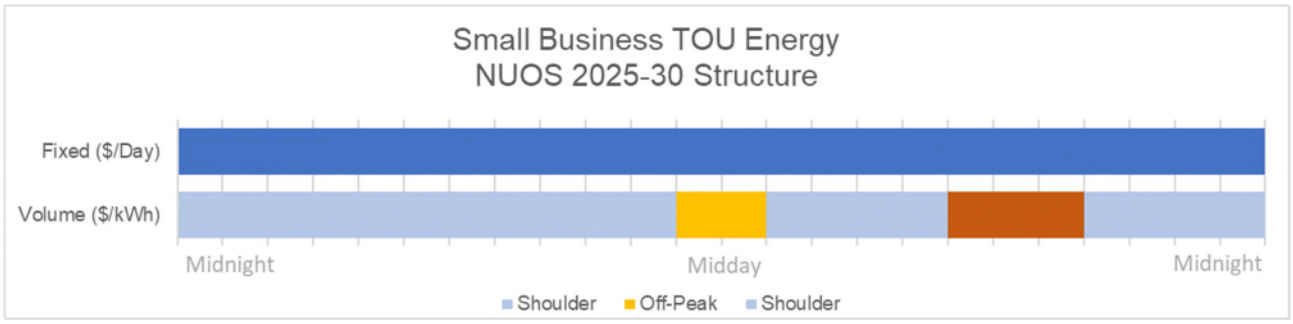


Figure 21 – Small Business TOU Energy Tariff Structure (next TSS period)



5.1.3 Proposed new tariffs

The following new small business tariffs will be introduced in the next TSS period:

- Secondary Flexible Load tariff available from 1 July 2025 as an optional tariff.
- Secondary Two-way tariff available from 1 July 2026 as an optional tariff existing customers and mandatory for new customers (from 1 July 2028 all exporting residential customers with less than 30kW capacity will be assigned to this secondary tariff).
- Primary Demand TOU tariff available as an optional tariff from 1 July 2027.

5.1.4 Withdrawn tariffs

Table 4 lists the small business tariffs that will be withdrawn at the end of the current TSS period:

Table 4 – Small Business Tariffs that will be withdrawn at the end of the current TSS period

Network Tariff	Reassigned To
Small Business Demand (NTC BDEM)	Small Business Demand & Energy (NTC BTDEM) on 1 July 2025
Transitional Network TOU Energy Tariff 1 (NTC BFRM)	Small Business Demand & Energy (NTC BTDEM) on 1 July 2026

Network Tariff	Reassigned To
Transitional Network TOU Energy Tariff 2 (NTC BIRR)	Small Business Demand & Energy (NTC BTDEM) on 1 July 2026
Transitional Network TOU Energy Tariff 3 (NTC BPMP)	Small Business Demand & Energy (NTC BTDEM) on 1 July 2026

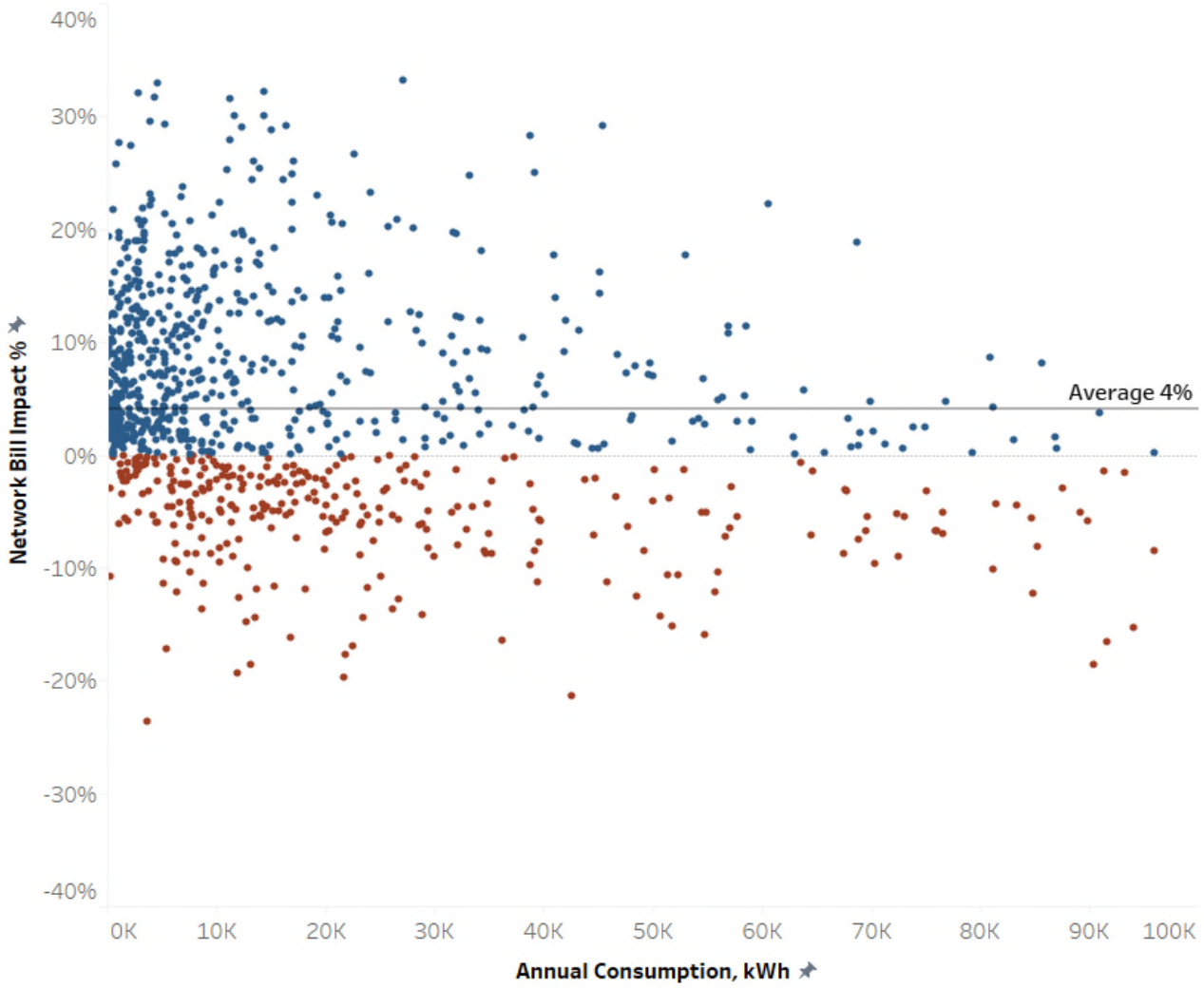
5.2 Bill Impacts for current tariffs

Annual network bill impacts for customers who remain on their existing tariffs which are continuing into the 2025-30 regulatory control period are presented below.

5.2.1 Default TOU Demand and Energy Tariff (2025-30)

The network bill impacts for customers currently on the default tariff and moving to the new structure of the default tariff in 2025-26 are a result of changes to the tariff structure, in addition to changes in revenue and forecast quantities (i.e., energy consumption, customer numbers and demand). Impacts for all customers are shown in the figure below:

Figure 22 – Small Business bill impact (DUOS only) default tariff 2025-26

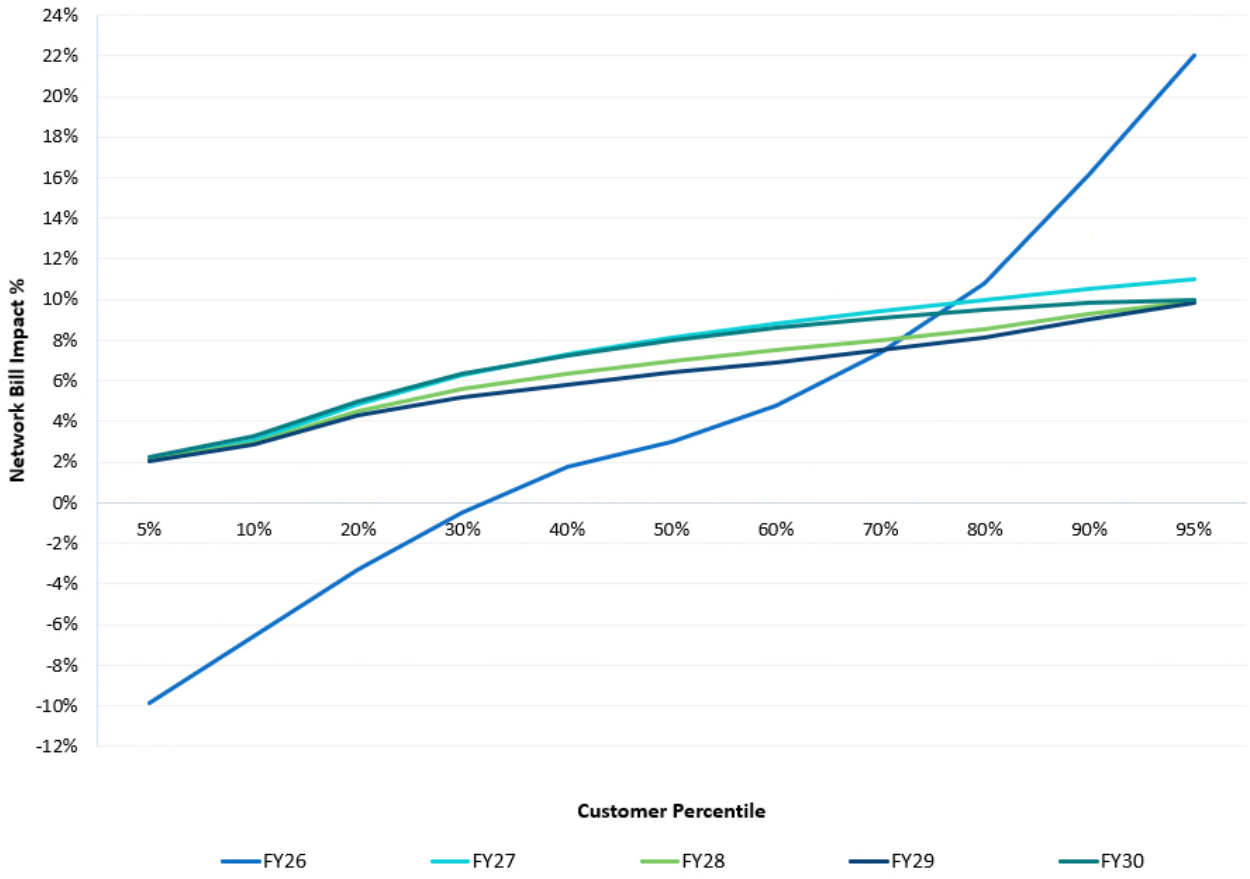


As with residential customers, there is divergence between different customers when changing key time windows and charging signals. A stronger peak demand charge as well as the additional window with a zero volume charge means that customers with a high load in weekday evenings, are likely to experience a network bill increase in 2025-26. Similarly, customers consuming mainly during the lower priced period during the day, and on weekends are expected to experience a lower bill increase in 2025-26, or in some cases a bill decrease.

Annual network bill impacts (DUOS and NUOS) for 2025-30 for customers on the default Small business TOU Demand and Energy tariff are presented below. The customer impacts for 2026-30 are a result of forecast revenue path and changes in forecast quantities (i.e., energy consumption, customer numbers and demand).

Analysis of the annual impact from DUOS changes for small business customer shows that significant variance in outcomes for customers applies in the first year, with less divergence in years 2 through 5. This is shown in the figure below:

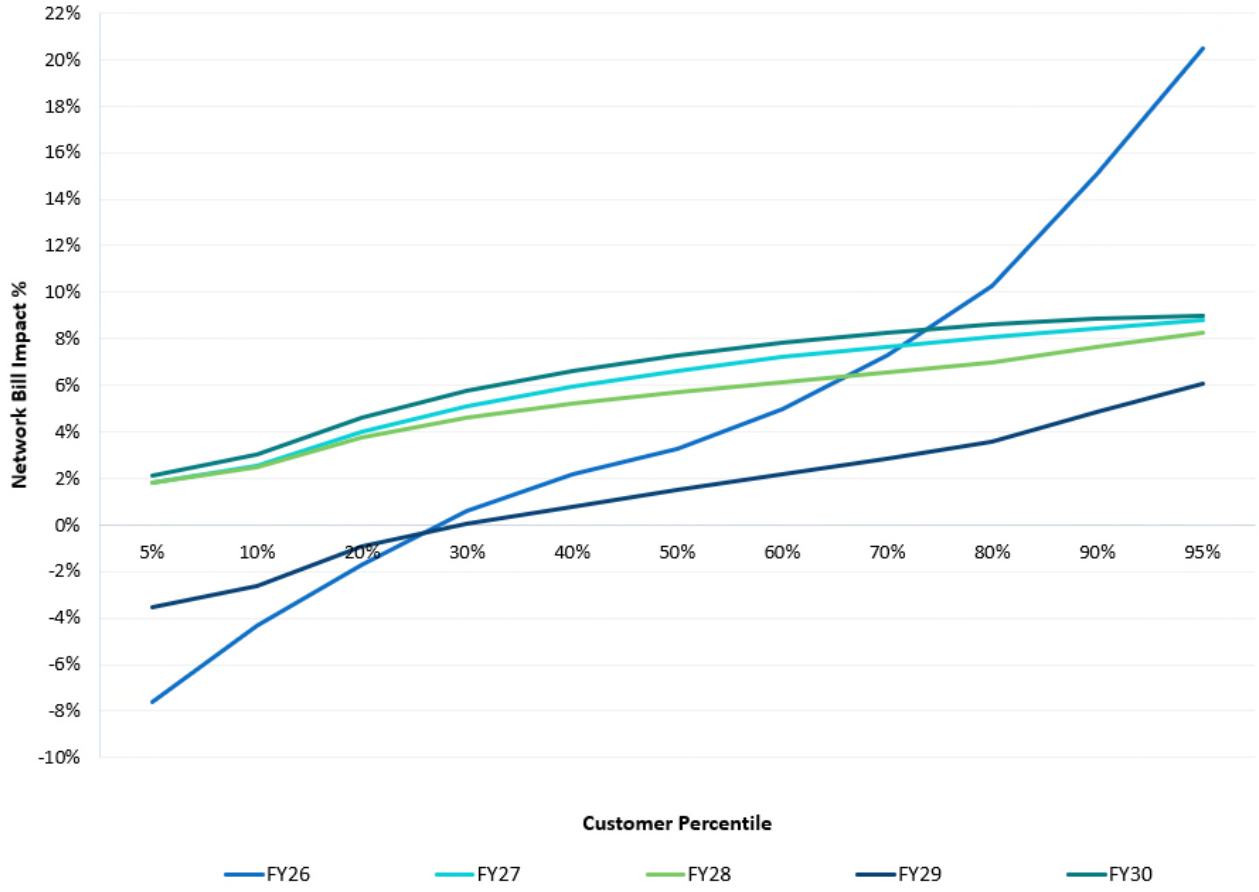
Figure 23: Small Business bill impact (DUOS only) default tariff by percentile: all years



The analysis shows wide variations in impacts in the first year between median, lowest and highest percentile customers. Prices in future years stabilise across all customers.

Similar results are demonstrated when looking at total NUOS for small business customers, as can be shown in the figure below:

Figure 24: Small Business bill impact (NUOS) default tariff by percentile: all years

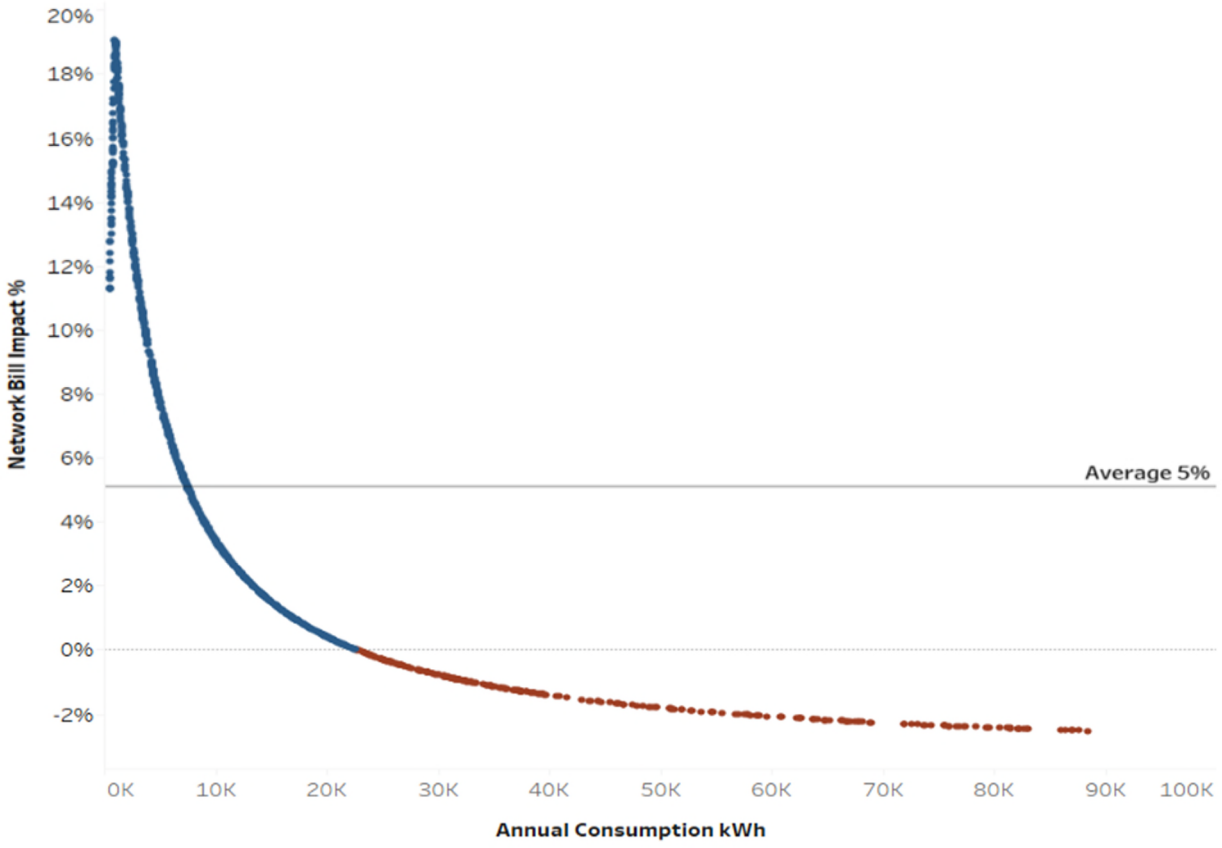


5.2.2 Closed Inclining Block tariff (2025-30)

To present the annual network bill impact for our basic meter small business customers we have used energy data from smart meter customers and applied the indicative Small Business basic meter tariff rates. Customers with rooftop solar are excluded from the analysis as customers with solar typically have a smart meter and are assigned on either our default tariff or the optional TOU Energy tariff.

The annual network bill impact (DUOS only) in 2025-26 for customers currently on the basic meter flat tariff is presented in the figure below. The key driver of these impacts are the changes in our forecast revenue between the end of the current TSS period and the beginning of the next TSS period:

Figure 25: Small Business bill impact (DUOS only) basic meter tariff: 2025-26



As with residential basic meter tariffs, small business basic meter tariffs can only be modified for two variables – fixed daily charges and anytime energy. These tariffs have been shown to provide weak signals to reflect Long Run Marginal Cost and can influence distortionary behaviour which creates pressure on future network costs and higher prices for all customers, even where the customer reduces energy in response to the signal.

Analysis of the annual impact from DUOS and NUOS changes for residential customers on basic meter tariffs across all years is provided in the figures below:

Figure 26 Small Business bill impact (DUOS only) basic meter tariff by percentile – all years

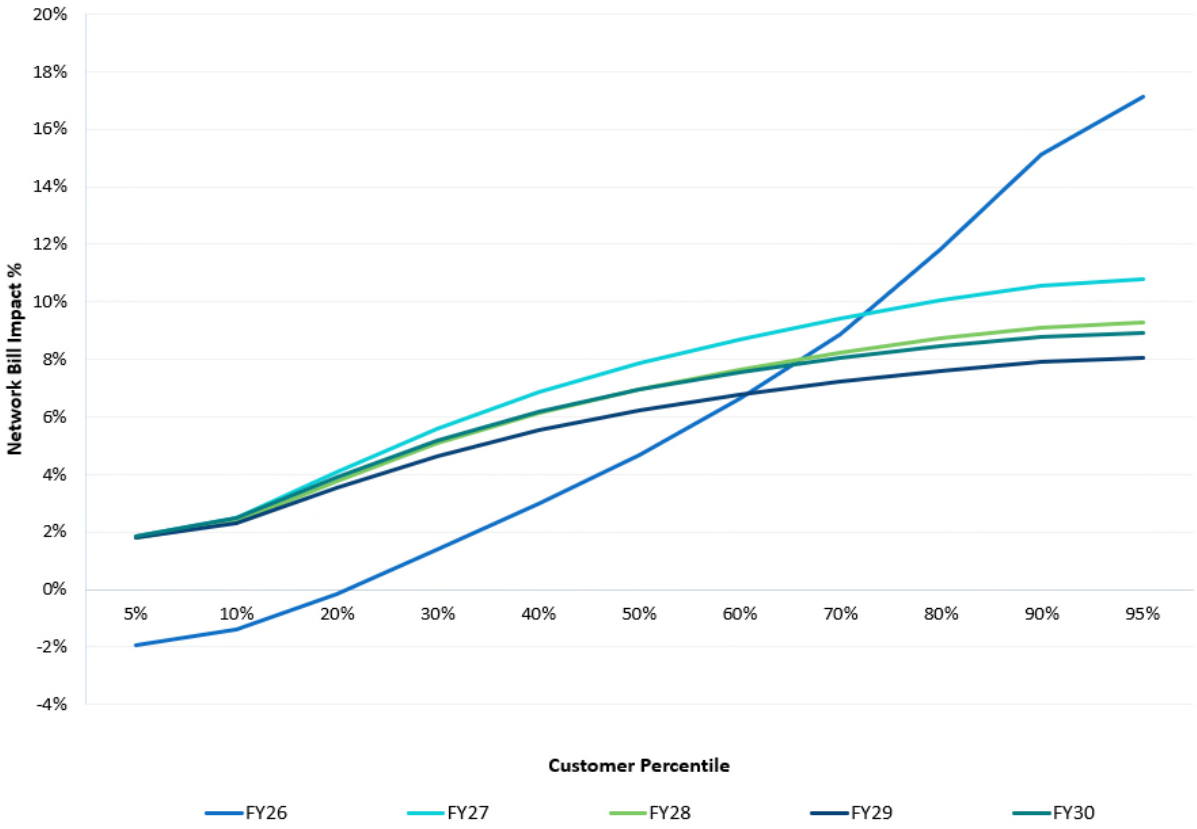
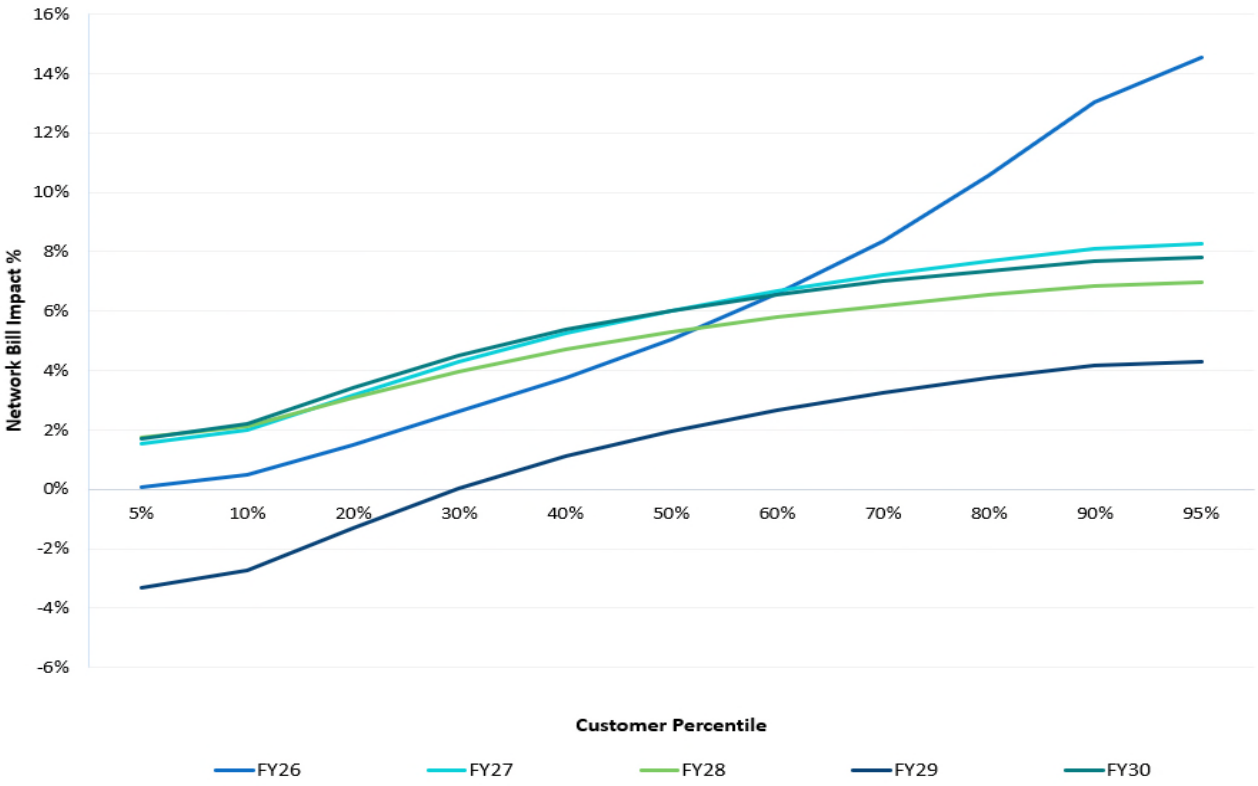


Figure 27 Small Business bill impact (NUOS) basic meter tariff by percentile – all years



5.3 Bill impacts for changing tariffs

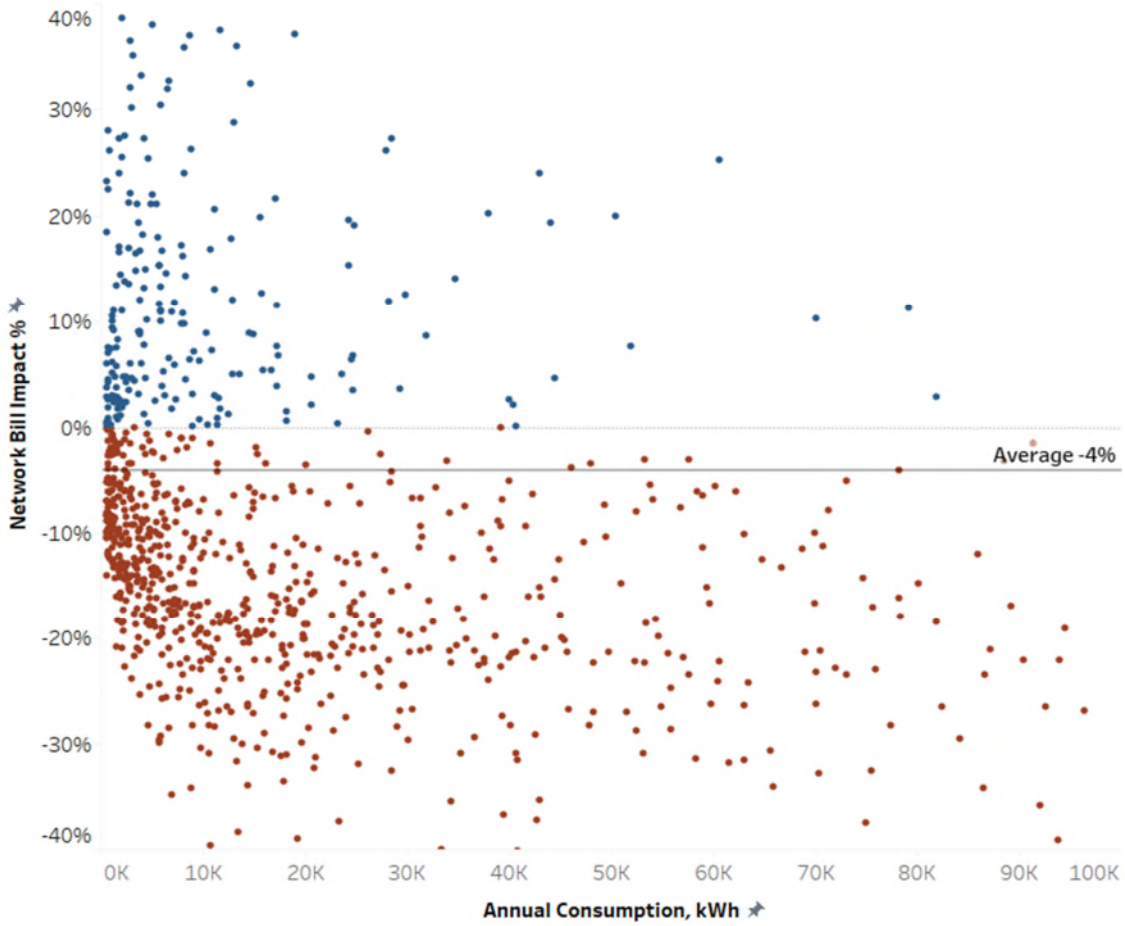
Network bill impacts for small business customers changing tariffs from 1 July 2025 are shown below. Tariff changes can be network or customer driven and can occur because of:

- changes in customers metering from basic to smart meter
- customers seeking to opt-in to the optional TOU Energy tariff
- exporting customers opting into the two-way tariff.

5.3.1 Inclining block tariff to Default tariff (2025-26)

Network bill impacts for customers changing from a basic meter tariff to the default tariff are presented in the figure below. While on average customers are expected to see a bill decrease as a result of a change to the default tariff from the basic meter tariff, individual customer impacts will vary depending on the customers load profile.

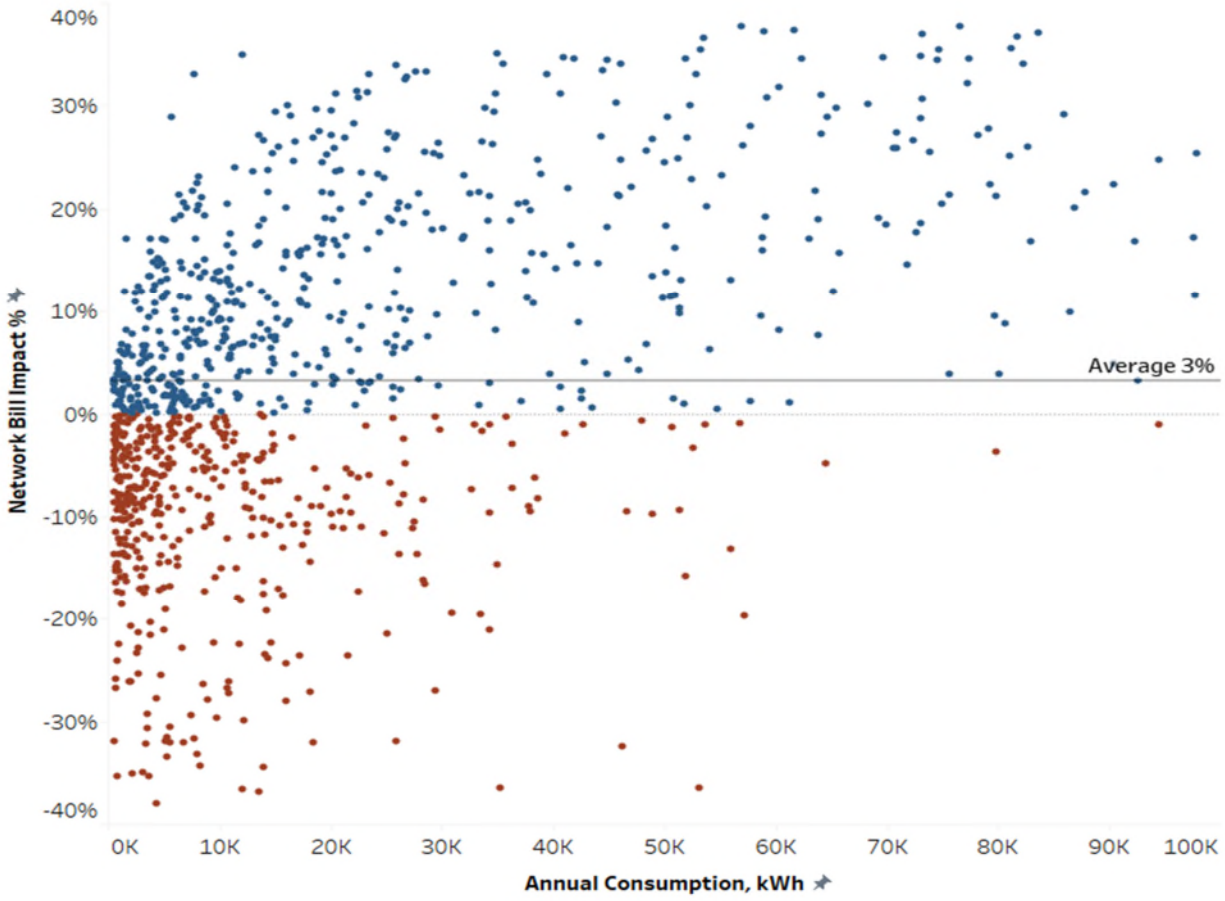
Figure 28 Small Business bill impact (DUOS only) basic meter to default 2025-26



5.3.2 Default tariff to optional TOU Energy tariff (2025-26)

Customers may be assigned to the small business TOU energy tariff upon request. Network bill impacts for customers requesting reassignment to the TOU Energy tariff from the default tariff is presented in the figure below.

Figure 29 Small Business bill impact (DUOS only) default to TOU Energy - 2025-26



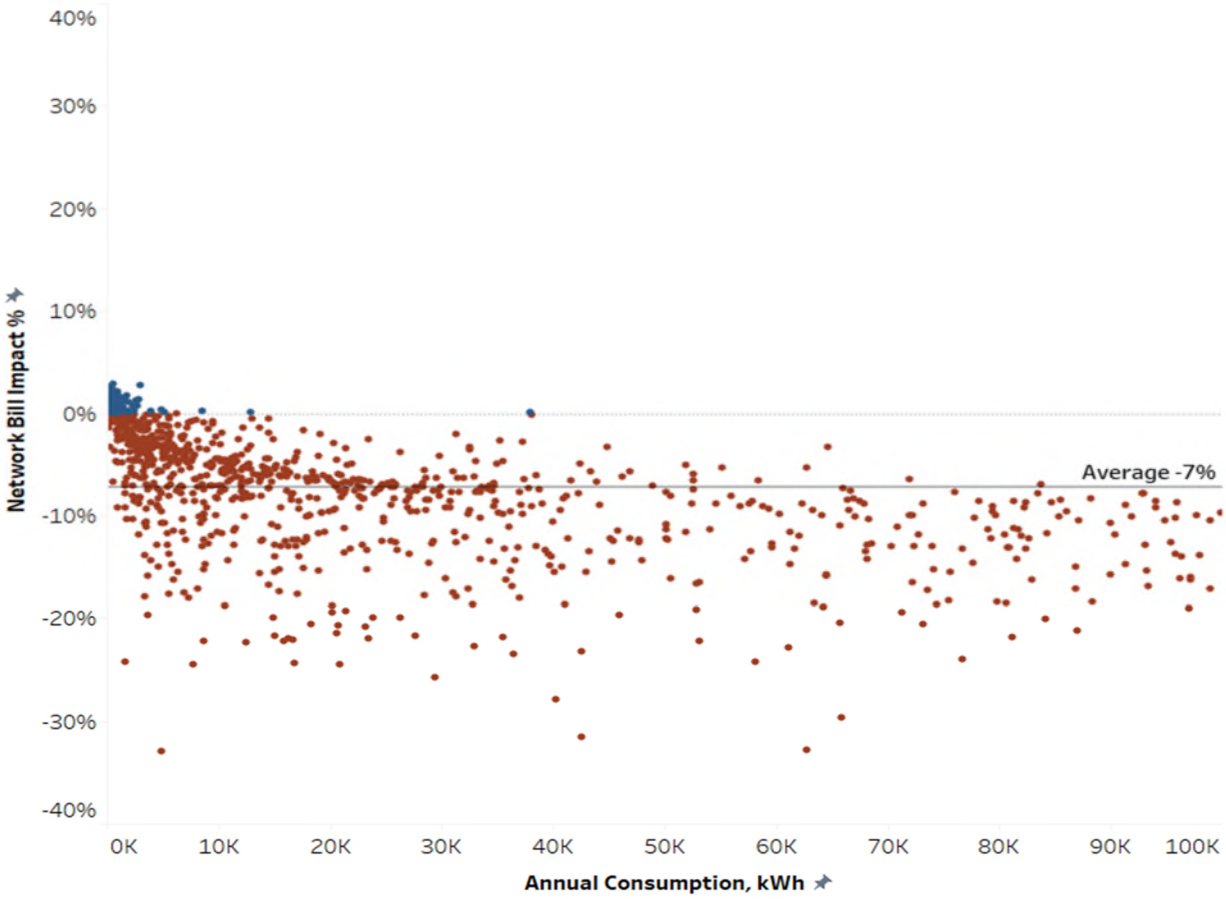
5.4 Bill impacts for withdrawn tariffs

Network bill impacts for customers who are reassigned from a withdrawn tariff are shown below. These impacts are only applicable to customers currently assigned to the tariffs to be withdrawn.

Most of the tariffs we will withdraw have been closed to new customers since 2020 and priced at a premium relative to our default tariffs. Therefore, the majority of customers who will be reassigned from these tariffs are expected to see a network bill decrease in 2025-26 as a result of the reassignment to the default tariff.

As there are currently no customers assigned to the three Transitional Network TOU Energy tariffs and these tariffs are closed to new customers, network bill impacts have not been modelled for these tariffs.

Figure 30 - Small Business bill impact (DUOS only) withdrawn Small Business Demand to default 2025-26



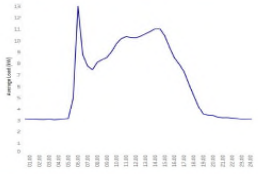
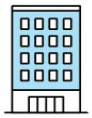
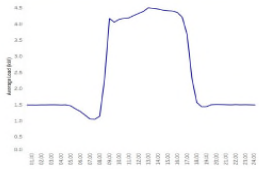
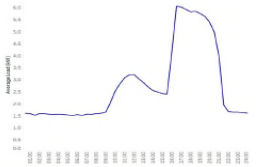
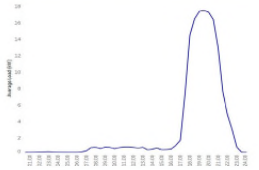
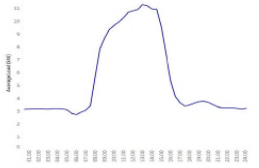
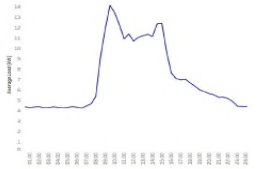
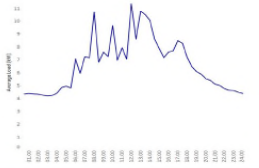
5.5 Persona Impacts

Small business customers have an even greater diversity of usage and usage profile than residential customer. Significant variations occur even within different customer categories, depending on the type of industry they operate in. We have found it difficult to find common profiles even within ANZIC codes or business segments.

Nevertheless, our Network Pricing Working Group was keen to ensure that example customers were used were possible to provide some indication of impact from tariff changes. In response to this request, we prepared impact analysis using small business personas based on identified customers in our network area. The impact of our proposed default tariff structure changes on these customer personas is summarised below.

The personas illustrate the benefits that the proposed changes to our default tariff are expected to provide to customers who consume more electricity during the lower priced mid-day period.

Figure 31 Small Business bill impact - customer persona - 2025-26

CUSTOMERS		Energy consumption pattern	FY25 Network distribution bill per annum	FY26 Network distribution bill per annum
Manufacturing with retail 	Majority of energy usage during the day, peak demand early in the morning		$3,610	$3,747
Office 	Energy usage spread over the day during business hours		$1,622	$1,777
Restaurant 	Operates in the afternoon and evening		$2,284	$2,298
Sports club 	Majority of usage in the evening with electricity demand is high		$3,028	$3,993
School without solar 	Large usage during midday when demand on the network is low		$3,028	$2,969
School with solar 	Large usage during midday when demand on the network is low		$4,279	$4,636
Nut farm 	Demand fluctuates during the day		$6,746	$6,836
Strawberry farm 	Peak usage is in the evening when electricity demand is high		$1,807	$2,182

Diverse load profiles and energy consumption patterns – no 'standard' or 'typical' customer

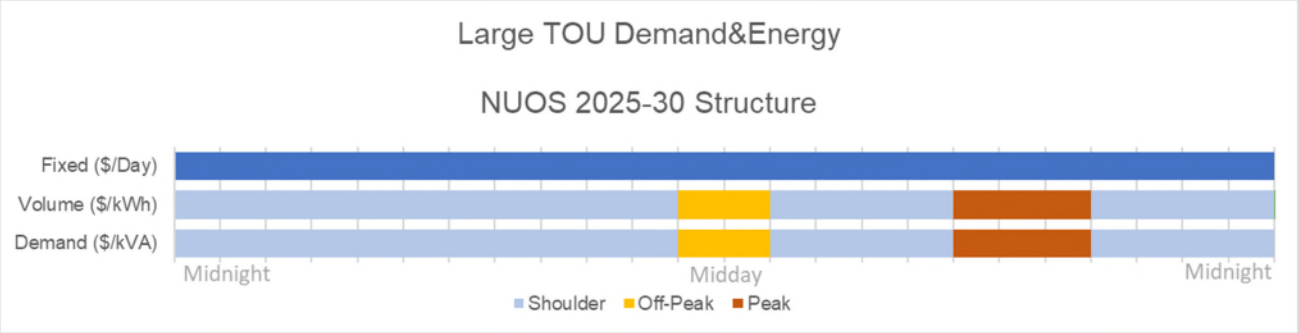
6 LARGE LOW VOLTAGE CUSTOMERS

6.1 Changes to tariffs

6.1.1 Changes to default tariff structure

From 1 July 2025 all smart meter customers consuming over 100MWh and not on the current Large Business Primary Load Control Tariff will be assigned to the Large ToU Demand and Energy tariff. This is the default tariff for all customers consuming over 100MWh from 1 July 2025. The structure for the Large TOU Demand and Energy tariff is show in Figure 32 33 below:

Figure 32 33 – Large TOU Demand and Energy tariff (next period)



This tariff replaces LV Demand Time of Use Tariff (7200). All customers on the existing Small Demand and Large Demand Tariffs will also be re-assigned to the default tariff.

Customers assigned to the Large TOU Demand and Energy tariff may be re-assigned to the Demand Small tariff upon application. The Large Business Primary Load Control tariff remains an optional tariff. Customers may be assigned to this primary tariff upon request.

6.1.2 Proposed new tariffs

During the 2025-30 regulatory control period we will introduce the following new large low voltage tariffs:

- Secondary Two-way tariff available from 1 July 2026 as an optional tariff and from 1 July 2028 as the default tariff for exporting customers, and
- Large Dynamic Storage tariff available from 1 July 2025 as an optional tariff.

Customers meeting the criteria for dynamic storage tariffs may also be assigned to this tariff upon request.

6.1.3 Withdrawn tariffs

We will withdraw the following large low voltage tariffs at the end of the TSS period:

Table 5 – Large Business Low Voltage Tariffs that will be withdrawn at the end of the current TSS period

Network Tariff	Reassigned To
Demand Medium (NTC DMT)	Large TOU Demand and Energy (NTC LTOUD) on 1 July 2025
Demand Large (NTC DLT)	Large TOU Demand and Energy (NTC LTOUD) on 1 July 2025
SAC Seasonal Time-of-Use Demand (NTC STOUD)	Large TOU Demand and Energy (NTC LTOUD) on 1 July 2025
Large Residential Energy (NTC REST)	Residential Inclining block (NTC 8400) first meter read post 1 July 2025

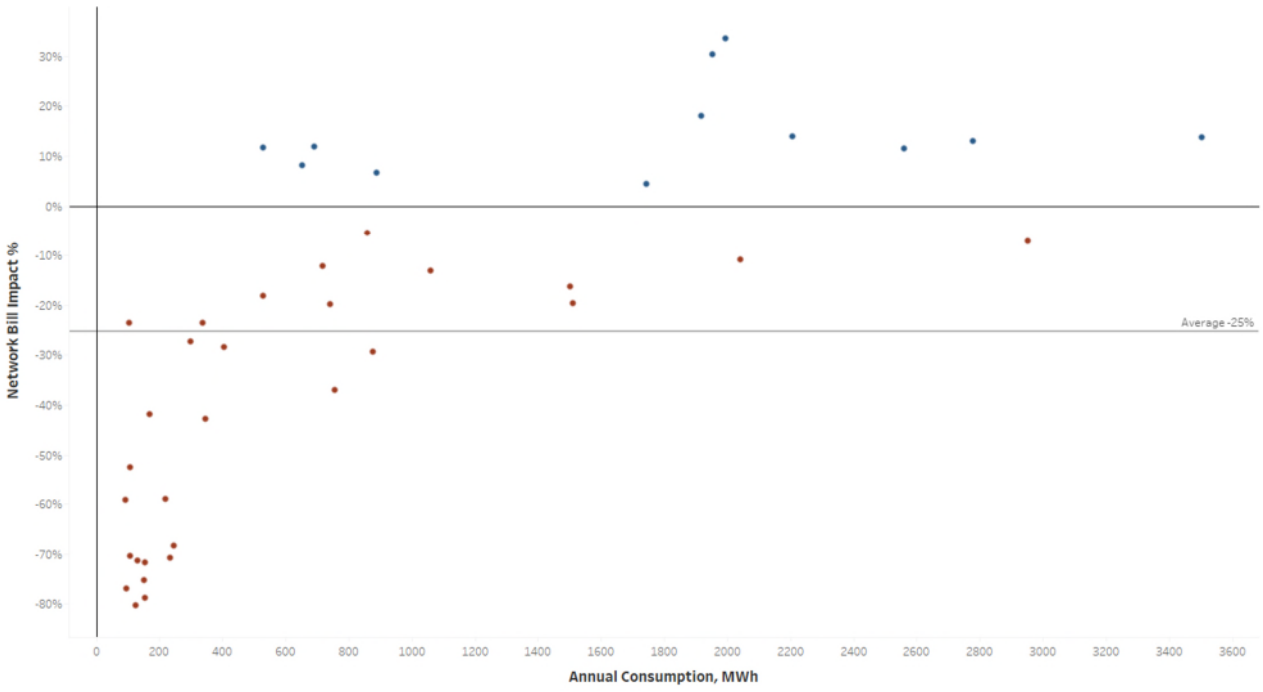
6.2 Bill Impacts for current tariffs

Annual network bill impacts for customers who remain on their existing tariffs which are continuing into the 2025-30 regulatory control period are presented below.

6.2.1 Default Large TOU Demand and Energy Tariff (2025-30)

From 1 July 2025 we propose to reassign all smart meter large low voltage customers to the default Large TOU Demand and Energy tariff. The network bill impacts for customers currently on the default Large TOU Demand and Energy tariff and transitioning to the modified version of this default tariff on 1 July 2025 are presented in the figure below.

Figure 34 Large business bill impact (DUOS only) default tariff – 2025-26

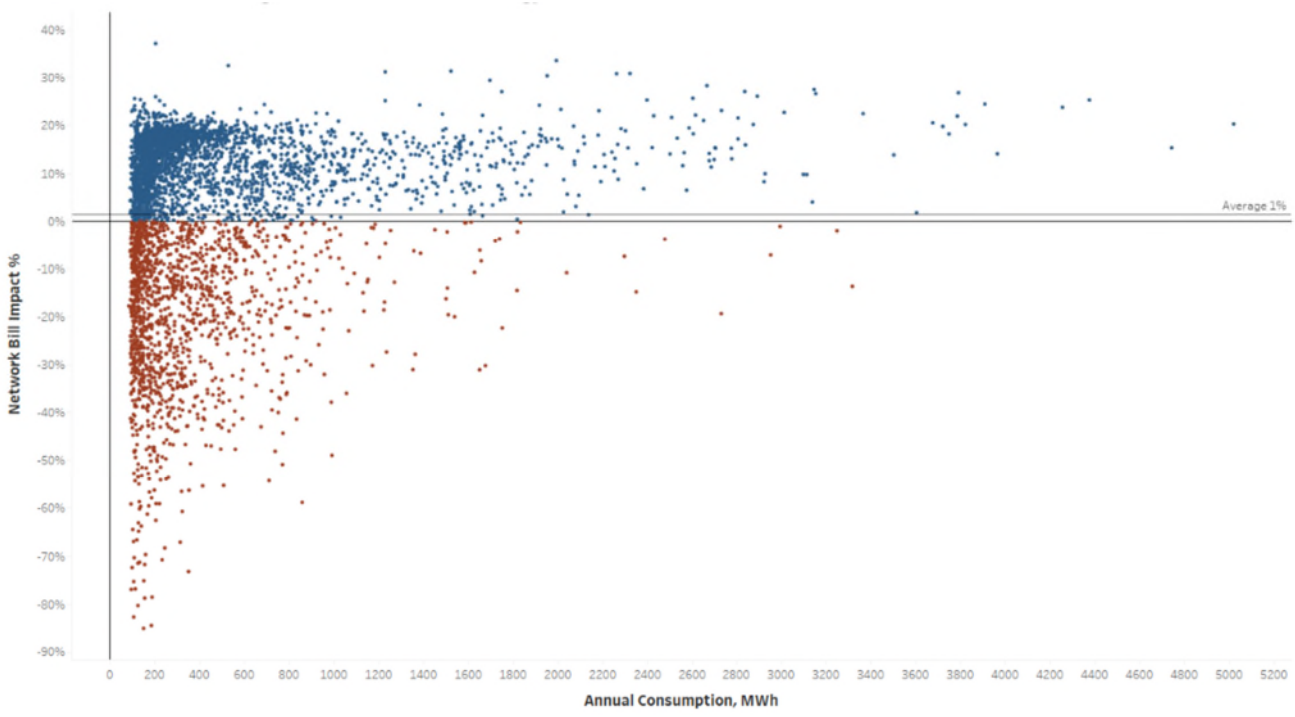


We note that there are currently only a few customers on the Large TOU Demand and Energy tariff.

On 1 July 2025 we propose to reassign all smart meter large low voltage customers to the default Large TOU Demand and Energy tariff. Network bill impacts for a large representative sample of all customers transitioning to the default Large TOU Demand and Energy tariff from 1 July 2025 is provided below.

These bill impacts are a result of changes to the tariff structure and tariff reassignment, in addition to changes in revenue and forecast quantities (i.e., energy consumption, customer numbers and demand).

Figure 35 Large business bill impact (DUOS only) legacy tariffs to default tariff – 2025-26



Customer impacts vary and are not necessarily linked to consumption. An analysis of bill impacts by percentile across all years suggests the one-off change in the first year of the period is followed by normalised bill impacts in remaining years.

Annual network bill impacts for 2025-30 for customers on the default Large TOU Demand and Energy (previously known as LV TOU Demand) tariff shown in the figure below.

Figure 36 Large business bill impact (DUOS) default tariff by percentile – all years

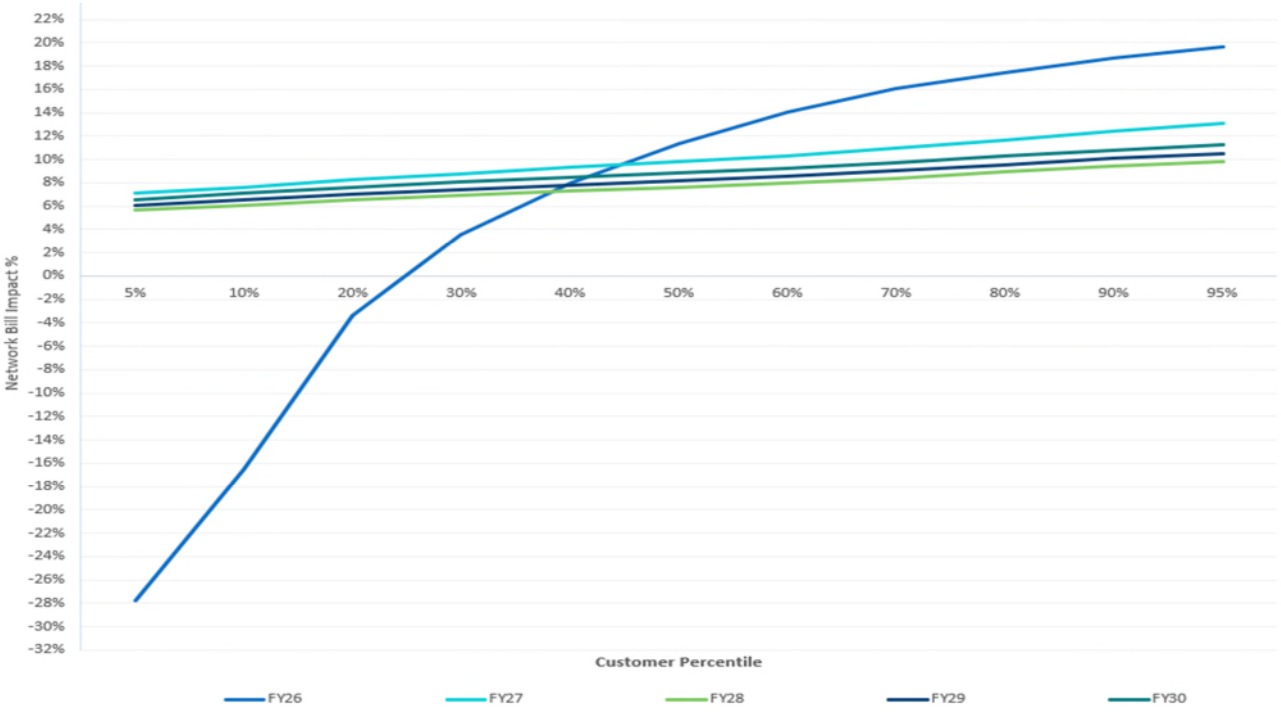
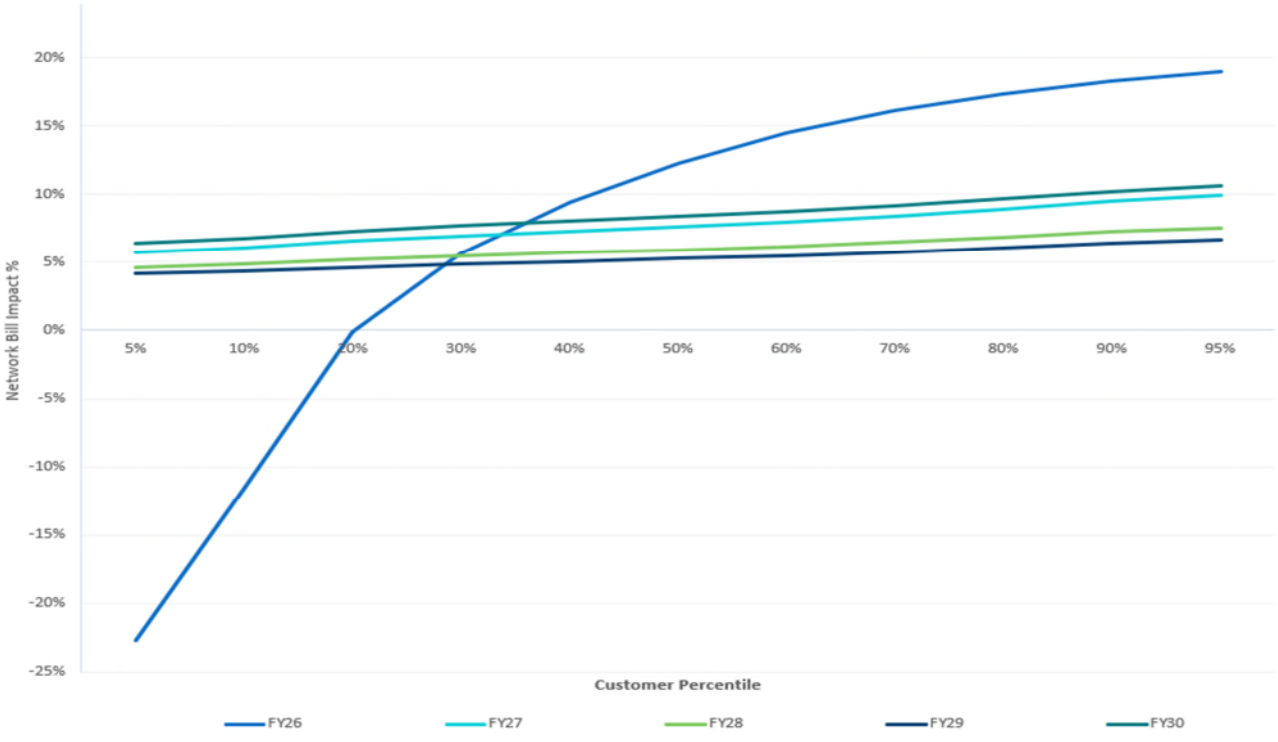


Figure 37 Large business bill impact (NUOS) default tariff by percentile – all years



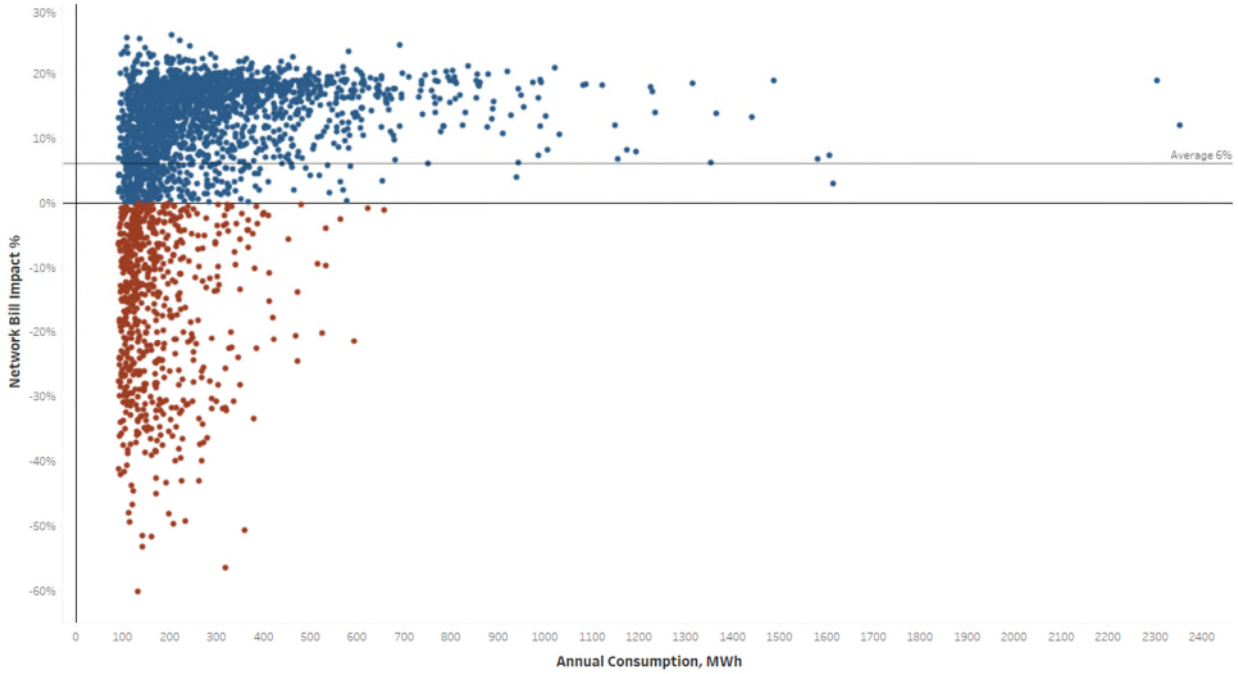
6.3 Bill impacts for changing tariffs

Network bill impacts for customers changing tariffs during 2025-30 are shown below.

6.3.1 Demand Small to Default tariff (2024-25 to 2025-26)

Network bill impacts for customers currently on the Demand Small tariff and transitioning to the default tariff on 1 July 2025 are presented below. In accordance with our 2025-30 TSS, we propose to reassign all customers from Demand Small to the default tariff on 1 July 2025.

Figure 38 Large business bill impact (DUOS only) Demand Small tariffs to default tariff – 2025-26

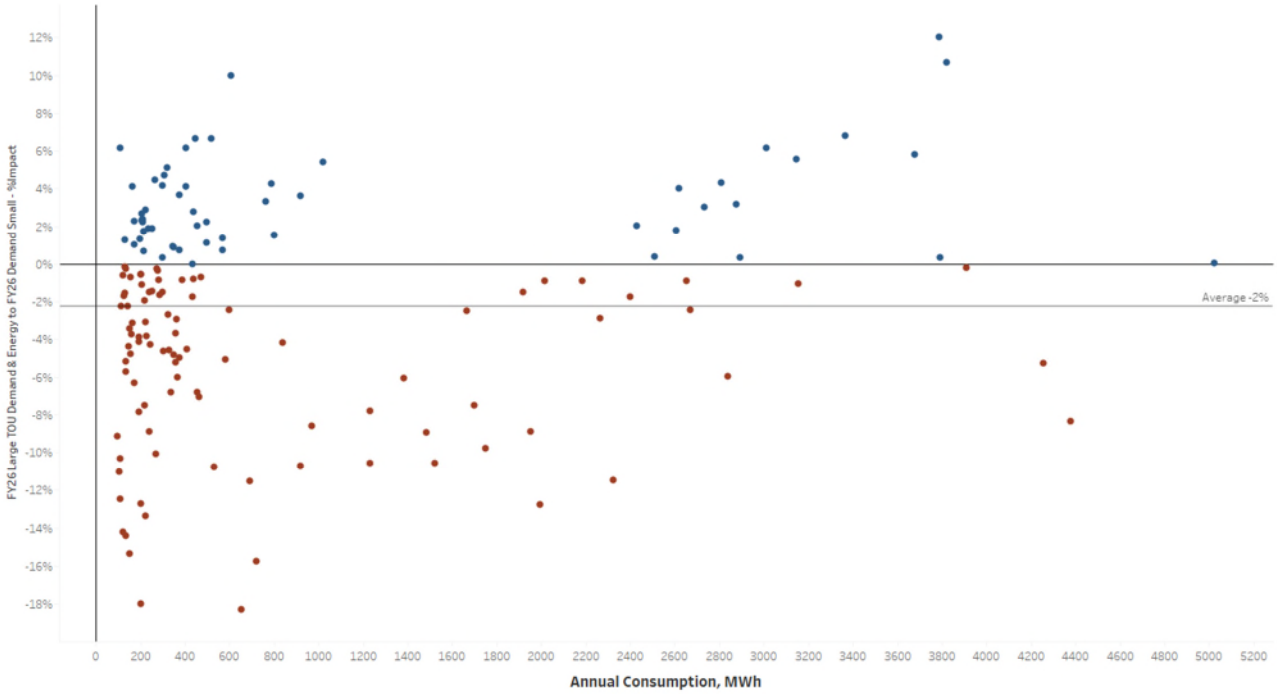


6.3.2 Default tariff to Demand Small (2025-26)

Customers assigned to the Large TOU Demand and Energy tariff may be re-assigned to the Demand Small tariff upon application. A retail customer may apply to assign the customer to the Demand Small tariff prior to the 1 July 2025 assignment date. We have continued the demand small legacy tariff to manage customer impact. Customers impacted by moving to a more cost reflective tariff are allowed to revert to a legacy tariff to manage this impact.

We have analysed the impact of customers with a network bill increase greater than 20% when moving to the default tariff in 2025-26. Around half these customers will be able to reduce their bill impact should they opt out to the demand small tariff. This is shown in the figure below:

Figure 39 Large business bill impact (DUOS only) default tariff to Demand Small – 2025-26



6.4 Bill impacts for withdrawn tariffs

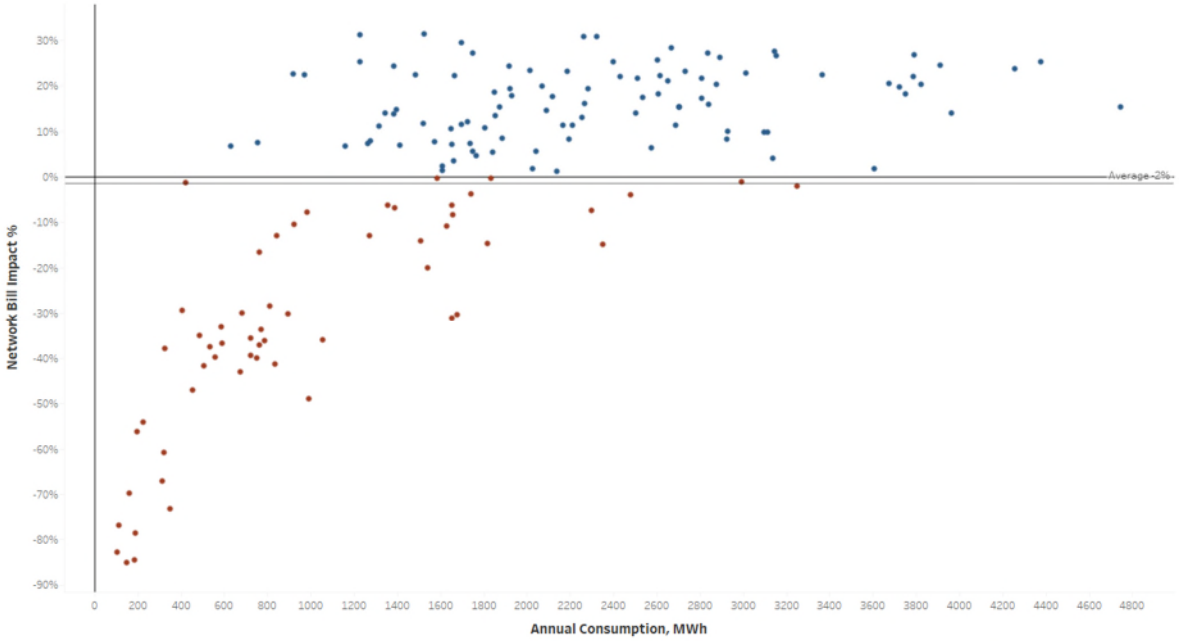
Network bill impacts for customers who will be reassigned from a tariff we are proposing to withdraw are shown below. These impacts are only applicable to customers currently assigned to the tariffs to be withdrawn.

We note that there are currently no customers on the Large Residential Energy (NTC REST) tariff, therefore network bill impact assessment has not been provided for this tariff.

6.4.1 Demand Large to Large TOU Energy and Demand tariff (2024-25 to 2025-26)

Network bill impacts for Demand Large customers who will be reassigned to the default Large TOU Energy and Demand tariff is shown in the figure below.

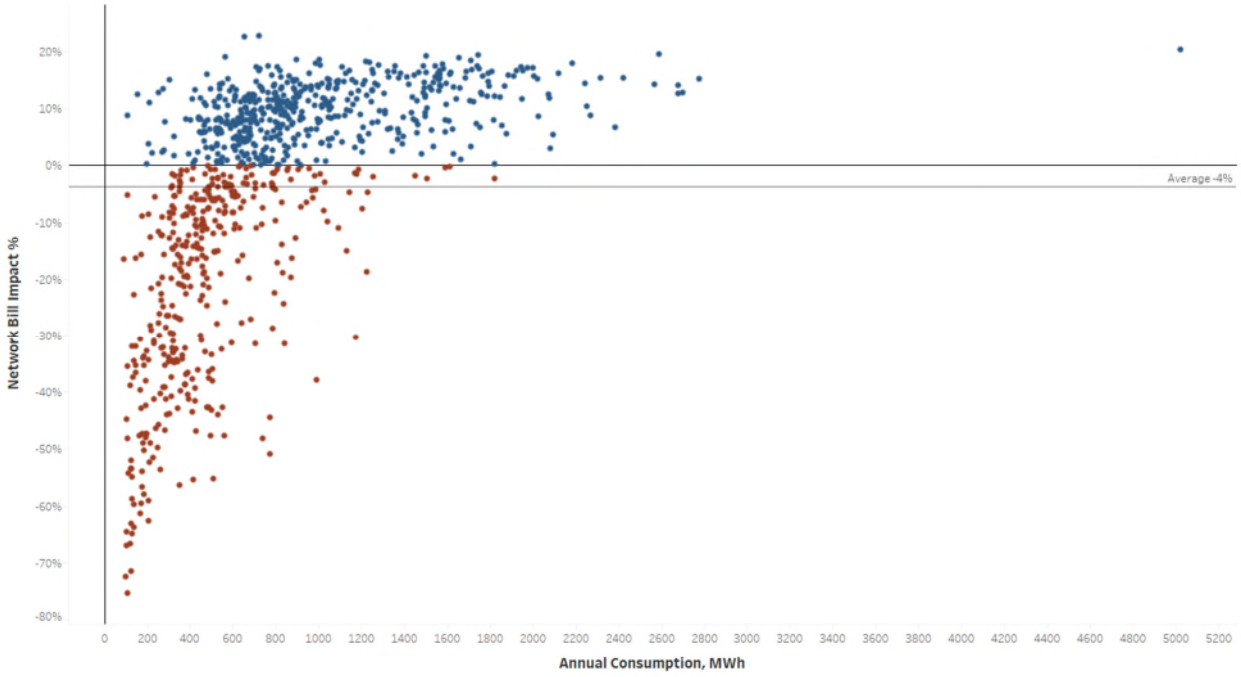
Figure 40 Business bill impact (DUOS only) Demand Large to default tariff – 2025-26



6.4.2 Demand Medium to Large TOU Energy and Demand tariff (2024-25 to 2025-26)

Network bill impacts for Demand Medium customers moving to the default Large TOU Energy and Demand tariff are presented in the figure below.

Figure 41 Business bill impact (DUOS only) Demand Medium to default tariff – 2025-26

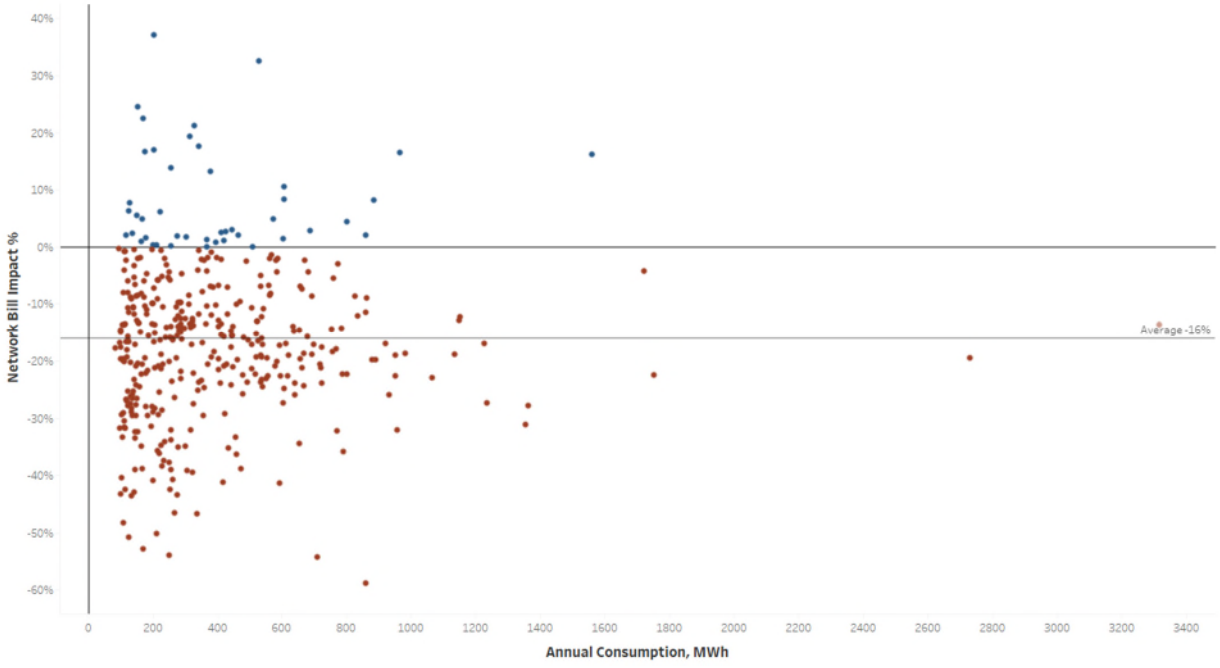


6.4.3 STOUD to Large TOU Energy and Demand tariff (2024-25 to 2025-26)

Network bill impacts for customers currently on the grandfathered STOUD tariff moving to the default Large TOU Energy and Demand tariff are presented in the figure below.

The STOUD tariff has been closed to new customers since 2020 and priced at a premium relative to our default tariffs, therefore majority of customers who will be reassigned from this tariff are expected to see a network bill decrease in 2025-26 as a result of the reassignment to the default tariff.

Figure 42 Business bill impact (DUOS only) Demand Medium to default tariff – 2025-26



7 HIGH VOLTAGE CUSTOMERS

7.1 Changes to tariffs

We are not proposing any changes to the existing default CAC tariffs and our ICC tariff from the current 2020-25 tariff arrangements.

7.1.1 Proposed new tariffs

During the 2025-30 regulatory control period we propose the following new high voltage tariffs:

- CAC HV Bus TOU Demand
- CAC HV Bus TOU Demand, and
- Two CAC Dynamic Storage tariffs.

These tariffs will be available from 1 July 2025 as optional tariffs.

7.1.2 Withdrawn tariffs

From 1 July 2025 we propose to withdraw the following high voltage tariffs (CAC seasonal tariffs):

Table 6 – High Voltage Tariffs that will be withdrawn at the end of the current TSS period

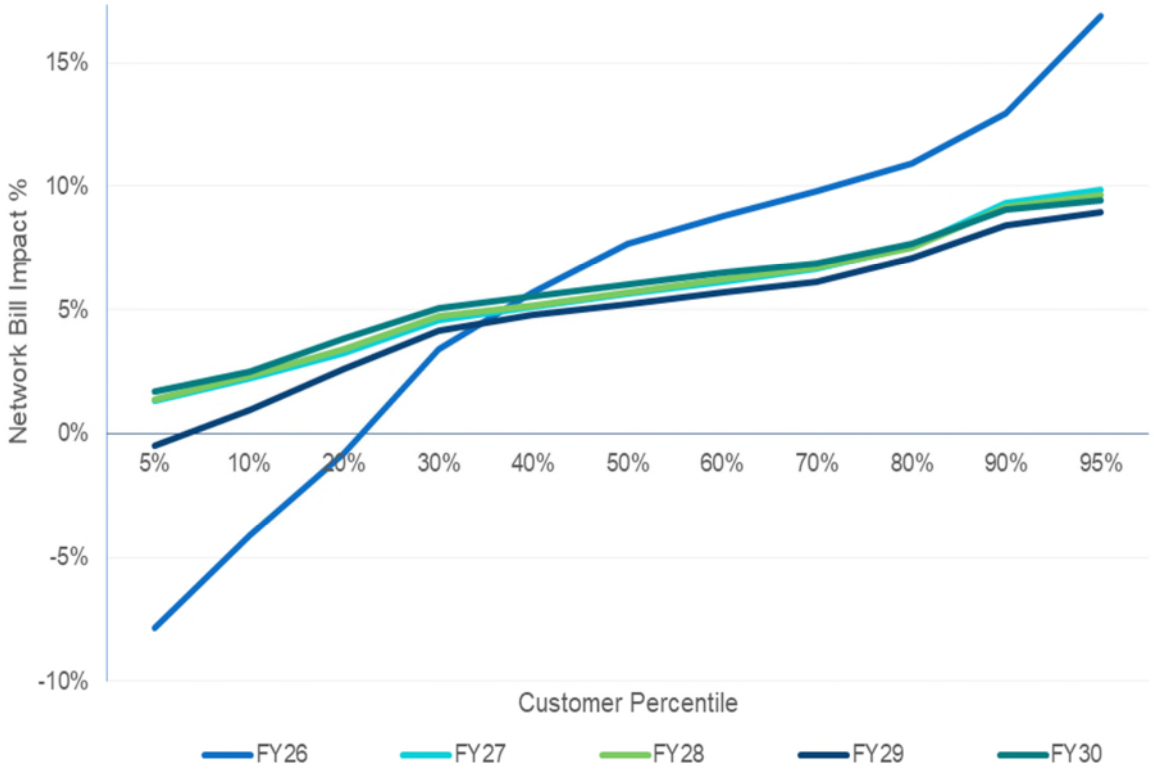
Network Tariff	Reassigned To
Seasonal TOU Demand 11 or 22kV Bus (NTC C22BTOUT)	C22B on 1 July 2025
Seasonal TOU Demand 11 or 22kV Line (NTC C22LTOUT)	C22L on 1 July 2025
Seasonal TOU Demand 33 or 66kV (NTC C66TOUT)	C66 on 1 July 2025

7.2 Bill impact for default tariffs

7.2.1 CAC tariffs (2025-30)

Annual network bill impacts for 2025-30 for customers currently on the default CAC anytime tariffs are presented below.

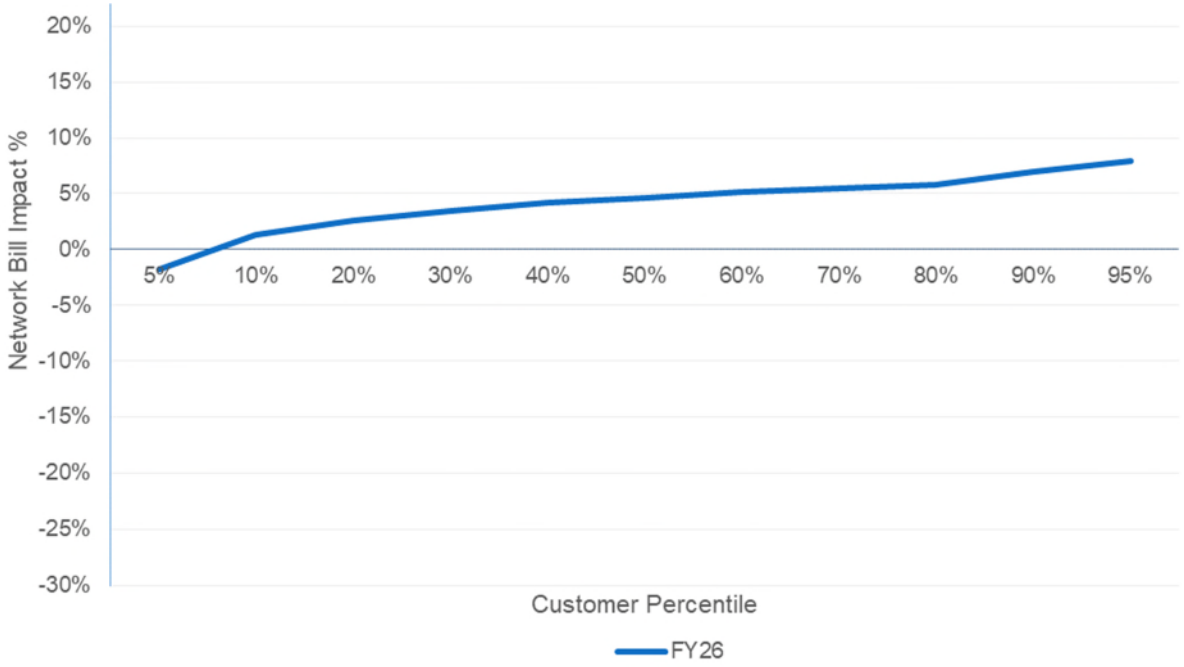
Figure 43 CAC bill impact (NUOS) default tariff by percentile – all years



7.2.2 ICC tariff (2024-25 to 2025-26)

As ICC tariffs are confidential, we are not able to include a customer specific impact analysis. However, general trends in ICC customer impacts between 2024-25 and 2025-26 are presented below.

Figure 44 ICC bill impact (NUOS) default tariff by percentile – 2025-26

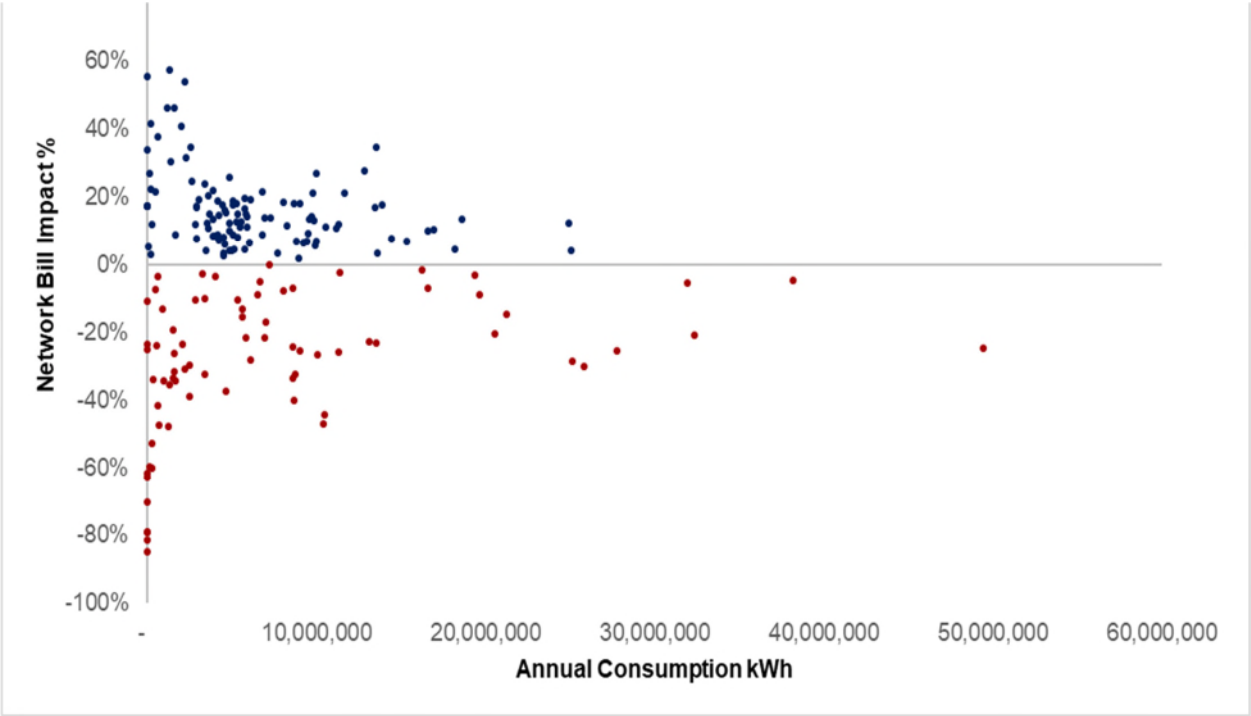


7.3 Bill impact for changing tariffs

Network bill impacts for customers seeking to opt-in to the new CAC HV Bus or Line TOU Demand tariffs are shown below. These new tariffs will be available from 1 July 2025.

7.3.1 Default tariff to optional TOU Demand tariff (2025-26)

Figure 45 CAC bill impact (NUOS) default tariff to optional TOU Demand – 2025-26



Based on the indicative NUOS prices and estimated quantities, approximately 23% of all CAC customers are expected see a decrease in their network bill if they chose to opt-in to the TOU Demand tariff during 2025-26.

7.4 Bill impacts for withdrawn tariffs

Network bill impacts for customers who will be reassigned from a tariff we are proposing to withdraw are shown below. These impacts are only applicable to customers currently assigned to the tariffs to be withdrawn.

7.4.1 CAC seasonal tariffs to default tariff (2024-25 to 2025-26)

As there are currently only six customers assigned to the CAC seasonal tariffs, we have modelled the network bill impacts for each customer. Based on the indicative NUOS prices and estimated quantities, and the average impact customer impact from reassignment to the default CAC tariff is a reduction in network bill charges of 14% in 2025-26 compared with 2024-25.