Tariff Structure Statement

In support of the Regulatory Determination Proposal 2025-30

November 2024

2025 Regulatory Determination Project

energex
Part of Energy Queensland

Contact details

Manager Network Pricing & Tariffs

PO Box 1090, Townsville QLD 4810
Level 6, 420 Flinders Street, Townsville QLD 4810
www.energyq.com.au

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Contents

1 INTRODUCTION AND OVERVIEW

1.1 Introduction and Overview

This Tariff Structure Compliance Statement (TSS) is submitted to the Australian Energy Regulator (AER) in accordance with the requirements of the National Electricity Rules (NER). The primary purpose of the TSS is to explain tariff structures and assignment arrangements for the next regulatory control period and demonstrate our compliance with the NER, the AER's Export Tariff Guidelines and the AER's Final Distribution Determination for the 2025-30 regulatory control period.

Our Tariff Structure Explanatory Statement (Explanatory Statement) provides further detail on our changes to tariff structures and assignment arrangements from 1 July 2025, including the drivers of change, customer preferences and input and specifies how the changes meet the pricing principles among other requirements in the NER.

Revisions have been made to our Initial TSS to address matters raised by the AER's Draft Distribution Determination.

Once approved, the TSS will remain in place for the regulatory period 1 July 2025 to 30 June 2030.

1.2 Assumptions and contingent tariff adjustments

Changes to the TSS resulting from events that occur beyond our reasonable control and could not have been reasonably foreseen at the time of writing will require relevant stakeholder consultation and AER approval.

A contingent tariff adjustment relates to a change to a tariff or tariff parameter if a predefined event is triggered during the period and warrants change to the tariff or parameter. Under a contingent tariff adjustment, changes would be made through the annual Pricing Proposal process subject to the AER's approval.

The following contingent triggers will apply in the 2025-30 regulatory control period:

- Adapting the TOU charging windows for residential customers. The contingent trigger would allow changes to the TOU charging windows in either of the following 2 circumstances:

  1) the beginning or end of the peak window being adjusted by no more than one hour if:
     - Energex can demonstrate the observed system peak maximum demand in a 12 month period preceding the date of lodgement of the annual pricing model occurs outside the current TOU peak charging window.
     - that peak demand outcome was not caused by what Energex considers to be an anomalous event.
  2) the beginning of the off-peak (solar sponge window) being increased (bought forward) by no more than two hours if:
     - Energex can demonstrate a material (5% or more) reduction in total residential energy consumption in the window adjacent to the off peak window (to a maximum of 2 hours) in a 12 month period preceding the date of lodgement of the annual pricing model.

  The introduction of this contingent trigger will be subject to consultation with our Customer Community Council and other consultation groups.

- Introduction of SAC – Dynamic Price Storage tariff and CAC – Dynamic Price Storage tariffs:

  - Energex's TSS includes two sub-threshold tariffs for low voltage and high voltage storage customers: SAC – Dynamic Price Storage tariff and CAC – Dynamic Price Storage tariff.
  - Energex will introduce these two subthreshold tariffs into the TSS as full tariffs if Energex is capable of billing these tariffs.

- Change to small business customer definition:
  - Amendments in regulation may change the definition of small customer (currently less than 100MWh per annum) during the 2025-30 regulatory control period.
  - If such a change in the consumption threshold for determining whether business customers are small or large in the National Energy Retail Regulations[1] is triggered, this change would be reflected in the TSS, tariff eligibility and assignment criteria for SAC Small business customers and SAC Large customers and, included in the annual Pricing Proposal for the financial year following such a change.

- Bringing forward the introduction of the Residential and Flexible Load tariffs from 1 July 2028 to either 1 July 2026 or 1 July 2027 through the annual Pricing Proposal process:
  - The contingent trigger for bringing forward the introduction of the Flexible Load tariffs will be system capability to integrate the flexible load connection arrangements and billing systems.

1.3 Outline of Tariff Structure Statement

The following sections outline how our tariffs and assignment arrangements for direct control services comply with relevant provisions of the NER:

- Section 2 describes our standard control services tariff classes and our methodology for assigning retail customers to those tariff classes.
- Section 3 provides a description of all the tariffs that apply to standard control services.
- Section 4 outlines our policies and procedures for assigning customers to tariffs and reassigning customers between tariffs, highlighting key changes from 1 July 2025.
- Section 5 explains our standard control services tariff structure setting methodology and how our approach complies with the pricing principles.
- Section 6 describes our transition strategy for implementing export (two-way) pricing.
- Section 7 provides information on alternative control services including assignment arrangements, tariff structures and charging parameters and how our tariffs and assignment arrangements comply with the pricing principles.
- Appendix A includes further information on our tariff structures.
- Appendix B details the procedures for customers objecting to a tariff or tariff class assignment.

[1] National Energy Retail Regulation-Reg 7, (austlii.edu.au), (retrieved 7 November 2024).

2 STANDARD CONTROL SERVICES TARIFF CLASSES AND ASSIGNMENT

This section sets out:

- the tariff classes for standard control services that will apply to retail customers, and
- the procedures we will apply when assigning retail customers to tariff classes.

2.1 Tariff Classes

The NER defines a tariff class as a class of retail customers for one or more direct control service who are subject to a particular tariff or particular tariffs.[2] All retail customers who take supply from us for direct control services are members of at least one tariff class.

We establish tariff classes based on customer use, voltage and nature of connection. This ensures retail customers are grouped together on an economically efficient basis and to avoid unnecessary transaction costs.

For standard control services, we continue to use network tariff classes applying in the 2020-25 TSS with minor changes and clarifications to the descriptions of some classes. Table 1 outlines the relevant tariff classes for our network.

Table 1 - Network Tariff Class Definitions

Tariff Class	Eligible Customers
Standard Asset Customers (SAC)	Customers connected at Low Voltage are classified as SAC. Customers allocated to the SAC tariff class include residential customers, small to medium businesses and unmetered supply customers.
Connection Asset Customers (CAC)	Customers coupled to the network voltage from 11kV who are not allocated to the ICC tariff class are allocated to the CAC tariff class.
Individually Calculated Customers (ICC)	Customers are allocated to the ICC tariff class if they are coupled to the network at 33kV or above.

2.2 Tariff Class Assignment

To comply with the NER, our process for tariff class assignment ensures no retail customer can take supply without being assigned to a tariff class. For the purposes of this TSS, a customer is defined as a single National Meter Identifier (NMI).

Assignment of existing retail customers to a tariff class at the start of the 2025-30 period

1. Existing customers will be taken to be assigned to the customer class in which their existing network tariff sits prior to 1 July 2025, if:
    a. they were a customer prior to 1 July 2025, and
    b. they continue to be a customer as of 1 July 2025.

[2] National Electricity Rules: Chapter 10 Glossary

Assigning new retail customers to a tariff class during the period

2. New retail customers are those customers who have connected to the network for the first time. Following an initial network tariff class assignment, they are considered existing customers.

Reassigning existing retail customers to a tariff class during the period

3. Where an existing retail customer's load characteristics or connection characteristics (or both) are no longer appropriate for that customer to be assigned to the tariff class to which the customer is currently assigned, or a customer no longer has the same or materially similar load or connection characteristics as other customers on the customer's existing tariff, then we may reassign that customer to another tariff class.

Factors in determining the assignment of new retail customers or reassignment of existing retail customers

4. In determining the tariff class to which a retail customer or potential retail customer will be assigned, or reassigned, we will consider one or more of the following factors:
    a. The nature and extent of the customer's usage.
    b. The nature of the customer's connection to the network.

    We assign or reassign a retail customer to a tariff class on the basis that customers with a similar connection and distribution service usage profile should be treated on an equal basis.

Notification of a tariff class assignment for new retail customers or reassignment for existing retail customers

5. A notification of a tariff class or tariff assignment or reassignment will include a copy of our internal assignment/reassignment review procedures (or the link to where such information is available on our website).

    The notification will include the following advice:
    a. That the customer may request further information from us.
    b. If not satisfied, the customer may object to the tariff class assignment or reassignment and request a review.
    c. If not satisfied with the outcome of the review, other avenues for resolution, including:
        i. for SAC customers – to the extent that resolution of the dispute is within the jurisdiction of the Energy and Water Ombudsman Queensland, the customer is entitled to refer the matter to such a body, and
        ii. for CAC and ICC customers – the customer is entitled to refer the matter to the Department of Natural Resources, and Mines, Manufacturing and Regional and Rural Development for resolution.
    d. If the dispute is still not resolved to the customer's satisfaction, the customer is entitled to seek resolution via the dispute resolution process available under Part 10 of the National Electricity Law and enforced by the AER.

Objection to a tariff class assignment

6. The objection process for a tariff class assignment is the same as for a tariff assignment and is described in Appendix 2 of our TSS.

3 NETWORK TARIFF STRUCTURES AND CHARGING PARAMETERS

3.1 Overview

This section summarises the type of tariffs relevant to standard control services. Retail customers assigned to a particular tariff class will be assigned one of the tariffs below relevant to their tariff class. Our approach to assigning customers to tariffs is outlined in Section 4.

3.1.1 Network tariffs and tariff structures

The network tariff relates to the combination of charges applied to each customer representing their contribution to the costs we recover from all customers. A tariff structure is made up of several different tariff components or charging parameters. Common charging parameters include fixed daily charges, volume charges (applied to the amount of energy used over a period) and demand charges (usually applied to an observed maximum demand in a specified time window). There are variations to the charging parameters relating to each tariff.

Any structural change will result in changes to individual prices and inevitably positive and negative impacts to different customers. When making changes to our structures we recognise that network tariffs are expected to be capable of being reasonably understood and should promote efficient usage.

3.1.2 Primary and Secondary Tariffs

All customers are assigned to a primary tariff. For some tariff classes, optional primary tariffs may be available. Secondary tariffs may apply in addition to the customer's primary tariff depending on the nature of the customer's connection. Customers may be assigned to one or more secondary tariffs or may be reassigned out of a secondary tariff upon request depending on the nature of the connection and the options available.

3.1.3 Network Tariff Status

A network tariff may have one of the following statuses:

- Open – The tariff is available to new and existing customers.
- Closed – Customers not assigned to the network tariff as of 30 June 2025 cannot access this network tariff (previously known as grandfathered).
- Withdrawn – The tariff is no longer available (previously known as retired). Customers are reassigned according to tariff reassignment rules.

Customers assigned to a closed network tariff as of 30 June 2025 will remain on that tariff, unless connection arrangements warrant an alternative assignment or they are reassigned to another tariff upon request.[3]

Customers may be assigned to closed tariffs under the following conditions:

- Upon reassignment from SAC Small tariff to SAC Large tariff, customers with basic meters will be assigned to the default SAC Large basic meter network tariff.
- Upon reassignment from SAC Large tariff to SAC Small tariff, customers with basic meters will be assigned to the default SAC Small basic meter network tariff.

[3] Once reassigned, a customer will not be able to revert back to the closed tariff.

3.1.4 Default tariffs

In the absence of new customers requesting assignment to an available optional tariff, they will be assigned to a default network tariff depending on their attributes (including meter type, connection characteristics and customer type).

Table 2 provides a list of default tariffs that customers are assigned to:

Table 2 - Default Network Tariff Assignment

Tariff Class	Customer	Connection Characteristics	Default Network Tariff
SAC	Residential	Residential	Basic Meter – Residential Flat Smart Meter – Residential Time of Use (TOU) Energy
	Small Business	Below 100MWh per annum	Basic Meter – Small Business Flat Smart Meter – Small Business TOU Energy
	Large Business	Above 100MWh per annum	Basic Meter – Large Business Energy Smart Meter – Large TOU Demand & Energy
CAC	High Voltage	Bus Connected	11kV Bus
	High Voltage	Line Connected	11kV TOU Demand
ICC	ICC		ICC Tariff

Customers on an existing tariff are likely to remain on that tariff unless one of the following occur:

- A customer requests reassignment to another tariff (opt-in).
- The tariff that a customer is currently assigned to is withdrawn – a list of withdrawn tariffs is included in section 3.6. In this instance the customer will be assigned to the default tariff for that customer segment unless they request assignment to one of the optional tariffs available within their tariff class.
- A customer is assigned to a different tariff based on the assignment arrangements set out in this TSS.

Section 4 provides more details around how customers are assigned or reassigned to tariffs.

3.1.5 Common time periods in tariff structures

The following definitions of common time periods are provided below:

- Weekdays – Days of Monday to Friday. For the avoidance of doubt, this includes public holidays and bank holidays for state, regional and local.
- Weekends – Days of Saturday and Sunday. For the avoidance of doubt, this includes public holidays and bank holidays for state, regional and local.
- Daily – All days. For the avoidance of doubt, this includes public holidays and bank holidays for state, regional and local.
- Work Day – For legacy tariffs only, work days exclude government gazetted full day public holidays but include bank, regional and local holidays as well as part day gazetted public holidays (e.g. Christmas Eve).[4]

Time of use charging windows are defined for each network tariff.

[4] Applies only for CAC 11kV TOU Demand tariff (NTC7400)

3.2 Primary SAC Tariffs

The following section sets out the tariffs and underlying tariff structures for primary SAC network tariffs.

Broadly the SAC tariff class customer can be segmented into different groupings depending on their classification as a small or large customer under relevant legislation and the type of metering configuration at the connection point.

SAC customers are classified as Small or Large depending on their energy consumption.

- **SAC Small** – A small customer is defined as a residential customer, or a business customer with annual energy consumption up to 100 MWh.
- **SAC Large** – A large customer is defined as a business customer with annual energy consumption of 100 MWh or more.

The consumption threshold referred to above (i.e. 100 MWh per annum) for determining whether business customers are classified as Small or Large is defined in Regulation 7 of the National Energy Retail Regulations.[5]

Customers require a specified meter type to access certain tariffs.

- Basic meters are accumulation, or Type 5-6 meters. Basic meters are limited in their ability to measure all charging parameters and intervals.
- Smart meters are all forms of Type 1-4 meter capable of measuring usage in intervals.

3.2.1 Primary Tariffs for SAC customers

Table 3 and Table 4 list the primary tariffs for the SAC tariff class based on the classifications mentioned above. Appendix A provides further description of some of the SAC tariffs.

[5] National Energy Retail Regulation-Reg 7, (austlii.edu.au), (retrieved 7 November 2024)

Table 3 – SAC Network Tariffs

Network Tariff	Component	Unit	Description
SAC Small Primary Tariffs			
BASIC METER TARIFFS			
Residential Flat (NTC8400) Closed to new customers	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to anytime energy
Small Business Flat (NTC8500) Closed to new customers	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to anytime energy
SMART METER TARIFFS			
Residential TOU Demand & Energy (NTC3900) Previously known as Residential Transitional Demand	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	For energy consumption between the hours of midnight to 11am and 9pm to midnight daily
	Volume Off-Peak	$/kWh	For energy consumption between the hours of 11am to 4pm daily
	Volume Peak	$/kWh	For energy consumption between the hours of 4pm to 9pm daily
	Peak Demand	$/kW/month	Charge applied to the single highest 30-minute kW demand during the month between the hours of 4pm to 9pm daily
Residential TOU Energy (NTC6900) Default for all residential customers	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	For energy consumption between the hours of midnight to 11am and 9pm to midnight daily
	Volume Off-Peak	$/kWh	For energy consumption between the hours of 11am to 4pm daily
	Volume Peak	$/kWh	For energy consumption between the hours of 4pm to 9pm daily
Small Business TOU Demand & Energy (NTC3800) Previously known as Small Business Transitional Demand	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Volume Off-Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Volume Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 5pm to 8pm - on weekends no peak

Network Tariff	Component	Unit	Description
	Peak Demand	$/kW/month	Charge applied to single highest 30-minute kW demand during the month: - weekdays between the hours of 5pm to 8pm - on weekends no peak
Small Business TOU Energy (NTC6800) Default for all small business customers	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Volume Off-Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Volume Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 5pm to 8pm - on weekends no peak
SAC Large Primary Tariffs			
BASIC METER TARIFFS			
Large Business Energy (NTC6700)	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to anytime energy
SMART METER TARIFFS			
Large TOU Demand & Energy (NTC7200) Default for all SAC Large customers	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Volume Off-Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Volume Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 5pm to 8pm - on weekends no peak
	Shoulder Demand	$/kVA ($/kW)	Charge applied to single highest 30-minute kVA demand (or kW demand: see note below) during the month: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Off-Peak Demand	$/kVA ($/kW)	Charge applied to single highest 30-minute kVA demand (or kW demand: see note

Network Tariff	Component	Unit	Description
			below) during the month: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Peak Demand	$/kVA ($/kW)	Charge applied to single highest 30-minute kVA demand (or kW demand: see note below) during the month: - weekdays between the hours of 5pm to 8pm - on weekends no peak
Demand Small (NTC8300)	Fixed	$/day	Daily supply charge
	Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month
	Volume	$/kWh	Charge applied to anytime energy consumption
Large TOU Energy (NTC TBA) Eligible for customers with monthly peak demand greater than 120kVA and consumption less than 160MWh per annum	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Volume Off-Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Volume Peak	$/kWh	Charge applied to all energy consumed: - weekdays between the hours of 5pm to 8pm - on weekends no peak

SAC Large demand charging unit

Demand elements of the SAC Large default tariff (Large TOU Demand and Energy) are offered under a kVA charging unit as default. In instances where the smart meter is unable to publish underpinning interval data for the purposes of determining kVA quantity for billing, a kW variant of the demand charge will be provided.

3.2.2 Primary Load Control Tariffs for SAC business customers

Tariffs associated with active device management (including controlled load) are more commonly attributed to a customer on a primary tariff accessing a secondary tariff with a discounted energy consumption price applied to the energy used by one or more appliances. Customers are eligible for these tariffs where they have connection arrangements allowing these appliances to be measured separately for tariff purposes, and interrupted (in part or in full) for certain periods at the discretion of the network. Examples of these arrangements include controlled load hot water or pool pumps on secondary tariffs.

In 2020-21 we introduced primary load control tariffs for business customers which allows us to interrupt the entire connection. Total connected load is controlled by network equipment and supply is available for restricted periods (during time periods set out in Table 4). These tariffs can

be differentiated from other interruptible (load control) tariffs because they represent full control of the customers connection, whereas secondary tariffs involve separate measurement and control of one or more appliances at the connection.

Primary load control tariffs for small and large businesses suit connections with fully discretionary loads such as agricultural irrigation pumps and other similar connections. Table 4 lists the available primary load control tariffs. These optional tariffs are available to smart and basic meter business customers.

Table 4 – Primary Load Control Network Tariffs

Network Tariff	Component	Unit	Description
BASIC AND SMART METER TARIFFS			
Small Business Primary Load Control (NTC5700)	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to energy consumption where this consumption is controlled by network equipment. A constant rate is applied to periods where supply is made available. Supply is usually available for at least 18 hours in any 24 hour period, from midnight to midnight, but could be less subject to network operational requirements.
Large Business Primary Load Control (NTC5800)	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to energy consumption where this consumption is controlled by network equipment A constant rate is applied to periods where supply is made available. Supply is usually available for at least 18 hours in any 24 hour period, from midnight to midnight but could be less subject to network operational requirements.

Further details on these network tariffs, including availability of supply, technical and wiring requirements are set out in our Network Tariff Guide. Secondary tariffs available for residential and small business customers are set out in section 3.3.

3.2.3 Residential and Small Business demand tariffs available from 2028 financial year

We will introduce new optional Residential Demand and Small Business Demand network tariffs from 1 July 2027. These tariffs are consistent with our network tariff strategy and longer-term tariff plans.

Over time, moving residual revenue recovery away from consumption-based charges and toward demand-based charging allows for more efficient energy pricing and retail competition and innovation, particularly as the energy sector transitions to a greater reliance on renewable energy sources.

Introduction of off-peak and shoulder demand-based charges also allows the collection of residual revenues through demand charges outside the peak charging window. More revenue will be

recovered from higher demand customers (and conversely less from customers with lower demand), creating incentives for customers to smooth demand during the day and in late evening periods. We see this as an important consideration with the expansion of batteries and electric vehicles. Table 5 lists the Optional Demand Tariffs.

Table 5 – Optional Demand Tariffs

Network Tariff	Parameter	Unit	Description
Residential Demand (NTC TBA)	Fixed	$/day	Daily Supply Charge
	Shoulder Demand	$/kW/month	Monthly single highest demand in a 30-minute window between the hours of midnight to 11am and 9pm to midnight daily
	Off-Peak Demand	$/kW/month	Monthly single highest demand in a 30-minute window between the hours of 11am to 4pm daily
	Peak Demand	$/kW/month	Monthly single highest demand in a 30-minute window between the hours of 4pm to 9pm daily
	Volume Shoulder	$/kWh	For energy consumption between the hours of Midnight to 11am and 9pm to midnight daily
	Volume Off-Peak	$/kWh	For energy consumption between the hours of 11am to 4pm daily
	Volume Peak	$/kWh	For energy consumption between the hours of 4pm to 9pm daily
Small Business Demand (NTC TBA)	Fixed	$/day	Daily supply charge
	Shoulder Demand	$/kW/month	Monthly single highest demand in a 30-minute window between the hours of - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Off-Peak Demand	$/kW/month	Monthly single highest demand in a 30-minute window between the hours of - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Peak Demand	$/kW/month	Monthly single highest demand in a 30-minute window between the hours of - weekdays between the hours of 5pm to 8pm - on weekends no peak
	Volume Shoulder	$/kWh	Midnight to 11am, 1pm to midnight weekends, midnight to 11am, 1pm to 5pm and 8pm to midnight weekdays

Network Tariff	Parameter	Unit	Description
	Volume Off-Peak	$/kWh	11am to 1pm weekends, 11am to 1pm weekdays
	Volume Peak	$/kWh	No peak weekends, 5pm to 8pm weekdays

3.2.4 Unmetered Network Tariff

Unmetered supply applies to those connections and loads detailed in the Australian Energy Market Operator (AEMO) National Electricity Market load tables (unmetered loads).[6] Table 6 outlines the tariff available for unmetered supply.

Table 6 - Unmetered Network Tariff

Network Tariff	Component	Unit	Description
Unmetered (NTC9600)	Volume	$/kWh	Charge applied to deemed energy consumption based on AEMO NEM load tables.

3.3 Secondary SAC Tariffs

Secondary tariffs apply in addition to the customer's primary tariff. Customers may have one or more secondary network tariffs, subject to eligibility criteria and our tariff assignment arrangements (set out in Section 4.3 and 4.4).

Our existing secondary tariffs which have appliance control and measurement (Economy, Super Economy, and Large Business Secondary Load Control) will continue to be offered during 2025-30, for both basic and smart meter customers. These tariffs separately measure the amount of energy consumed by the appliance or appliances under control.

From 1 July 2028 residential and small business (basic and smart meter) customers that meet certain eligibility criteria under the Queensland Electricity Connection Manual (QECM) will have the option to access new secondary tariffs (residential and small business flexible load tariffs). These tariffs support connection arrangements associated with appliances subject to active device management but not subject to separate metering for tariff purposes. With these tariffs, customers are eligible to access the new tariffs without the need for a meter on the second element, enabling them to utilise their own solar generation for appliances under active device management and/or make use of lower priced off-peak rates.

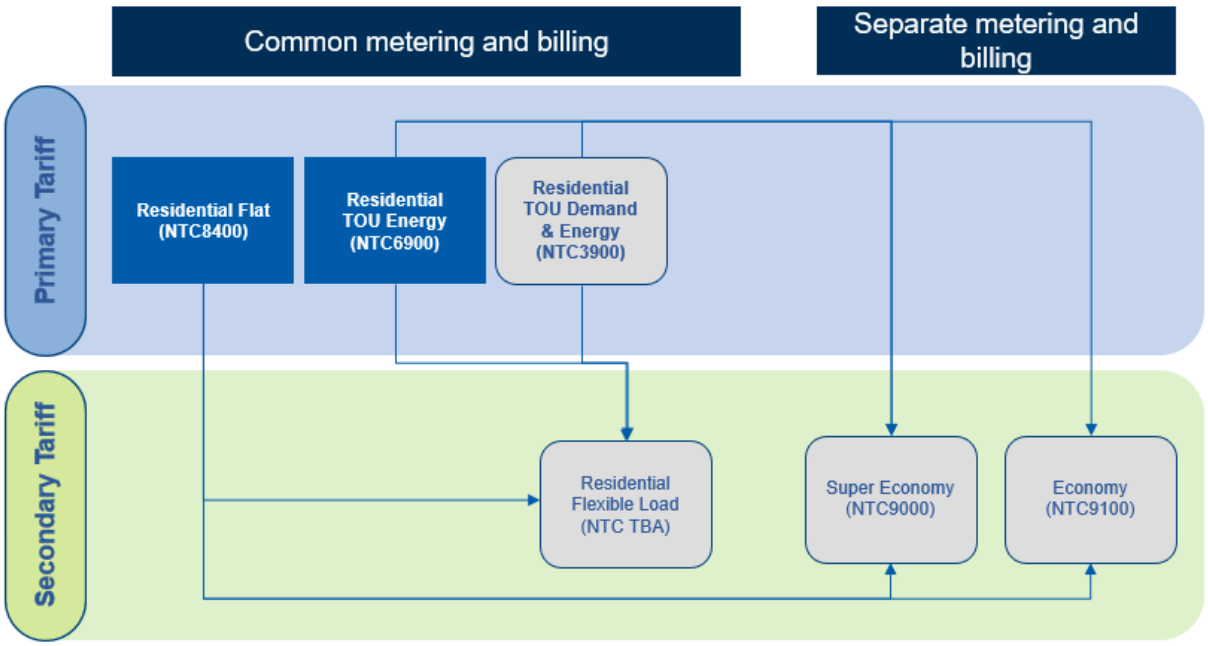
The QECM is updated through a process that is separate to this Tariff Structure Statement. The QECM may be updated from time-to-time to keep pace with the changing technological environment and take-up of new and emerging customer energy resources. Accordingly, the QECM will likely be updated during the regulatory control period. Customers and retailers should refer to the QECM for current details of any applicable control arrangements.

While the QECM specifies certain load management requirements, it does not mandate the use of any specific network tariff. Any changes to the QECM will not impact our tariff structures. Our Explanatory Statement provides further detail on our tariffs supporting active device management and how they link to the QECM.

Figure 1 and Figure 2 summarise the secondary tariffs available for residential and small business customers.

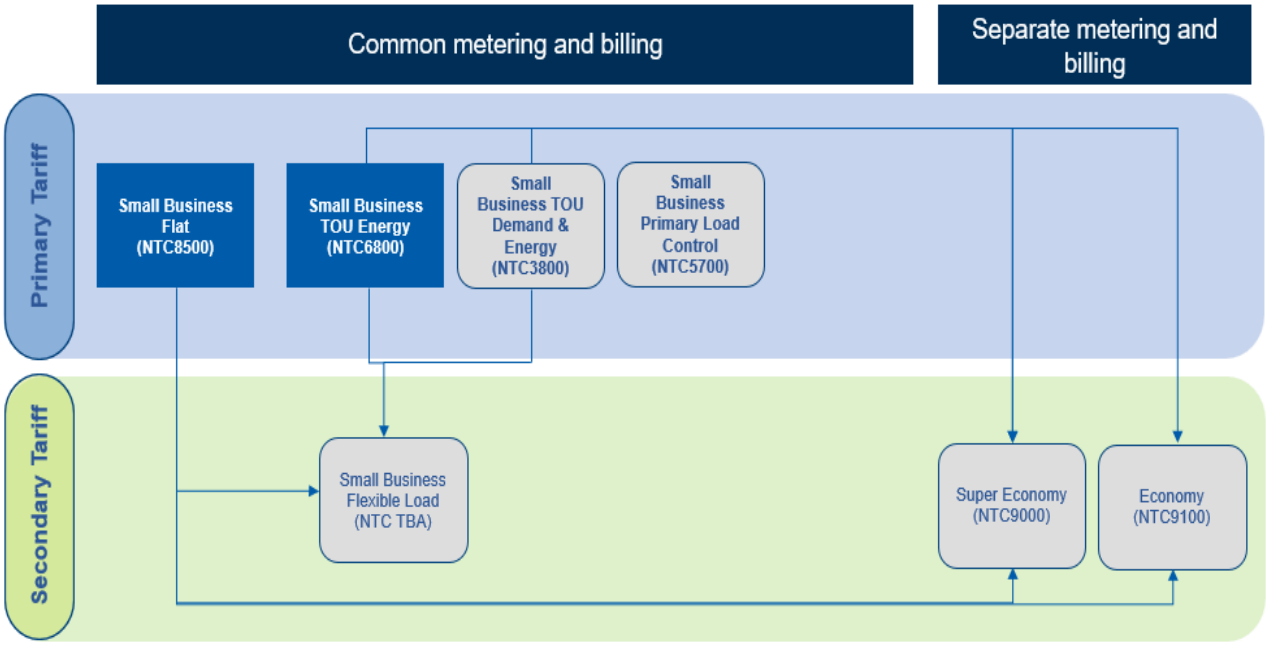
[6] AEMO NEM load tables are found on the AEMO website.

Figure 1 – Residential Customers – link between primary and secondary tariffs



Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs.

Figure 2 – Small business customers – link between primary and secondary tariffs



Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs.

Table 7 details the structure and charging parameters relating to our secondary tariffs.

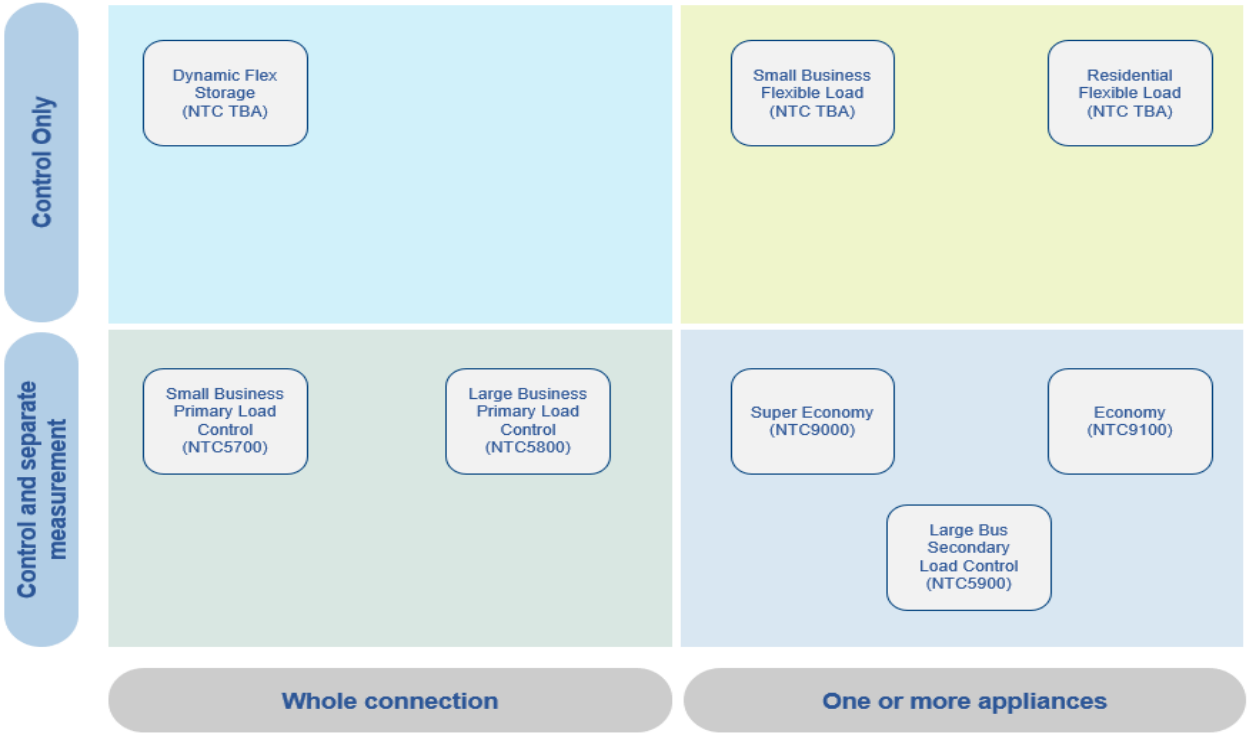
Table 7 – Secondary Flexible Load Network Tariffs

Network Tariff	Component	Unit	Description
SAC Small Secondary Flexible Load Tariffs			
Super Economy (NTC9000)	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to energy consumption where this consumption is controlled by network equipment A constant rate is applied to periods where supply is made available. Supply is usually available for at least 8 hours in any 24 hour period, from midnight to midnight but could be less subject to network operational requirements.
Economy (NTC9100)	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to energy consumption where this consumption is controlled by network equipment A constant rate is applied to periods where supply is made available. Supply is usually available for at least 16 hours in any 24 hour period, from midnight to midnight but could be less subject to network operational requirements.
Residential Flexible Load (NTCTBA)	Fixed	$/day	Daily supply charge
Small Business Flexible Load (NTCTBA)	Fixed	$/day	Daily supply charge
SAC Large Secondary Flexible Load Tariffs			
Large Business Secondary Load Control (NTC5900)	Fixed	$/day	Daily supply charge
	Volume	$/kWh	Charge applied to anytime energy A constant rate is applied to periods where supply is made available. Supply is usually available for at least 18 hours in any 24 hour period, from midnight to midnight but could be less subject to network operational requirements.

Further details regarding the operation of flexible load arrangements can be found in our Explanatory Statement. Any changes in these arrangements will be reflected in our Network Tariff Guide.

Figure 3 shows different flexible load tariff options available for SAC customers depending on their connection arrangements.

Figure 3 – Flexible load tariffs available for Energex customers



3.4 CAC Tariffs

Tariffs available for CAC customers are listed in Table 8.

Table 8 - CAC Network Tariffs

Network Tariff	Component	Unit	Description
11kV Bus (NTC4000) Default for Bus connected customers	Fixed	$/day	Daily supply charge
	Connection Unit	$/unit/day	Connection unit charge applied to the customer's site-specific number of connection units
	Demand	$/kVA	Monthly single highest demand in a 30-minute window
	Volume Peak	$/kWh	7am to 11pm weekdays
	Volume Off-Peak	$/kWh	11pm to 7am weekdays and anytime weekends
11kV TOU Demand (NTC7400)	Fixed	$/day	Daily supply charge
	Connection Unit	$/unit/day	Connection unit charge by the customer's site-specific number of connection units

Network Tariff	Component	Unit	Description
Default for Line connected customers	Peak Demand	$/kVA	Monthly single highest demand in a 30-minute window between the hours of 9am to 9pm workdays
	Volume	$/kWh	Charge applied to all energy consumption
CAC HV Line TOU Demand (92300)	Fixed	$/day	Daily supply charge
	Connection Unit	$/unit/day	Connection unit charge by the customer's site-specific number of connection units.
	Shoulder Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Off-Peak Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Peak Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month: - weekdays between the hours of 5pm to 8pm - on weekends no peak
	Demand	$/kW	Charge applied to single highest 30-minute kW demand during the month
	Volume	$/kWh	Charge applied to all energy consumption
CAC HV Bus TOU Demand (92400)	Fixed	$/day	Daily supply charge
	Connection Unit	$/unit/day	Connection unit charge by the customer's site-specific number of connection units.
	Shoulder Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month: - weekdays between the hours of midnight to 11am, 1pm to 5pm and 8pm to midnight - on weekends between the hours of midnight to 11am, 1pm to midnight
	Off-Peak Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month: - weekdays between the hours of 11am to 1pm - on weekends between the hours of 11am to 1pm
	Peak Demand	$/kVA	Charge applied to single highest 30-minute kVA demand during the month: - weekdays between the hours of 5pm to 8pm - on weekends no peak

Network Tariff	Component	Unit	Description
	Demand	$/kW	Charge applied to single highest 30-minute kW demand during the month
	Volume	$/kWh	Charge applied to anytime energy

3.5 Dynamic Storage Tariffs for Large LV and CAC customers

From 1 July 2025 we will introduce two Dynamic Flex Storage tariffs (with no critical peak prices), available for low voltage and high voltage connections. Tariff structures are the same for both voltage levels.

Customers will be eligible for the tariff if they are on a Dynamic Connection Agreement (which stipulates network determined Dynamic Operating Envelopes) and only import electricity from the network with the purpose of exporting. That is, electricity exported at the connection point may only be sourced from stored energy via electricity previously imported at the connection or pre-existing at time of connection. For example, storage connected with additional import load behind the same connection point would not be eligible.

The term Dynamic Connection Agreement refers to connection arrangements that take the form of:

- a standard or negotiated connection agreement with a baseline zero export limit unless the Dynamic Operating Envelope (DOE) permits export
- a dynamic connection standard approved by Energex, or
- any similar arrangement agreed between Energex and the customer at the connection.

Further information regarding Dynamic Connection arrangements and eligibility for a customer to opt into this tariff can be found in our Explanatory Statement. During the 2025-30 regulatory control period the following sub-threshold tariffs will be trialled:

- SAC – Dynamic Price Storage tariff and Secondary Dynamic Price Storage tariff, and
- CAC – Dynamic Price Storage tariff and Secondary Dynamic Price Storage tariff.

These tariffs focus on providing price signals for export or import at times of minimum or maximum demand constraint to either encourage avoidance of import or export at the critical event with charges or incentivise import or export at the critical event with rewards. Trial tariffs available for low voltage and high voltage connections. The low voltage version of the tariff is available to SACs. The high voltage version of the tariff will be available to CACs. Tariff structures are the same for both voltage levels.

In the event Energex can bill the Dynamic Price Storage tariffs they will be incorporated into the TSS consistent with the contingent tariff adjustment process outlined in Section 1.2 above. The Secondary Dynamic Price Storage tariffs will remain as sub-threshold tariffs.

The structure of the tariffs and charging parameters are found in Table 9..

Table 9 - Dynamic Storage Network Tariffs

Network Tariff	Component	Unit	Description
SAC - Dynamic Flex Storage tariff (94000)	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	For energy consumption between the hours 1pm and 5pm, and 8pm to 11am
	Volume Off-Peak	$/kWh	For energy consumption between the hours of 11am to 1pm
	Volume Peak	$/kWh	For energy consumption between the hours of 5pm and 8pm

Network Tariff	Component	Unit	Description
	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	For energy consumption between the hours 1pm and 5pm, and 8pm to 11am
	Volume Off-Peak	$/kWh	For energy consumption between the hours of 11am to 1pm
	Volume Peak	$/kWh	For energy consumption between 5pm and 8pm
	Fixed	$/day	Daily supply charge
	Volume Shoulder	$/kWh	For energy consumption between the hours 1pm and 5pm, and 8pm to 11am
	Volume Off-Peak	$/kWh	For energy consumption between the hours of 11am to 1pm
	Volume Peak	$/kWh	For energy consumption between the hours of 5pm and 8pm
	Critical Peak Period (CPP) import charge	$/kVA	• CPP import charge applied to the import kVA for each 30-minute period charged up to 40 hours per year, 80 half hours • The number of CPP events will be capped at a maximum of 40 hours in a 12-month period • The applicable price for each CPP is applied on a 30-minute basis, therefore a cap of 80 periods per year applies • The total length of any CPP event will be determined by system needs • Customers will be notified of CPP event at least 24 hours in advance • Nomination of the time, date, duration, and geographical location of a critical event will be based on forecast network condition

[7] This tariff is related to the sub threshold tariff introduced on 1 July 2025 and is included in this table based on contingent trigger in Section 1.2 above.

Network Tariff	Component	Unit	Description
	CPP export change	$/kW	• CPP export charge applied to exports > 1.5kW for each 30-minute period up to 40 hours per year, 80 half hours • The number of CPP events will be capped at a maximum of 40 hours in a 12-month period • The applicable price for each CPP is applied on a 30-minute basis, therefore a cap of 80 periods per year applies • The total length of any CPP event will be determined by system needs • Customers will be notified of CPP event at least 24 hours in advance • Nomination of the time, date, duration, and geographical location of a critical event will be based on forecast network conditions
		$/day	Daily supply charge
		$/kWh	For energy consumption between the hours 1pm and 5pm, and 8pm to 11am
		$/kWh	For energy consumption between the hours of 11am to 1pm
		$/kWh	For energy consumption between 5pm and 8pm
		$/kVA	• CPP import charge applied to the import kVA for each 30-minute period charged up to 40 hours per year, 80 half hours • The number of CPP events will be capped at a maximum of 40 hours in a 12-month period • The applicable price for each CPP is applied on a 30-minute basis, therefore a cap of 80 periods per year applies • The total length of any CPP event will be determined by system needs • Customers will be notified of CPP event at least 24 hours in advance • Nomination of the time, date, duration, and geographical location of a critical event will be based on forecast network condition

[8] This tariff is related to the sub threshold tariff introduced on 1 July 2025 and is included in this table based on contingent trigger in Section 1.2 above.

Network Tariff	Component	Unit	Description
	CPP export charge	$/kW	• CPP export charge applied to exports > 1.5kW for each 30-minute period up to 40 hours per year, 80 half hours • The number of CPP events will be capped at a maximum of 40 hours in a 12-month period • The applicable price for each CPP is applied on a 30-minute basis, therefore a cap of 80 periods per year applies • The total length of any CPP event will be determined by system needs • Customers will be notified of CPP event at least 24 hours in advance • Nomination of the time, date, duration, and geographical location of a critical event will be based on forecast network conditions

3.6 Withdrawn SAC and CAC Tariffs

Table 10 lists network tariffs that are withdrawn as well as reassignment arrangements for any customers on withdrawn network tariffs for 2025-30 regulatory control period.

Due to billing system complexities, some basic meter customers currently on tariffs that will be withdrawn from 1 July 2025 will not be reassigned to their new default tariff exactly on 1 July 2025. These customers will remain on withdrawn tariffs that have the same tariff structures from Energex's approved 2020–2025 TSS until they are transitioned to their new default tariff following the first meter read post 1 July 2025.

Table 10 - Withdrawn Network Tariffs

Network Tariff	Reassigned to
Residential TOU (NTC8900)	Residential TOU Energy (NTC6900) or Residential Flat (NTC8400) depending on meter type on 1 July 2025
Residential Demand (NTC3700)	Residential TOU Energy (NTC6900) on 1 July 2025
Small Business Demand (NTC3600)	Small Business TOU Energy (NTC6800) on 1 July 2025
Business TOU (NTC8800)	Small Business TOU Energy (NTC6800) or Small Business Flat (NTC8500) depending on meter type on 1 July 2025
Business Demand (NTC7100)	Small Business TOU Energy (NTC6800) on 1 July 2025
WIFT (NTC6000)	Small Business Flat (NTC8500) first meter read post 1 July 2025
Large Residential Energy (NTC6600)	Residential Flat (NTC8400) first meter read post 1 July 2025

Network Tariff	Reassigned to
Demand Large (NTC8100)	Large TOU Demand and Energy (NTC7200) on 1 July 2025
11kV Line (NTC4500)	11kV TOU Demand (NTC7400) on 1 July 2025
Embedded Generator 11kV (NTC3000)	11kV TOU Demand (NTC7400) on 1 July 2025

3.7 ICC Tariffs

Table 11 details the structure and charging parameters ICC tariffs. ICC tariffs are site specific and are calculated on an individual basis to reflect the specific site's load requirements. Tariff rates are provided directly to the customer and/or the customer's retailer (they are not published as part of our indicative prices).

Further information on the tariff setting methodology for ICC customers is provided in Section 5.4.2 and our Explanatory Statement.

Table 11 - Individually Calculated Network Tariffs

Network Tariff	Component	Unit	Description
Individually Calculated Customer (NTC1000)	Fixed	$/day	Daily supply charge
	Capacity	$/kVA of AD	Greater of the authorised demand import or maximum kVA demand recorded in any 30-minute period during the billing month
	Demand	$/kVA	Monthly single highest kVA demand in a 30-minute window
	Volume	$/kWh	Charge applied to anytime energy consumption
	Locational	$/kW	Monthly single highest kW demand in a 30-minute window
	General Services	$/kWh	Charge applied to anytime energy consumption
	Common Services	$/kWh	Charge applied to anytime energy consumption

3.8 Network Tariff Trials

We intend to undertake tariff trials during the 2025-30 regulatory control period.

In 2025-26 we will trial the following sub-threshold tariffs:

- SAC – Dynamic Price Storage tariff: – to test how to implement prices that only signal costs during critical system events and the ability of storage customers to respond to these price signals.
- CAC - Dynamic Price Storage tariff: to test how to implement prices that only signal costs during critical system events and the ability of storage customers to respond to these price signals.
- SAC - Secondary Dynamic Price Storage tariff: incorporating critical peak period import and export reward components.

- CAC – Secondary Dynamic Price Storage tariff: incorporating critical peak period import and export reward components.

We have completed AER sub-threshold tariff notifications for each of the proposed trials in Appendix E of the Explanatory Statement.

Tariff trials throughout the 2025-30 regulatory control period will be undertaken via the approach outlined in our Explanatory Statement.

4 NETWORK TARIFF ASSIGNMENT AND REASSIGNMENT PROCESSES

4.1 Overview

This section describes the process that will apply to assigning new customers or reassigning existing customers to network tariffs during the 2025-30 regulatory control period.

This assignment process applies to retail customers and all customers receiving common distribution services, including non-retail customers. To avoid doubt, non-retail customers will be assigned to a network tariff based on their connection arrangements and alignment to the network tariff class definition.

4.2 SAC tariff class assignment considerations

4.2.1 Classification to SAC Large or SAC Small

SAC customers are assigned a classification of either Large or Small depending on their annual energy consumption. Assignment and reassignment between the Large and Small classification will be based on estimates and actual observations of energy consumption relative to the threshold. The current annual consumption threshold is 100 MWh.

We may apply a tolerance limit on tariff thresholds of 15 per cent on an annualised consumption basis to mitigate frequent tariff reassignment and customer impact.

4.2.2 Residential and small business customer classification

Different tariffs apply to SAC Small customers depending on whether they are a residential customer or a small business customer. The determination of the appropriate SAC network tariff will be based on the retailer's classification of the NMI as either residential or business in accordance with the National Energy Retail Rules. Our network tariffs do not support a mixed tariff situation (for example, where one NMI has both residential and business retail tariffs).

If a customer classification is not received from the retailer for move-in SAC Small customers, the retail customer moving into the existing premises will inherit the existing customer classification. Move-in customers are not considered as a new customer to our network, as these customers are not a new connection to the distribution network.

4.2.3 SAC customer assignment following a meter change

A SAC customer's meter type will be used as a basis for network tariff eligibility. Basic meters are accumulation, or Type 5-6 meters. Smart meters are all forms of Type 1-4 meters, capable of measuring usage in intervals.

A change from a basic meter to a smart meter for customers will trigger reassignment to the default smart meter network tariff at the appropriate reassignment date, subject to any request for reassignment to the default or optional tariff before the reassignment date.

For residential and small business customers upgrading from a basic meter to smart meter, the following meter upgrade assignment definitions apply.

A **customer-initiated** basic meter upgrade involves any changes initiated by the customer that requires an upgrade to a smart meter. For example, the installation of Solar PV, EV Charging, three-phase connection, or other customer requested upgrade to a smart meter.

In the case of a customer initiated upgrade a customer will be immediately reassigned to the default network tariff for smart metered customers.

A **retailer-initiated** basic meter upgrade involves instances where the meter is upgraded for a reason other than a customer-initiated upgrade (described above). A retailer-initiated upgrade includes upgrades associated with the implementation of the AEMC Metering Review Final Report as well as an upgrade caused by a meter failure or end of life meter replacement.

In the case of a retailer initiated upgrade a customer will remain on the basic meter tariff for 12 months following the meter change. However, customers or their retailer may request to transfer to smart meter tariffs at any time following the upgrade (noting they will not be able to transfer back to a basic meter tariff if they do so).

All other options other than a new or upgraded connection or a customer-initiated upgrade are deemed to be retailer initiated. Where an upgrading customer has a secondary tariff, the customer remains assigned to the secondary tariffs post primary tariff reassignment.

Table 12 outlines the SAC customer reassignment approach after a basic meter change, including reassignment dates.

Table 12 - Reassignment of existing SAC customers after basic meter change

Customer	Initiator	Existing Tariff	Tariff Assignment	Reassignment Date
Residential	Customer	Residential Flat	Residential TOU Energy	Immediately after meter change
	Retailer	Residential Flat	Residential TOU Energy	12 months following the meter change
Small Business	Customer	Small Business Flat	Small Business TOU Energy	Immediately after meter change
	Retailer	Small Business Flat	Small Business TOU Energy	12 months following the meter change
SAC Large				
Large Business	Customer	Large Business Energy	Large TOU Demand & Energy	Immediately after meter change
	Retailer	Large Business Energy	Large TOU Demand & Energy	Immediately after meter change

4.3 Residential tariff assignment

As part of our tariff simplification plans, from 1 July 2025 we will withdraw some residential tariffs and reassign those customers.[9] On 1 July 2025, we will:

- change the name of the Residential Transitional Demand tariff to the Residential TOU Demand and Energy tariff and change the structure and charging parameters consistent with Section 3
- change the structure and charging parameters of the Residential TOU Energy tariff consistent with Section 3

[9] Some basic meter customers currently on tariffs that will be withdrawn from 1 July 2025 will not be immediately reassigned to their new default tariff exactly on 1 July 2025. These customers will remain on withdrawn tariffs that have the same tariff structures from Energex's approved 2020–2025 TSS until they are transitioned to their new default tariff.

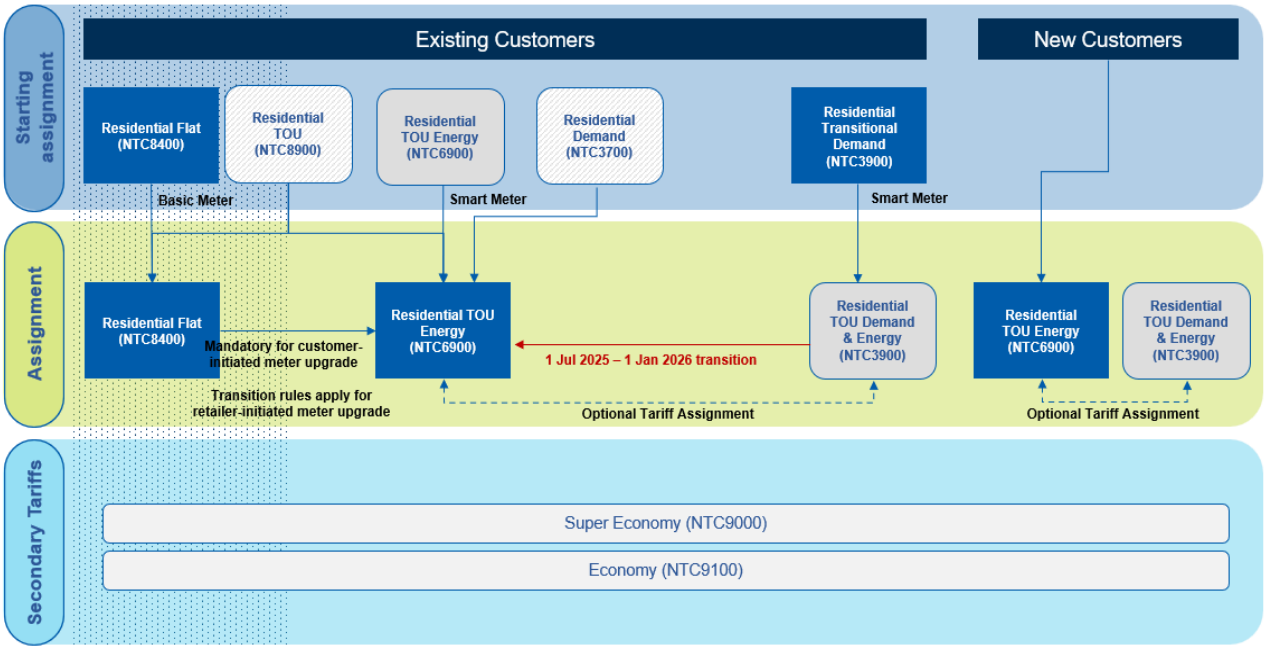
- assign all customers from the withdrawn Residential TOU Tariff to the Residential TOU Energy tariff
- assign all customers from the withdrawn Residential Demand Tariff to the Residential TOU Energy tariff, and
- change our default tariff from a demand tariff (Transitional Demand tariff during 2020-25) to the TOU Energy tariff.

From 1 July 2025 all residential customers assigned to the TOU Demand and Energy tariff as at 1 July 2025, will be reassigned to the default TOU Energy tariff over a 6 month transition period. All other customers will remain on their assigned tariffs.

New customers will be assigned the default tariff (Residential TOU Energy) unless they request assignment to one of the optional tariffs. Customers subject to a basic meter upgrade will be assigned to the default tariff subject to the transition period outlined in section 4.2 above.

Figure 4 provides a summary of the assignment arrangements from 1 July 2025.

Figure 4 – Residential customers – TSS implementation 1 July 2025



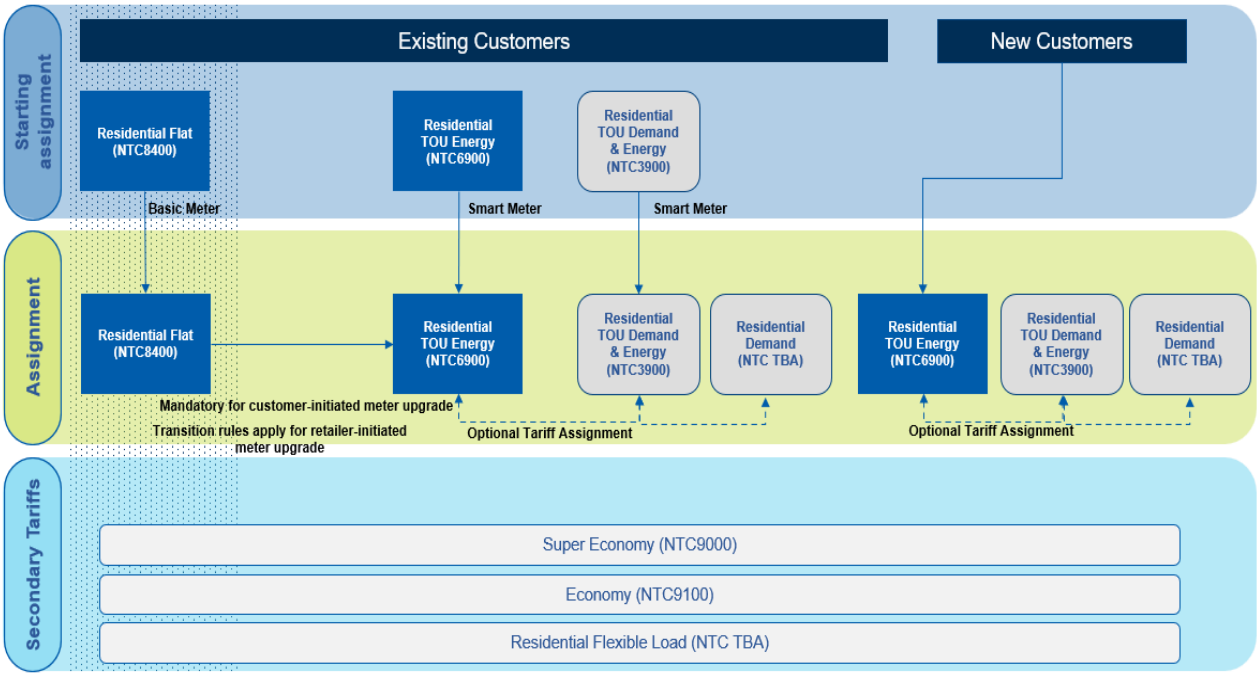
Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs. Solid arrow lines refer to Energex mandatory reassignment from 1 July 2025. The dotted arrows refer to optional tariffs. Cross hatch boxes refer to withdrawn tariffs.

We will adopt the same tariff assignment policy for residential customers for two years, during the 2026 and 2027 financial years.

From 1 July 2027 we will introduce new optional demand tariff. We will then adopt the same tariff assignment policy for residential customers in the remaining years of the regulatory control period (i.e. 2028 to 2030 financial years).

Figure 5 provides a summary of the assignment arrangements from 1 July 2027.

Figure 5 – Residential customers – from 1 July 2027



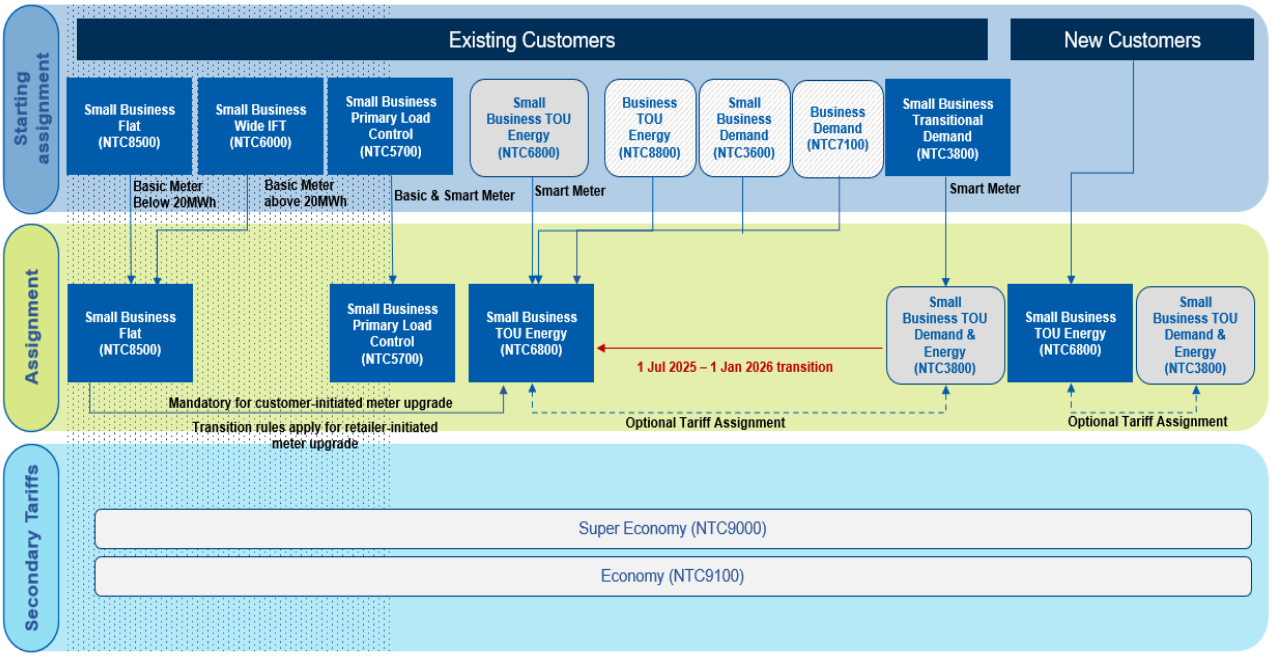
Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs. Solid arrow lines refer to Energex mandatory reassignment from 1 July 2025. The dotted arrows refer to optional tariffs.

4.4 Small business tariff assignment

Our tariff assignment policy for small business customers is largely the same as our assignment policy for our residential customers.

Figure 6 provides a summary of the assignment arrangements.

Figure 6 – Small Business customers – TSS implementation 1 July 2025



Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs. Solid arrow lines refer to Energex mandatory reassignment from 1 July 2025. The dotted arrows refer to optional tariffs. Cross hatch boxes refer to withdrawn tariffs.

From 1 July 2025[10] we will:

- change the name of the Small Business Transitional Demand tariff to the Small Business TOU Demand and Energy tariff and change the structure and charging parameters consistent with Section 3
- change the structure and charging parameters of the Small Business TOU Energy tariff consistent with Section 3
- reassign all customers from the withdrawn Business TOU Energy tariff to the Small Business TOU Energy tariff
- reassign all customers from the withdrawn Small Business Demand tariff and Business Demand tariff to the Small Business TOU Energy tariff, and
- change our default tariff (Transitional Demand tariff during 2020-25) to the Small Business TOU Energy tariff.

From 1 July 2025 all small business customers assigned to the TOU Demand and Energy tariff as at 1 July 2025, will be reassigned to the default TOU Energy tariff over a 6 month transition period. All other customers will remain on their assigned tariffs.

New customers will be assigned the default tariff (Small Business TOU Energy tariff) unless they request assignment to one of the optional tariffs. Customers subject to a basic meter upgrade will be assigned to the default tariff subject to the transition period outlined in section 4.2 above.

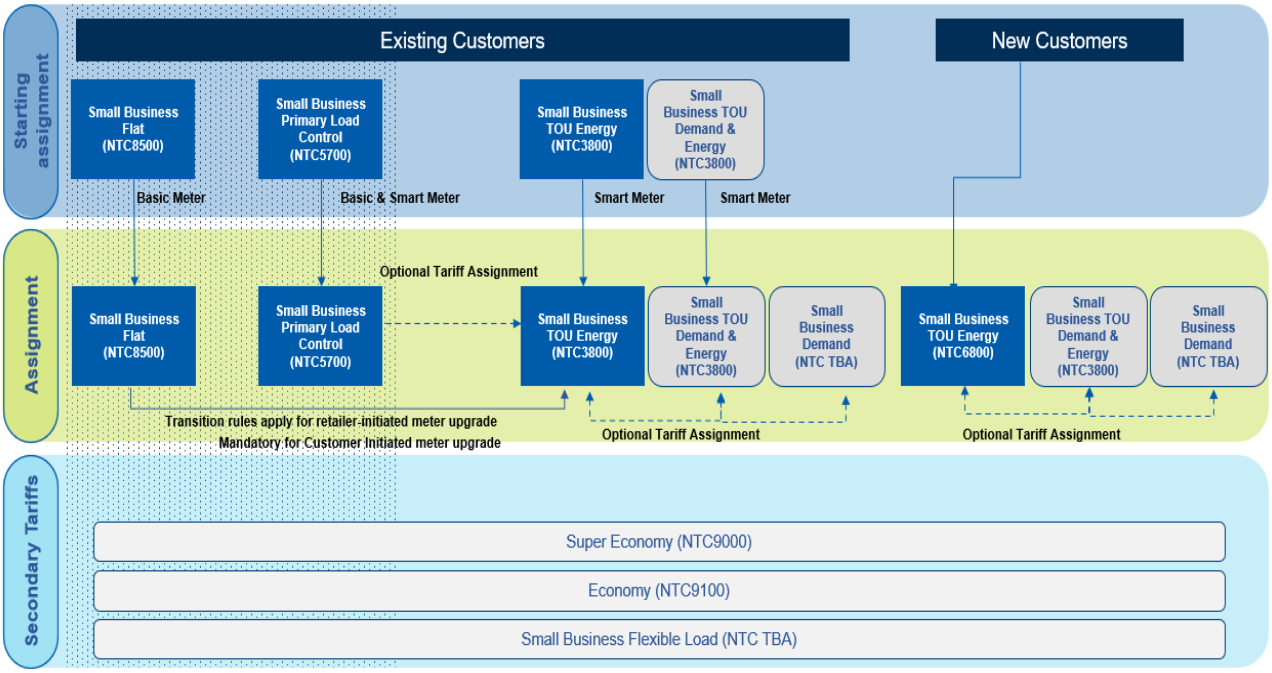
We will adopt the same tariff assignment policy for small business customers for two years, during 2026 and 2027 financial years.

From 1 July 2027 we will introduce a new optional demand tariff for small business customers. We will adopt the same tariff assignment policy for small business customers in the remaining years of the regulatory control period (i.e. 2028 to 2030 financial years).

Figure 7 provides a summary of the assignment arrangements from 1 July 2027.

[10] Some basic meter customers currently on tariffs that will be withdrawn from 1 July 2025 will not be immediately reassigned to their new default tariff exactly on 1 July 2025. These customers will remain on withdrawn tariffs that have the same tariff structures from Energex's approved 2020–2025 TSS until they are transitioned to their new default tariff.

Figure 7 – Small Business Customers – From 1 July 2027



Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs. Solid arrow lines refer to Energex mandatory reassignment from 1 July 2025. The dotted arrows refer to optional tariffs.

4.5 SAC Large tariff assignment

On 1 July 2025, we will reassign customers from the withdrawn Demand Large tariff, as well as customers assigned to the Demand Small tariff to the default Large TOU Demand and Energy tariff. This default tariff replaces the LV Demand TOU tariff.

Customers assigned to the Large TOU Demand and Energy tariff may be reassigned to the Demand Small tariff upon request.

Customers may be reassigned upon request to the new Large TOU Energy tariff if they meet the energy consumption and demand threshold criteria for tariff eligibility.[11]

New SAC Large customers will be able to request assignment to the Large TOU Energy tariff upon connection to the network. Energex will review the assignment of customers to the Large TOU Energy tariff on an annual basis to ensure customers remain eligible for this tariff. Where our review may identify that an existing customer is no longer eligible to remain assigned to the Large TOU Energy tariff, the customer will be reassigned to the default Large TOU Demand and Energy tariff.

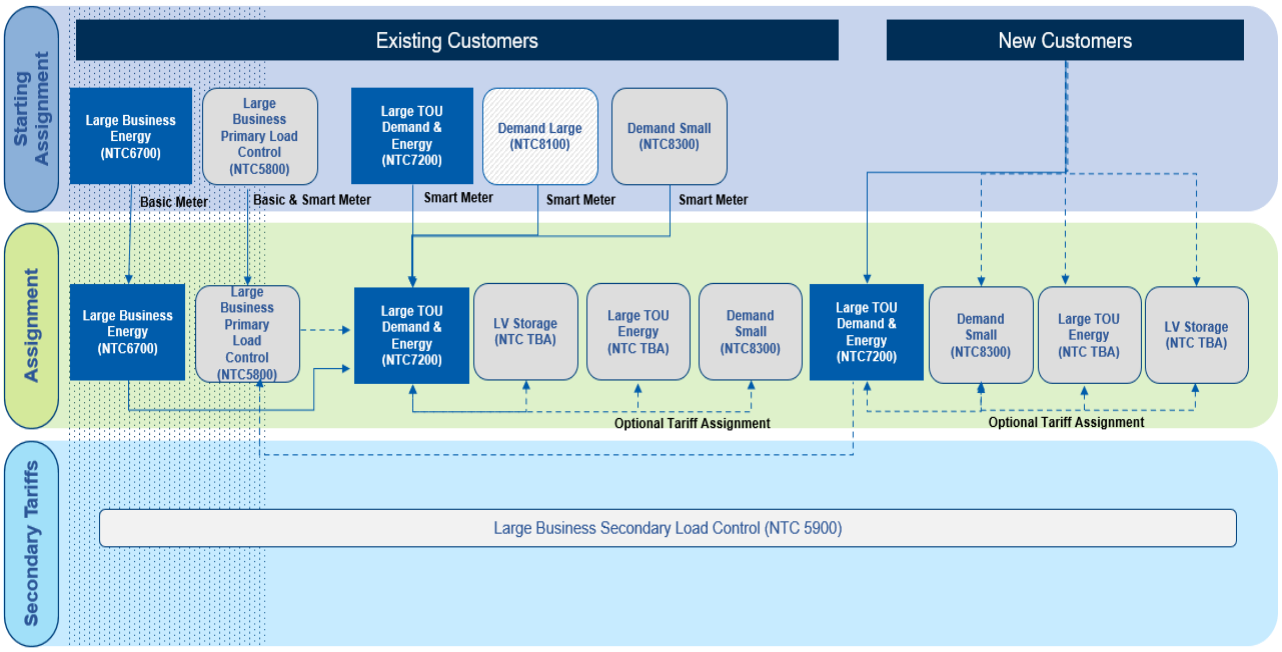
Customers meeting the criteria for the LV Dynamic Flex Storage tariff may request assignment to this tariff.

Post 1 July 2025 changes we propose to adopt the same tariff assignment policy for LV large business customers for the remainder of the 2025-30 regulatory control period.

A summary of the transition arrangements is represented in Figure 8. .

[11] For existing customers their annualised energy consumption in the prior 12-month period must be below 160 MWh and monthly demand greater than 120 kVA

Figure 8 – SAC Large Customers – From 1 July 2025

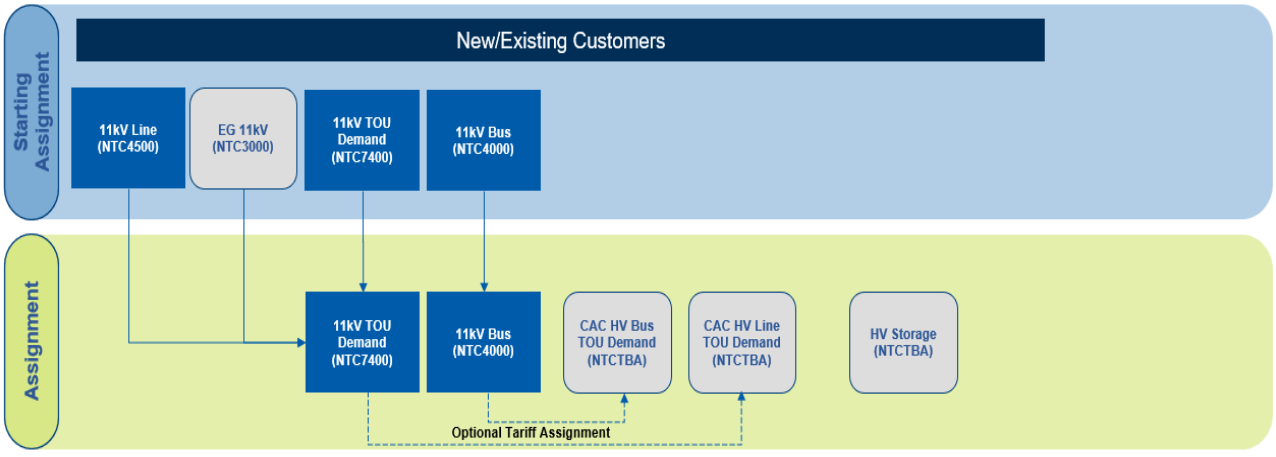


Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs. Solid arrow lines refer to Energex mandatory reassignment from 1 July 2025. The dotted arrows refer to optional tariffs. Cross hatch boxes refer to withdrawn tariffs.

4.6 CAC and ICC tariff assignment

The assignment arrangements for CAC tariffs are shown in Figure 9.

Figure 9 – CAC customers – from 1 July 2025



Note: Dark blue boxes refer to default tariffs, whilst light grey boxes refer to optional tariffs. Solid arrow lines refer to Energex mandatory reassignment from 1 July 2025. The dotted arrows refer to optional tariffs.

Existing Energex CAC customers on the default 11kV Bus and 11kV TOU Demand tariffs will remain on these tariffs. Customers on the 11kV Bus tariff may be reassigned to the CAC HV Bus TOU Demand tariff upon application. Similarly, customers on the 11kV TOU Demand tariff may be reassigned to the CAC HV Line TOU Demand tariff upon application.

The individually calculated network tariff remains the default tariff for customers under the ICC tariff class classification.

4.7 Summary of tariff options for customer assignment

Table 13 summarises the tariff options for customer assignment.

Table 13 – Tariff options for customer assignment

Tariff name	Meter type	Assignment
SAC Small		
Residential Flat	Basic	Closed to new customers
Residential TOU Energy	Smart	Default
Residential TOU Demand & Energy	Smart	Optional
Residential Demand (from FY2028)	Smart	Optional
Small Business Flat	Basic	Closed to new customers
Small Business TOU Energy	Smart	Default
Small Business TOU Demand & Energy	Smart	Optional
Small Business Primary Load Control	Basic and Smart	Optional
Small Business Demand (from FY2028)	Smart	Optional
Economy	Basic and Smart	Optional Secondary tariff
Super Economy	Basic and Smart	Optional Secondary tariff
Residential Flexible Load (from FY2028)	Basic and Smart	Optional Secondary tariff
Small Business Flexible Load (from FY2028)	Basic and Smart	Optional Secondary tariff
SAC Large		
Large Business Energy	Basic	Closed to new customers
Large TOU Demand and Energy	Smart	Default
Demand Small	Smart	Optional
Large TOU Energy	Smart	Optional
Large Business Primary Load Control	Basic and Smart	Optional
Large Business Secondary Load Control	Basic and Smart	Optional Secondary tariff
Large Dynamic Flex Storage	Smart	Optional
Unmetered		
Unmetered	N/A	Default
CAC		
11kV Bus	Smart	Default
11kV TOU Demand	Smart	Default
CAC HV Bus TOU Demand	Smart	Optional
CAC HV Line TOU Demand	Smart	Optional
CAC Dynamic Flex Storage	Smart	Optional
ICC		
ICC	Smart	Default

4.8 Periodic review and network-initiated reassignment

We will periodically review the assignment of customers to tariff classes and tariffs to ensure customers are assigned to the correct tariff. Application of our assignment and reassignment of customers involves some level of discretion particularly for customers close to a SAC consumption threshold. As a safeguard, a 15 per cent tolerance limit is applied on an annualised consumptions basis to mitigate frequent tariff reassignment.

The decision making process for tariff class and tariff reassignment is similar to that used for the assignment of customers to tariff classes and tariffs. Consistent with clause 6.18.4 of the NER, we ensure customers with similar characteristics are treated equitably by specifically considering the nature and extent of their usage and the nature of their connection to the network.

For customer requested tariff reassignments, customers are only allowed one tariff change per 12-month period to limit transaction costs and ensure pricing signals are not distorted by constant changes.

4.8.1 Reclassification between SAC Small and SAC Large

We annually review charging parameters for SAC customers to ensure they are assigned to the appropriate network tariff. Where a customer meets eligibility criteria for a change in default tariff, we will initiate a reclassification and network tariff code reassignment to the appropriate default tariff. Similarly, where a customer no longer meets eligibility criteria for an optional tariff, we will initiate a reclassification and network tariff code reassignment to the appropriate default tariff.

In both circumstances we will write to the customer's retailer making them aware of the impending changes.

The notification that is sent to the customer's retailer includes the following:

- The current National Metering Identifier (NMI) classification that the customer is moving from and the new NMI classification they are moving to.
- The reason for the change.

In relation to reassignment between a Small and Large customers, the notification will include the following:

- A definition of what a Small or Large customer is.
- The specifications relating to the customer's classification as a Large or Small customer (this includes metering and the governing bodies they may refer to).
- How the customer can dispute the decision.
- The date the change will take effect (all changes initiated by us are prospective).
- Note: Where a customer's NMI is reclassified from Small to Large and has the appropriate metering, we will assign the customer to a demand based network tariff.

4.8.2 Approach to CAC and ICC Customers

For customers with connection points coupled at the 11kV network and above, demand and volume characteristics are reviewed annually, while connection assets and network configurations may be reviewed periodically or on request.

5 COMPLIANCE WITH PRICING PRINCIPLES

The following section broadly outlines:

- how this TSS complies with the pricing principles for direct control services, and
- a description of the approach that we will take in setting each tariff during the 2025-30 regulatory control period consistent with the pricing principles.

The relevant pricing principles are found in Clause 6.18.5 of the NER. Table 14 outlines where we have addressed the pricing principles requirements within this TSS.

Table 14 – Pricing principles compliance checklist

NER Requirement	Relevant section of this TSS
Clause 6.18.5(e) of the NER requires that the revenue expected to be recovered from a tariff class must lie on or between: • an upper bound representing the stand alone cost of serving the retail customers who belong to that class, and • a lower bound representing the avoidable costs of not serving those retail customers.	Section 5.1 outlines how we demonstrate our tariffs lie between stand alone and avoidable costs.
Clause 6.18.5(f) requires each tariff to be based on the Long Run Marginal Costs (LRMC) of providing the service to which it relates and the way that method is applied.	Section 5.3 provides information on our LRMC estimates and Section 5.4 provides information on how we incorporate these estimates into each tariff. Section 8 in our Explanatory Statement provides information on our LRMC estimation methodology.
Clause 6.18(g) requires the revenue required from each tariff to: • reflect the total efficient costs of serving retail customers assigned to the tariff • permit the recovery of expected revenue from the distribution determination, and • minimise distortions to price signals.	Section 5.4 provides an explanation our methodology for setting tariffs, our approach to allocating allowed revenues to these tariffs for each Pricing Proposal and our approach to minimising distortions in price signals for customers.
Clause 6.18.5(h) requires that we consider the impact of changes in tariffs from the previous year and vary tariffs only to the extent necessary having regard to pricing principles, the extent to which customers can choose alternative tariffs and the extent to which customers can mitigate the impact of any change.	Section 5.7 outlines how we have considered impacts on retail customers.
Clause 6.18.5(i) requires that the structure of each tariff be reasonably capable of being understood by retail customers assigned to that tariff or directly or indirectly incorporated by retailers into contract terms offered to those customers.	Section 5.8 outlines how we have incorporated customer preferences into the proposed tariff structures, based on the customers' ability to understand tariffs.

Section 8 of our Explanatory Statement includes further information on how we have complied with the relevant rules.

5.1 Stand alone and Avoidable Costs

The NER does not prescribe the methodology that should be used to calculate the stand alone and avoidable costs of tariff classes of the network. Consistent with previously approved TSS's we have chosen to base our cost estimations using the hypothetical modification of the existing network, rather than by devising and costing optimal new network structures. This has been done for two reasons:

1. to avoid the very substantial resource requirements that would be involved in a full network redesign; and
2. in recognition that the economic regulatory framework for distribution supports the existence and value of existing (sunk) network investments and does not support the optimisation of existing networks.

The methodology to determine our lower and upper bounds for each tariff class is set out in our Explanatory Statement. Table 15 demonstrates that distribution revenue for the first year of the regulatory control period is within the stand alone and avoidable cost boundaries for each tariff class.

Table 15 – Stand alone and Avoidable Costs

Tariff class	Avoidable Cost	2025 26 Distribution Use of System (DUOS) revenue	Stand alone Cost
Standard Asset Customers (SAC)	$202,320,105	$1,372,239,327	$1,486,279,241
Connection Asset Customers (CAC)	$21,029,764	$130,484,118	$539,571,789
Individually Calculated Customers (ICC)	$10,000,920	$36,331,673	$145,834,390

Note: Figures above are GST exclusive

5.2 Side Constraint

Clause 6.18.6 of the NER requires that the annual movement in revenue recovered from each tariff class is limited by the side constraint. The side constraint applies to the tariff class as a whole, and not to individual tariffs, tariff components or individual customer outcomes. The AER will set out the pricing side constraint mechanism applicable in the 2025 to 2030 regulatory control period. Compliance with the side constraint will be demonstrated in our annual Pricing Proposals.

5.3 Setting prices based on Long Run Marginal Cost

The pricing principles require each tariff to be based on the LRMC of providing the service to the retail customers assigned to that tariff class, with the method of calculating LRMC and the manner in which that method is applied having regard to:

- the costs and benefits associated with calculating, implementing and applying the method
- the additional costs associated with meeting incremental demand for the customers assigned to the tariff at times of greatest utilisation of the relevant part of the distribution network and
- the location of customers and the extent to which costs vary between different locations.

On 12 August 2021, the AEMC made a final determination amending the NER and National Energy Retail Rules (NERR) to integrate Distributed Energy Resources (DER) more efficiently into the electricity grid. This determination, along with the outworking of the AER Export Tariff Guidelines, necessitate a LRMC to be set for both import and export services.

Further information about our LRMC estimates and the conversion of these into price signals is provided in our Explanatory Statement.

5.3.1 LRMC Estimates

Table 16 shows the retained the LRMC estimates submitted in our January 2024 Initial Submission for our final submission. This is consistent with no significant changes to the LRMC inputs.

Table 16 - Long Run Marginal Cost Estimates

Voltage	Annual Import		Annual Export	
	$/kW	$/kVA	$/kW	$/kVA
Low Voltage	172.630	155.370	14.190	12.770
High Voltage Line	144.970	130.480	1.750	1.580
High Voltage Bus	62.110	55.903	1.750	1.580
Sub-Transmission	16.240	14.610	N/A	N/A

5.4 Tariff setting methodology and efficient recovery of costs

We recover revenues and set prices in each year of the regulatory control period through an annual Pricing Proposal process co-ordinated by the AER.

To ensure revenue recovery for each tariff class remains between the upper and lower bounds established by stand alone and avoidable costs, we allocate allowed revenues based on a relative contribution of each tariff class to our efficient costs. For example, the low voltage tariff class receives a larger distribution cost allocation given they use more network assets compared to a high voltage connection tariff class where customers do not use lower voltage network assets.

Our approach to allocating costs and setting distribution tariffs involves:

- Firstly, setting prices for LRMC based charges
    - We reflect the estimated LRMC in the peak demand, capacity, and peak volume tariff charging components.
- Secondly, allocating the residual costs to each tariff class and then to the non-LRMC based charging components within each tariff
    - We attribute relative costs of the network to voltage levels based on the relative contribution of the tariff class to the voltage level. For example, the low voltage tariff class receives a larger distribution cost allocation given a low voltage connection

uses more network assets. Residual costs are firstly allocated to each tariff class and then to the individual charging components within each tariff.

- Costs not recovered from LRMC based charges are recovered from non-peak volume and demand charges (i.e. off peak and shoulder charges) and fixed charges.
- Residual costs are allocated to the individual tariffs on a basis that minimises changes relative to the previous year and considers customer impacts and minimises distortions to LRMC signal.

- Ensuring revenue for each tariff class lies between the stand alone and avoidable costs.
  - We ensure the distribution revenue for each tariff class lies between stand alone and avoidable cost estimates and that year-on-year price change is within the side constraint for each tariff class.

5.4.1 SAC and CAC tariff class

LRMC values are derived for all major voltage levels and form the basis for all SAC and CAC cost-reflective network tariff structures. Our tariff-setting involves the following considerations:

- Charging mechanisms: We incorporate the LRMC values in the peak demand charge parameter of the demand-based tariffs as it is considered the most suitable mechanism to signal the cost of future network augmentation. For tariffs without a demand charge parameter, LRMC is allocated to the 'peak' usage charge of TOU Energy tariffs.
- Approach to legacy flat tariffs: These tariffs have been in place for many years and, therefore, do not reflect the LRMC signal inherent in the TOU Demand or TOU Energy-based tariff structures.
- Balancing signals based on LRMC with customer impacts: A charge lower than the calculated LRMC allocation is often applied to tariffs in order to promote customer acceptance, allow customers to adjust to tariffs they may not be familiar with and allow customers reasonable opportunity to mitigate the potential for network charge impact.

The residual revenue (remaining revenue after LRMC based revenue is removed) is allocated to each individual tariff by considering the previous years' allocation of residual revenue. This means that we must recover the revenue shortfall through the fixed, anytime volume, off-peak and shoulder charges. Residual revenue is recovered in a way that meets pricing principles, balancing the need for recovery in the least distortionary manner, customer impact and customer and retailer preferences.

Sub threshold tariffs

For SAC – Dynamic Price Storage tariff, the:

- Critical Peak Period import charge is based on the LRMC for load on the low voltage network.
- Critical Peak Period export charge is based on the LRMC for export on the low voltage network.

The LRMC is applied to the maximum number of periods the charge could be applied per annum (i.e. 80 periods). Therefore, to derive rate applicable for individual 30-minute critical peak period the LRMC is divided by 80 (i.e. maximum number of 30-minute periods charge can be called per annum).

For CAC – Dynamic Price Storage tariff:

- Critical Peak Period import charge is based on the LRMC for load on the high voltage network.
- Critical Peak Period export charge is based on the LRMC for export on the high voltage network.

The LRMC is applied to the maximum number of periods the charge could be applied per annum (i.e. 80 periods). Therefore, to derive rate applicable for individual 30-minute critical peak period the LRMC is divided by 80 (i.e. maximum number of 30-minute periods charge can be called per annum).

5.4.2 Tariff Setting for ICC Customers

Tariff setting for ICC customers reflects a historical approach of establishing site specific prices to reflect the customer's specific contribution to existing and forward-looking costs of dedicated connection and shared infrastructure assets at a locational level.

This is because there is significant variation across our customers in these classes in respect to:

- how far upstream they are connected to the network, and therefore the extent to which they use common infrastructure,
- the geographic location of the customer; and,
- the nature and extent to which customers have funded (or contributed in advance) to connection infrastructure.

Site specific tariffs are not unique to our network. They are accepted as a suitable means for introducing locational charging parameters and can better signal to large customers their individual negotiated connection arrangement.

The methodology for calculating tariffs for our ICC customers is provided in our published network tariff documentation and prior year Pricing Proposal documents. Tariffs for the ICC tariff class are set having regard to the LRMC of providing services to all customers in a tariff class, the relative share of common infrastructure, the contribution arrangements at the time of connection and their relative contribution to the use of shared infrastructure.

In relation to the ICC tariff class, the attribution relates to each sites relative contribution to dedicated connection and shared cost elements based on the customer's specific location, recognising the more complex nature of these connections and connection arrangements and the significant attribution to each customer of fully dedicated and shared infrastructure.

We have regard to our estimates of LRMC values in setting price levels, while bearing in mind that our LRMC estimates reflect an average across all ICC customers, whereas our methodology for ICC customers takes into account a range of customer specific considerations.

For a majority of customers in the ICC class connecting close to the bulk supply point, connection agreements often reflect a capacity which they contributed much of the investment for up front – and the extent to which these connections increase capacity significantly, would require additional investment and contribution under the relevant connection policy. This means that LRMC-based price signals play a much smaller role in managing future network costs for ICC customers, in comparison to other customers. Nevertheless, the LRMC component is proportionally collected through the demand charge.

For our ICC customers we also adopt an approach for allocation of transmission charges that preserves where possible the locational basis of these signals at a transmission connection point. These efficient transmission price signals have an added advantage for ICC customers, since transmission costs make up a relatively larger proportion of their network costs, in comparison to other customers.

5.5 Passthrough of Specified Costs

5.5.1 Transmission services

Energex's designated pricing proposal charges (DPPC) are designed to recover transmission related costs, including Powerlink's transmission use of system (TUOS) charges, avoided transmission payments made to embedded generators and inter-distributor payments. The DPPC comprise part of the overall network charges.

The DPPC amount to be passed on to customers for a particular regulatory year must not exceed the estimated transmission related costs including the overs and unders adjustment amount.

The approach to recovery of transmission costs differs across our tariff classes:

- DPPC cost amounts are allocated to SAC and CAC tariffs proportionally based on a mixture of customer numbers, anytime maximum demands and volumes. Designated pricing proposal charges for SAC tariffs are recovered from the same tariff structure as DUOS charges (typically reflected in fixed and volume charges). DPPC charges for CAC tariffs are based on average DPPC charges. This provides a degree of cost-reflectivity for this group of customers while recognising the practical difficulties of calculating individual charges for each customer connected at the HV network.
- Our ICC network tariffs preserve the economic signals present in the structure of the DPPC as the charges are based on the relevant transmission connection point. This provides the greatest cost-reflectivity for these customers and is a feasible method for calculating charges since the number of ICCs is relatively small.

CopperString 2032

Following announcements made by the Queensland Government, CopperString 2032 includes 1,100 km of a high-voltage electricity line from Townsville to Mount Isa that will connect Queensland's North West Minerals Province to the national electricity grid. We may seek to alter our approach to DPPC cost allocation to tariff classes and tariffs if required to support CopperString 2032.

5.5.2 Jurisdictional Scheme Amounts

We are required to recover jurisdictional scheme amounts for jurisdictional schemes managed by the Queensland Government. We recover these amounts as directed. Typically, they are recovered through fixed and energy charges applied to all network tariffs.

Jurisdictional scheme amounts passed through to customers for a particular regulatory year will be adjusted to ensure they do not exceed the costs of jurisdictional schemes adjusted for over or under recoveries in previous years.

5.6 Setting legacy metering tariffs

In accordance with the AER's Draft Decision, from 1 July 2025 legacy metering service (type 5 and 6 metering) will be reclassified from alternative control services to a standard control service.

Legacy metering costs will be recovered from the SAC tariff class customers via a fixed daily charge, applicable to primary tariffs. Each primary tariff will attract a uniform metering increment to the fixed charge. The uniform fixed charge metering increment will be calculated as the annual metering revenue requirement divided by the sum of customers on each primary tariff within the SAC tariff class.

We will adjust the metering annual revenue amount to comply with the unders and overs mechanism as set out by the AER.

5.7 Customer Impact Analysis

We analysed the impact of changes in network tariffs on customers using a range of tools. This analysis allows us to consider bill impacts across the entire population of a customer group, socio-economic segmentation (for residential customers) and representative customer personas for our small customer base.

Customer bill impacts cannot be viewed in isolation. Customers may be impacted by higher prices due to the increase in revenue resulting from the relevant distribution determination. Impacts can also be attributed to changes in tariff structures which are implemented to minimise distortions in price signals. Our Explanatory Statement provides information on how we engaged with customers in relation to trade-offs between sharper pricing signals and customer bill impacts.

To mitigate the impact of the transition to cost-reflective pricing for residential and small business customers our tariff assignment policy allows for a transition period of up to 12 months after the end of the financial year in which the customer upgrades to a smart meter. Our proposed assignment policy following a change from a basic to smart meter is discussed in Section 4.2.3

5.8 Customer Engagement and Understanding

We undertook extensive engagement with a wide range of customers and stakeholders to develop the proposed network tariff reforms. We are committed to ensuring ongoing engagement with stakeholders and customers who are connected to and use our networks. Our consultation involved engagement with residential customers, major customers, retailers and our Network Pricing Working Group. The Network Pricing Working Group membership comprises representatives from our Regulatory Reset Group and industry to represent a broad set of customer groups, including ageing populations, consumer groups, vulnerable customers, agriculture, and industry. It is tasked with providing input on our tariff strategies and negotiating balanced outcomes for customers.

Our proposed tariff reforms, including the time of use charging windows, tariff assignment policy and tariff streamlining initiatives have been developed while considering and incorporating feedback from our stakeholders and customers. Our Explanatory Statement provides a detailed overview of our approach to engagement, key themes engaged upon, customer views and our response to prepare the final network tariffs included in this TSS submission.

6 EXPORT TARIFF TRANSITION STRATEGY

The NER requires Energex to include a description of the strategy we have adopted for the introduction of export tariffs including the period of transition, taking into account the impact on retail customers of changes in tariffs.[12] The strategy must demonstrate the introduction of export tariffs (both when they are introduced and how) is reasonably necessary having regard to:

- the desirability of tariffs to comply with pricing principles, albeit after a reasonable period of transition which may extend beyond more than one regulatory control period
- the extent to which retail customers can choose the tariff to which they are assigned; and
- the extent to which retail customers can mitigate the impact of changes through their decisions about usage of services[13].

Based on the above criteria, and following consideration of the AER's Draft Decision and customer and stakeholder feedback since the submission of our Initial TSS, our strategy in relation to export tariffs is to delay the introduction of two-way tariffs to beyond the 2025-30 regulatory control period.

The AER's Guideline on Export Tariffs notes that distributors not proposing two-way pricing for an upcoming regulatory control period are required to provide an export transition strategy to signal future intentions by:

- explaining medium to longer term strategy for introducing two-way pricing should it prove necessary, including any planned export tariff trials
- describe present or intended future stakeholder engagement related to two-way pricing

Information regarding our future intentions is summarised below. We have included additional information required by the AER's Guideline in Section 5.4.3 of our Explanatory Statement.

6.1 Transition strategy for two-way pricing

The AER's Explanatory Statement to the Export Tariff Guidelines require Energex to recognise network circumstances and stakeholder views when deciding on transition arrangements, balancing simplicity, complexity, and efficiency in the process.

Since our Initial TSS submission, there has been significant media speculation, following retailer and consumer concerns related to smart meter rollout, customer choice, and time variant energy bills being imposed on customers – sometimes without consent. Transitional arrangements have been implemented in Queensland to provide customer protection. This is likely to be broadened nationally based on indications from the Australian Energy Market Commission. In the broader energy pricing policy context, the long-term pricing arrangements associated with several reforms are still being worked through.

In such an uncertain policy environment, we consider that our customers' capability to reasonably understand two-way tariffs, and retailers and third parties' ability to incorporate two-way pricing options is diminished.

To the extent that policy frameworks even allow non-voluntary pass through of export prices, our analysis suggests the quantum of export charges is very unlikely to be sufficient to drive any meaningful change in customer behaviour, with minimal benefits in the short term. On the cost side, transaction costs associated with implementing export prices for both networks and retailers are significant, particularly in the context of a substantial set of parallel tariff reforms.

[12] NER 6.18.1A (2A)
[13] NER 6.18.5(h)

Many of these tariff reforms we have implemented in the next regulatory control period have similar objectives as export tariffs, with potentially even greater effect. These include introduction of new time of use windows as well as tariffs which incentivise grid scale storage and active device management.

Throughout the 2025-30 regulatory control period we will assess the intrinsic hosting capacity throughout the network and the impact of growth in Customer Energy Resources on network costs. We are aware of export hosting capacity issues in some parts of our network. However, unlike many other networks we do have plans in place to manage customer and network impact from exports through dynamic connection arrangements for customers. Information on these arrangements is provided in our Explanatory Statement and Customer Energy Resources Integration Strategy.

Our medium to longer term two-way tariff transition strategy will depend on how much we are required to invest in the network export hosting capacity, regulatory changes and customer feedback from further engagement on two-way tariffs.

We recognise there is significant uncertainty on customer behaviour changes and future Customer Energy Resources investment (including growth in electric vehicles and battery storage).

We will continue to engage with our customers, stakeholders and the Network Pricing Working Group in relation to two-way pricing in the future. We will also consider relevant tariff trials to test customer responsiveness to export prices once other network tariff reforms have been embedded.

6.2 Customer engagement in relation to two-way tariffs

We have engaged with customers on the appropriate transition path to providing better incentives for exports. In engagement with our Voice of the Customer Panel one of the issues we explored was the pace of change for introducing export tariffs.

Customers expressed the need for optionality and time to adjust, which is reflected in our transition approach. While the majority of our Voice of the Customer Panel members wanted Energex to build up the pace of tariff reform, they stopped short of recommending immediate implementation. Their recommendation was to implement reforms over a 10-year horizon, with implementation commencing in the next regulatory control period.

Customers expected a build-up of reform in line with greater penetration of smart meters which to be supported by increased education and awareness for customers. Some members of our Voice of Customer Panel did not want two-way tariffs to commence until after 80 per cent of smart meters had been rolled out in South-East Queensland to ensure a fair and equitable network tariff arrangement.

Customers continue to describe a lack of education and information on end use retail pricing, and this has been highlighted in relevant recent media exposure, with appropriate responses by governments and policy makers alike. Energex is working towards an improved customer engagement framework which will include an ongoing engagement forum. We intent to use this forum as a basis for consideration of broader retail pricing reforms and how export tariffs and other incentives can be further developed through trials or other arrangements over the 2025-30 regulatory control period.

7 ALTERNATIVE CONTROL SERVICES

Alternative Control Services (ACS) are akin to a 'user-pays' system whereby the whole cost of the service is paid by those customers who benefit from it, rather than recovered from all customers. Our ACS are regulated under a price cap control mechanism. This means that the AER determines our efficient costs and approves a maximum price that we can charge for the service.

7.1 Tariff Classes

Our tariff classes for ACS have been determined according to the classification of services set out in the AER's Framework and Approach (F&A) for the 2025-30 regulatory control period. The AER has classified the following categories of services as alternative control services:

- Public lighting
- Security lighting
- Ancillary network services and
- Auxiliary metering services.

Each alternative control service category is its own tariff class.

A more detailed list of proposed services and pricing approaches for the 2025-30 regulatory control period is provided in Table 17.

Table 17 – Alternative Control Services and pricing approaches

Service category	Description	Basis of control mechanism
Connection services – Services relating to the electrical or physical connection of a customer to the network		
Major customer - Premises connections	The F&A defines this service grouping as any addition or upgrades to connection assets located on the customer's premises for major customer connections. Note; This service includes design, construction, commissioning and energisation of connection assets (including administration services (e.g. reconciling project financials) and generation required to supply existing customers while equipment is de-energised to allow testing and commissioning to occur). It excludes all metering services and services separately identified under 'Connection management services'.	Quoted - A formula-based approach (cost build-up).
Major customer - Network extensions	The F&A defines this service grouping as an enhancement required to connect a power line or facility outside the present boundaries of the transmission or distribution network owned or operated by a network service provider to facilitate new or altered major customer connection.	Quoted - A formula-based approach (cost build-up).
Connection application and	The F&A defines this service grouping as a range of services and activities provided by distributors, and sought by customers, which are specific to a connection point, and encompasses:	Fee based – a formula-based approach (cost build-

Service category	Description	Basis of control mechanism
management services	• Connection application related services • De-energisations and re-energisations • Temporary connections • Temporary disconnections and reconnections • Supply abolishment • Remove or reposition connections • Overhead service line replacements (e.g. as a result of a point of attachment relocation) • Protection and power quality assessment • Customer requested change requiring secondary and primary plant studies for safe operation of the network (e.g. change protection settings) • Upgrade from overhead to underground service • Rectification of illegal connections or damage to overhead or underground service cables • Supply enhancement (e.g. upgrade from single phase to three phase) • Power factor correction.	up) in the first year and then a price path for the remaining years of the regulatory control period. Quoted - A formula-based approach (cost build-up).
Enhanced connection services	The F&A defines this service grouping as activities to provide customers with a higher standard of services that exceeds the minimum technically feasible standard. These include services at the request of customer or third party that are: • Provided with higher quality of reliability standards, or lower quality of reliability standards (where permissible) than required by the NER or any other applicable regulatory instruments • In excess of levels of service or plant ratings required by the distributor, or • For embedded generators, including the removal of network constraints.	Quoted - A formula-based approach (cost build-up).
Network ancillary services − customer and third party initiated services related to the common distribution service		
Network safety services	Examples include: • Provision of traffic control and safety observer services • Fitting of tiger tails and aerial markers • Third party request for de-energising for safety • High load escorts.	Quoted - A formula-based approach (cost build-up).

Service category	Description	Basis of control mechanism
Customer requested planned interruptions	Includes: • Where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours • Customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close to or for safe approach, which impacts other networks users).	Quoted - A formula-based approach (cost build-up).
Attendance at customers' premises to perform a statutory right where access is prevented.	A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This includes the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).	Fee based - a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period.
Customer, retailer or third party requested appointments	Works initiated by a customer, retailer or third party which are not covered by another service and are not required for the efficient management of the network, or to satisfy distributor purposes or obligations. Includes, but is not limited to: • Restoration of supply due to customer action • Re-test at customer's installation (i.e. customer has submitted a request and the Retailer has issued a Service Order Request, but installation fails test and cannot be connected, requiring a re-test of the installation) • Safety observer • Tree trimming • Switching • Cable bundling, and • Checking pump size for tariff eligibility.	Quoted - A formula-based approach (cost build-up).
Removal/ rearrangement of network assets	Removal, relocation or rearrangement of network assets (other than connection assets) at customer request that would not otherwise have been required for the efficient management of the network.	Quoted - A formula-based approach (cost build-up).
Network related property services	The F&A defines this service grouping as: • Network related property services such as property tenure services relating to providing advice on, or obtaining deeds of agreement, deeds of indemnity, leases, easements or	Quoted - A formula-based approach (cost build-up).

Service category	Description	Basis of control mechanism
	other property tenure in relation to property rights associated with a connection or relocation • Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer.	
Authorisation and approval of third-party service providers design and works	Accreditation and approval of alternative service providers to provide design and construction services for real estate development and/or provide construction services for real estate development.	Quoted - A formula-based approach (cost build-up).
Inspection and auditing services	Auditing / inspecting of connection assets after energisation to network.	Quoted - A formula-based approach (cost build-up).
Sale of approved materials or equipment	Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to become part of the shared distribution network.	Quoted - A formula-based approach (cost build-up).
Provision of training to third parties for network related access	Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor's network. Such learning outcomes may include those necessary to demonstrate competency in the distributor's electrical safety rules, to hold an access authority on the distributor's network and to carry out switching on the distributor's network.	Quoted - A formula-based approach (cost build-up).
Non-standard network data requests	Customer requests provision of electricity network data requiring customised investigation, analysis or technical input (e.g. requests for pole assess information and zone substation data).	Quoted - A formula-based approach (cost build-up).
Customer requested provision of electricity network data	Data requests by customers or third parties including requests for the provision of electricity network data or consumption data outside of legislative obligations.	Quoted - A formula-based approach (cost build-up).
Third party funded network alternations	The F&A defines this service group as alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.	Quoted - A formula-based approach (cost build-up).

Service category	Description	Basis of control mechanism
Auxiliary Metering Services (Type 5 and 6)		
Auxiliary metering services	Examples of auxiliary metering services include: • Off cycle meter reads for Type 5 and 6 meters • Change distributor's load control relay channel • Customer requested meter inspection and investigation • Type 5 and 6 meter removal and disposal • Works to reseal a Type 5 and 6 meter due to customer or third party action • Testing and maintenance of instrument transformers for Type 5 and 6 metering purposes, and • Emergency supply restoration in relation to metering equipment not owned by the distributor.	Fee based - a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period. Quoted - A formula-based approach (cost build-up).
Provision of services for approved unmetered supplies	Provision of services to extend / augment the network, to make supply available for the connection of approved unmetered equipment, e.g. public telephones, public lights, extension to the network to provide a point of supply for a billboard & city cycle, e.g. installation of a pillar to supply connection for Rate 3 public lighting.	Quoted - A formula-based approach (cost build-up).
Public Lighting Services		
Public lighting services	Provision, construction and maintenance of public lighting.	Price cap based on a limited building block in the first year of the regulatory control period and then a price path for the remaining years.
Auxiliary public lighting services	Ad hoc, customer requested public lighting services: • Removal /rearrangement of public lights • Provision of unique luminaire glare screening or customer requests • Review, inspection and auditing of design or construction works carried out by an accredited service provider • Exit fees for the residual asset value of non-contributed public lights when the entire assets (pole, cabling, bracket, luminaire and lamp) are replaced before the end of their expected life, and • Emerging public lighting technologies. Non-standard public light charges:	Quoted - A formula-based approach (cost build-up).

Service category	Description	Basis of control mechanism
	• Non-standard public lighting charges apply where the cost of constructing public lights is not expected to be fully recovered through daily public lighting charges over a 20-year term. In these circumstances, we may require the customer to pay an additional upfront amount.	
Security (watchman) lights (legacy)	Operation and maintenance of equipment mounted on a distribution equipment used for security services, e.g. night watchman lights. Note: excludes connection services.	Fee based - a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period - for the maintenance, operation and replacement of the assets.
Note: Excludes the replacement of conventional lights with Light Emitting Diode (LED) technology.		

7.2 Tariff Structures

7.2.1 Public lighting

For public lighting services (provision, installation and maintenance of assets), a limited building block approach is used to determine the allowable revenues over the 2025-30 regulatory control period, which are then used to calculate the charges in the first regulatory year. These charges are escalated using the CPI minus X formula for the remainder of the regulatory control period as per the formula set out in figure 2.2 of the F&A.[14]

For the 2025-30 regulatory control period we propose public lighting tariffs which will reflect:

- whether the public lighting services are located on minor or major roads[15]
- whether the assets have been funded by us or by the customer, i.e. 'Energex owned and operated' versus 'customer gifted and operated by Energex', and
- the type of public lighting technology (i.e. conventional or LED).

The proposed public lighting tariffs to be offered by us are set out in Table 18:

[14] In accordance with clause 6.8.2(c)(3), we provide a demonstration of this calculation in the ACS public lighting pricing model provided as part of the regulatory proposal submission.
[15] Public lighting on minor roads is used primarily for the visual requirements of pedestrians. It is typically the responsibility of councils. Public lighting on major roads is used primarily for the visual requirements of motorists (e.g. traffic routes). It is typically the responsibility of a state or territory road authority (e.g. DTMR).

Table 18 - Proposed public lighting tariffs

Tariff grouping	Conventional Lights tariffs	LED specific tariffs	Charge and unit
Rate 1 - Minor	Rate 1 CONV Minor – funded by Energex	Rate 1 LED Minor – Funded by Energex	Fixed rate ($) per day per light
Rate 1 - Major	Rate 1 CONV Major – funded by Energex	Rate 1 LED Major – Funded by Energex	
Rate 2 - Minor	Rate 2 CONV Minor – Funded by Council	Rate 2 LED Minor – Funded by Council	
Rate 2 - Major	Rate 2 CONV Major – Funded by Council (and DTMR)	Rate 2 LED Major – Funded by Council (and DTMR)	
Rate 2A - Minor		Rate 2A LED Minor – Funded by Energex[a]	
Rate 2A - Major	N/A	Rate 2A LED Major – Funded by Energex[a]	
Rate 2B – Minor and Major		Rate 2B Smart Major & Minor – Funded by council and DTMR[a]	

Note:(a) New tariff offered from 1 July 2025

On 1 July 2025, Energex will fund the upfront costs of converting the Rate 2 conventional assets to LED. Energex will recover the capital and operating charges associated with these converted assets through a new public lighting LED tariff, Rate 2A.

To keep the number of tariffs to a minimum, we propose to discontinue Rate 4 (previously known as NPL4) due to the low uptake. Rate 4, introduced on 1 July 2020, was developed to enable customers to fund the replacement of their Rate 1 conventional luminaire and lamp with an LED and gift the LED luminaire to us. In this circumstance, the associated pole and cabling remained legacy and non-contributed assets owned by us. As such, Rate 4 assets attracted a capital charge relating to the legacy infrastructure and operating charge for the operation and maintenance of the customer-contributed LED lights. It is proposed that on 1 July 2025 existing Rate 4 assets will be reassigned to Rate 2 LED Minor or Major tariff, thereby benefitting from lower charges as the Rate 2 LED tariffs do not include a capital charge associated with the Rate 1 legacy infrastructure.

Energex will continue to allow flexibility in funding for customers wishing to fund their Rate 1 conversions. However, instead of being reassigned to a Rate 4 tariff (as per arrangements set out in the 2020-25 TSS), these assets will be reassigned to the Rate 2 LED tariff and will no longer attract the residual cost of the legacy infrastructure.

In line with customer expectations with regards to the deployment of smart control devices, we propose to offer on 1 July 2026 access to these smart cells on ’user pays‘ basis with customers funding the upfront capital cost of the hardware. These customer-contributed assets will be gifted to Energex to operate and maintain. The recovery of costs associated with the digital and data

systems, as well as the replacement of the assets, will be done through a new smart control tariff, Rate 2B.

Exit fee

We will apply an exit fee for the residual asset value of non-contributed public lights when the entire assets (pole, cabling, bracket, luminaire and lamp) are replaced before the end of their expected life in the following circumstances: e.g. customer requested relocations or road diversions. The fees will be developed on a price-on-application basis as they cannot be estimated in advance.

7.2.2 Security lighting

Security lighting services involve installation, operation, maintenance and replacement of lighting equipment which is typically mounted to our distribution network poles and structures.

From 1 July 2025 we propose to cease providing and installing security lights for new customers but we will continue to maintain and operate security lights for existing customers until they transition to alternative solutions.

The proposed on-going maintenance, operation, replacement and energy use charges vary depending on the type and level illumination requested by the customer. These charges are designed to recover both the capital and non-capital components, with the capital costs incurred during installation as well as the luminaire replacement costs being recovered during the life of the lighting equipment.

The energy use charge is calculated based on an estimated amount of electricity consumption calculated in accordance with the AEMO published load tables for unmetered connection points and our standard control service for the unmetered supply tariff. Table 19 shows our proposed security lighting tariffs.

Table 19 - Proposed security lighting tariffs

Tariff grouping	Tariffs	Description	Charge and unit
Maintenance, operation and replacement	Small LED	W70, W100	Fixed rate ($) per day per light
	Medium LED	W200	
	Small conventional	High Pressure Sodium or Metal Hallide 150W	
	Medium conventional	High Pressure Sodium, Metal Hallide or Mercury Vapour 250W[a]	
	Large conventional	High Pressure Sodium, Metal Hallide or Mercury Vapour 400W[a]	

Tariff grouping	Tariffs	Description	Charge and unit
Energy use	Unmetered tariff	Charges vary depending on the light type and size. Usage based on actual wattage according to AEMO.	Fixed rate ($) per kWh per light
Note: Mercury Vapour option is only available for existing customer as we no longer supply these lamps			

7.2.3 Ancillary network services

To recover our costs associated with providing ancillary services we set our prices using either a fixed fee-based or a quoted fee approach depending on the nature of the service.

Fee-based services

The prices for fee-based (price cap) services are set in accordance with specified service assumptions due to the standardised nature of the services.

Fee-based services are determined via a cost build up approach at the individual service level and relate to activities undertaken by us at the request of customers or their agents (e.g. retailers or contractors). The costs for these activities can be directly attributed to customers and service-specific prices can be charged.

The prices for fee-based services are determined using a cost build-up approach in 2025-26 based on the following formula:

Equation 1: Cost build-up formula for fee-based services in first year of regulatory control period

$$\text{Price} = \text{Labour} + \text{Contractor services} + \text{Materials}$$

Where:

- Labour (including on costs and overheads) - consists of all labour costs directly incurred in the provision of the service which may include, but is not limited to, labour on costs, fleet on costs and overheads. The labour cost for each service is dependent on the skill level and experience of the employee/s, time of day/week in which the service is undertaken, travel time, number of hours, number of site visits and crew size required to perform the service.
- Contractor services (including overheads) - reflects all costs associated with the use of external labour in the provision of the service, including overheads and any direct costs incurred as part of performing the service. The contracted services charge applies the rates under existing contractual arrangements.
- Materials (including on costs and overheads) - reflects the cost of materials directly incurred in the provision of the service, material storage and logistics on costs and overheads.

Prices in subsequent years of the regulatory control period will be based on the cost build-up developed for 2025-26, escalated using the AER's approved formula in Equation 2 as per the AER's F&A:

Equation 2: Control mechanism formula for fee-based services

$$p_i^t = p_i^{t-1}(1 + \Delta CPI_t)(1 - X_i^t) \text{ x } (1 + A_i^t)$$

Where:

- p_i^t is the cap on the price of service i in year t
- p_i^{t-1} is the cap on the price of service i in year t-1
- ΔCPIt is the annual percentage change in the Australian Bureau of Statistics (ABS) Consumer Price Index All Groups, Weighted Average of Eight Capital Cities from December in year t–2 to December in year t–1.
- Xti is the X-factor for service i in year t.
- Ati is the sum of any adjustments for service 'i' in year t. This includes any bespoke adjustments the AER deems necessary.

Quoted services

Prices for quoted services are determined at the time the customer makes an enquiry and therefore reflect the individual nature and scope of the requested service which cannot be known in advance.

The prices for quoted services will be set using the AER's approved formula-based price cap control mechanisms:

Equation 3: Cost build-up formula for quoted services

$$Price = Labour + Contractor\ Services + Materials + Margin + Tax$$

Where:

- Labour (including on costs and overheads) - consists of all labour costs directly incurred in the provision of the service which may include, but is not limited to, labour on costs, fleet on costs and overheads. The labour cost for each service is dependent on the skill level and experience of the employee/s, time of day/week in which the service is undertaken, travel time, number of hours, number of site visits and crew size required to perform the service,
- Contractor services (including overheads) - reflects all costs associated with the use of external labour in the provision of the service, including overheads and any direct costs incurred as part of performing the service. The contracted services charge applies the rates under existing contractual arrangements.
- Materials (including on costs and overheads) - reflects the cost of materials directly incurred in the provision of the service, material storage and logistics on costs and overheads.
- Margin – 6 per cent multiplied by the sum of labour, contractor services and materials costs.
- Tax – the tax payable calculated at the company tax rate of 30 per cent on the capital component of expenditure that incurs a tax liability.

List of quoted services we will offer during the 2025-30 regulatory control period are provided in attachment Energex - 11.07 – ACS Ancillary services model.

7.3 Compliance with Pricing Principles

7.3.1 Revenue recovery

The AER, through its price cap control mechanism, sets the basis on which we are allowed to recover the efficient costs of providing each service. The total amount of revenue recovered depends on the volume of services provided in the relevant year multiplied by the prices determined by the AER. As a result, we consider that our ACS comply with clauses 6.18.5(g)(1) and (2) of the NER.

7.3.2 Impact on retail customers

The price cap control mechanism limits customer impact by constraining annual price increases to a certain level. The indicative prices accompanying the Revised TSS have been escalated using the AER's approved formula as per figure 2.2 of the F&A. In doing so, we are of the view that we have considered the impact on retail customers of changes in tariffs from the previous regulatory year when setting its ACS prices and have therefore complied with clause 6.18.5(h) of the NER.

7.3.3 Simplicity and least distortionary to the price signal

Our ACS are accessed by all types of customers – from residential customers to large business customers. We have therefore structured each of our ACS tariffs with a view to being as simple and easy to understand as possible, cost reflective and providing a clear signal to customers about the efficient costs of these services.

Each ACS tariff comprises one charging parameter only. For most ACS tariffs, this is a fixed charge – the simplest and easiest to understand charging type.

For quoted services, we develop a user-specific quote based on the requestor's needs. This quote includes a breakdown of the costs we expect to incur in delivering the requested service. We also provide information in this TSS on how quoted prices are determined, so that stakeholders can understand how their charge has been derived.

Accordingly, we consider that, in developing its ACS, we have complied with clauses 6.18.5(g)(3) and 6.18.5(i) of the NER.

7.3.4 Customer engagement

We have extensively consulted with our customers throughout 2023 in relation to public lighting services, tariffs and charges. The introduction of new public lighting tariffs specific to LED lights (Rate 2A and Rate 2B) is in response to the feedback from customers who have indicated a strong desire to adopt LED technologies to replace existing conventional lights, and access to smart cells.

We have also consulted with retailers in relation to the proposed changes to ancillary network services. Customers have indicated a desire for transparency.

Further details on the engagement process and customer feedback are provided in the Energex - 12-09 - ACS Explanatory Statement.

7.4 Assignment and reassignment of customers to ACS tariff classes and tariffs

Each of our customers for Direct Control Services, which includes ACS, are members of one or more tariff classes, as required by clause 6.18.3(b) of the NER. In accordance with clause 6.18.4

of the NER, this section sets out our procedures on assigning and reassigning customers to ACS tariff classes and tariffs.

Prior to the provision of an ACS, a customer will be assigned to the relevant tariff class and tariff based on the type of ACS required. Similar to tariff class membership requirement for SCS, described in Section 3 of this TSS, an ACS customer will not receive the service prior to being allocated to the appropriate tariff class and tariff.

Assignment to an ACS tariff class

Assignment to our ACS tariff classes occurs when:

- major customers request a new connection to the network or an upgrade to their existing connection
- real estate developers request a new connection to the network
- public lighting customers request installation of a new public light or gifting a new public light to Energex
- new service orders or work requests are raised as a result of a request for service by either a customer and/or customer's retailer.

Reassignment to an ACS tariff class

We generally do not initiate tariff class reassignments for ACS. However, there are some circumstances where a field crew attends a site, and the scope of work does not match the service order or work request. This may mean a different service type and/or tariff class may be more appropriate. In these instances, the job is generally returned as not completed and a new service order or work request would need to be submitted.

7.5 Indicative Price Schedule

Our proposed ACS charges for the 2025-30 regulatory control period are set out in the Energex - 11.06 - ACS Price Schedule 2025-30 provided as part the November 2024 Revised TSS.

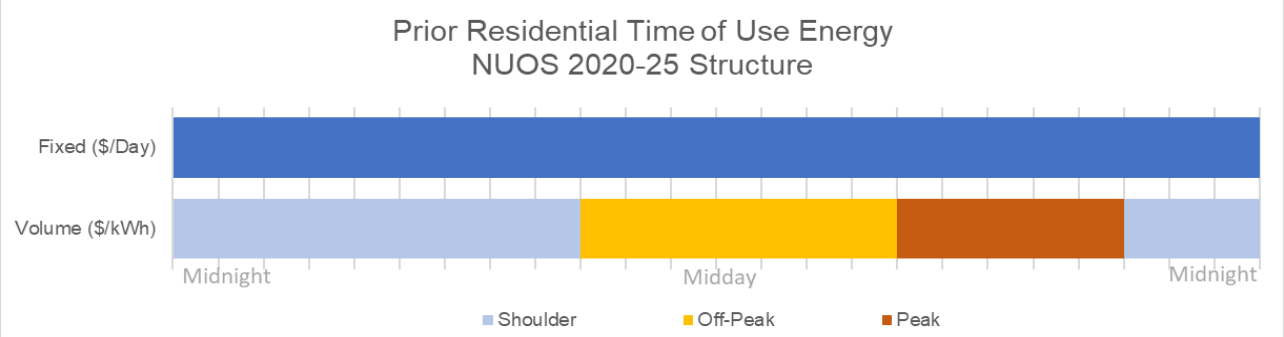
Appendix A: Overview of selected Network Tariffs

Graphical representation of a range, but not all, of our network tariffs.

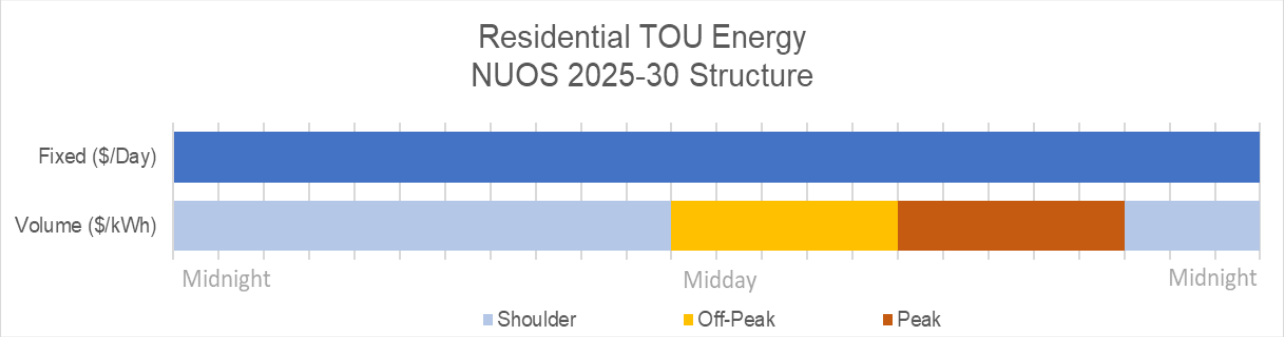
1 Residential Tariffs

1.1 Default Tariff

Pre 1 July 2025



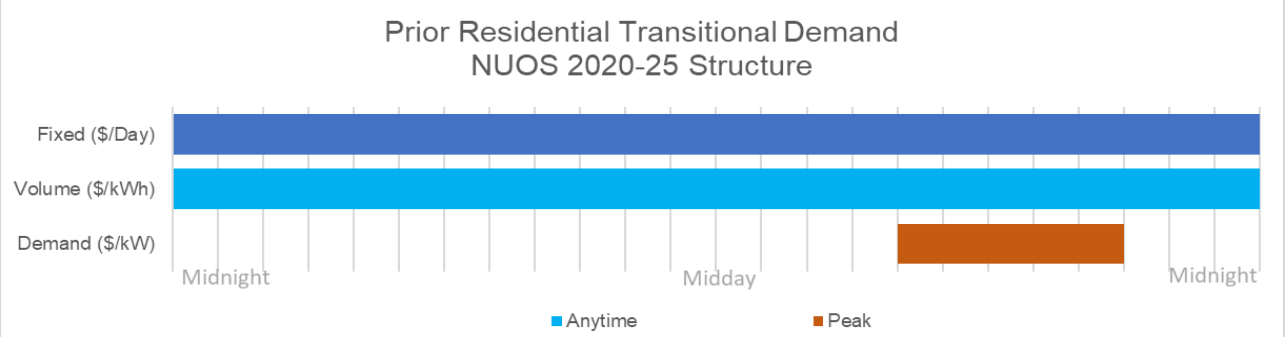
From 1 July 2025



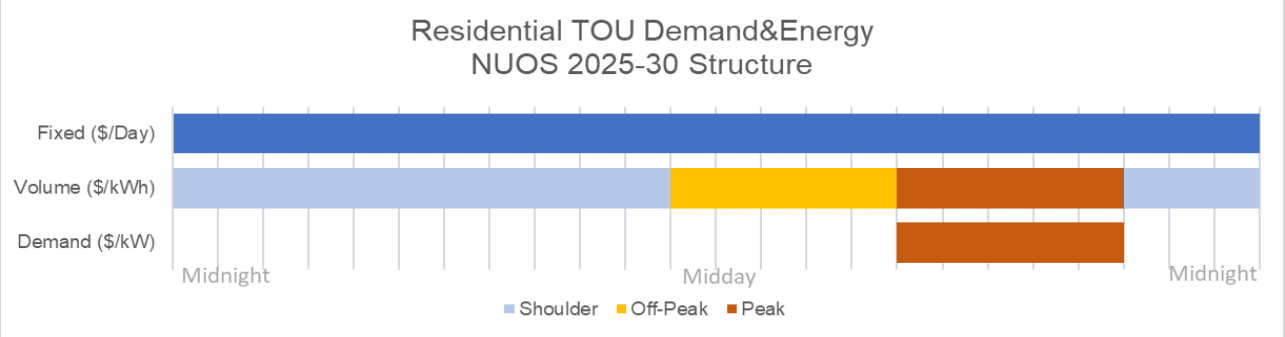
Charge	Window	Time Periods
Volume	Shoulder	Midnight to 11am and 9pm to Midnight Daily
Volume	Off-Peak	11am to 4pm Daily
Volume	Peak	4pm to 9pm Daily

1.2 Optional Tariff

Pre 1 July 2025



From 1 July 2025

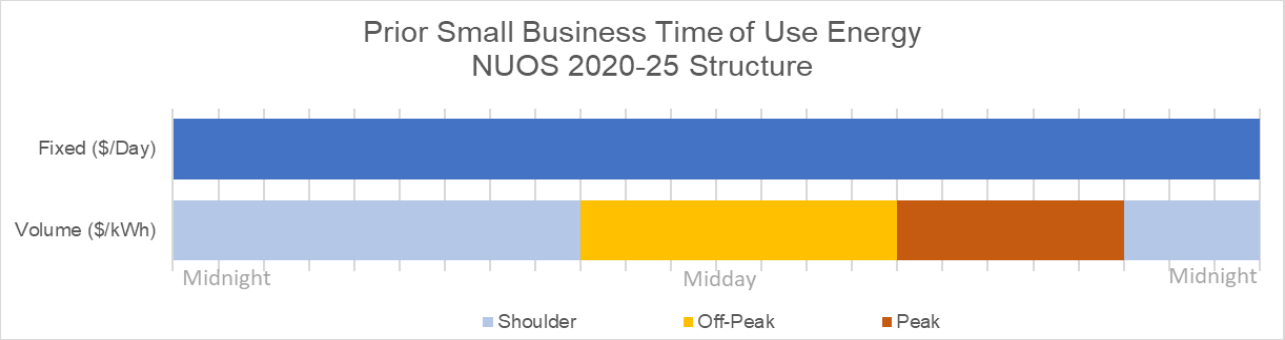


Charge	Window	Time Periods
Volume	Shoulder	Midnight to 11am and 9pm to Midnight Daily
Volume	Off-Peak	11am to 4pm Daily
Volume	Peak	4pm to 9pm Daily
Demand	Peak Demand (kW)	4pm to 9pm Daily

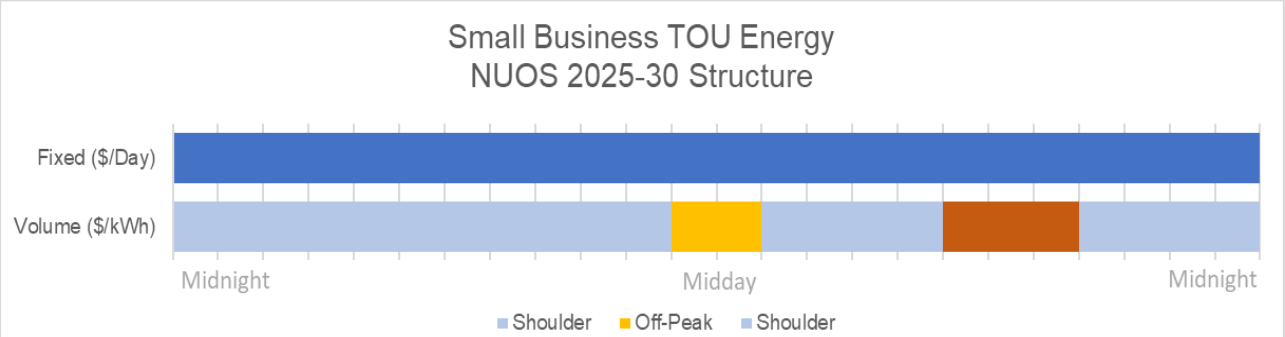
2 Business Tariffs

2.1 Default Tariff

Pre 1 July 2025



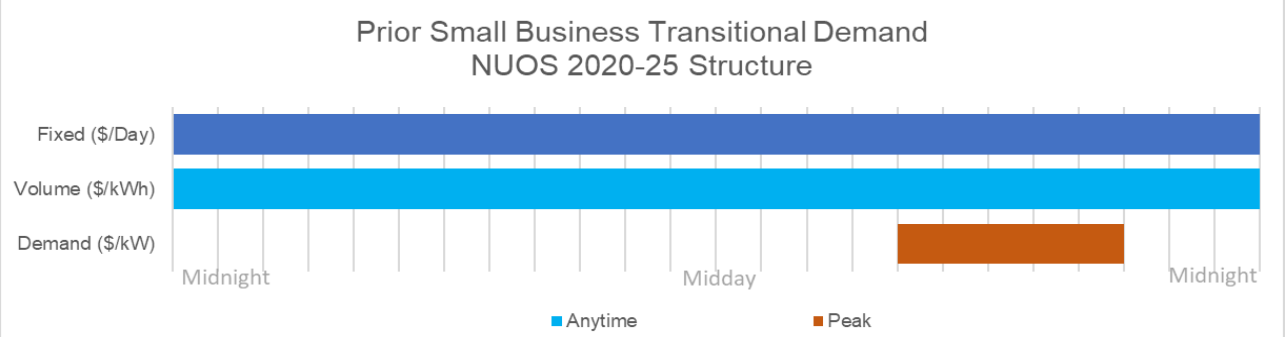
From 1 July 2025



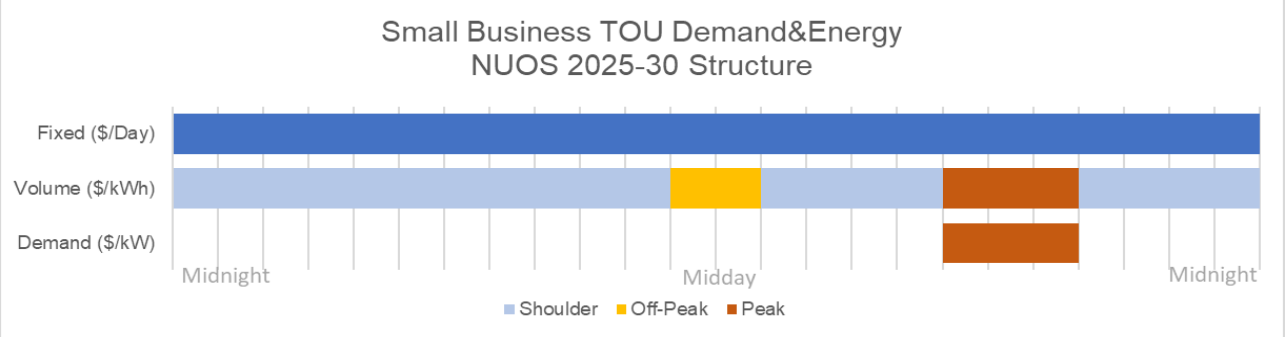
Charge	Window	Time Periods
Volume	Shoulder – Weekdays	Midnight to 11am, 1pm to 5pm and 8pm to Midnight
	Shoulder – Weekends	Midnight to 11am, 1pm to Midnight
Volume	Off-Peak – Weekdays	11am to 1pm
	Off-Peak – Weekends	11am to 1pm
Volume	Peak – Weekdays	5pm to 8pm
	Peak – Weekends	No Peak

2.2 Optional Tariff

Pre 1 July 2025



From 1 July 2025



Charge	Window	Time Periods
Volume	Shoulder – Weekdays	Midnight to 11am, 1pm to 5pm and 8pm to Midnight
	Shoulder – Weekends	Midnight to 11am, 1pm to Midnight
Volume	Off-Peak – Weekdays	11am to 1pm
	Off-Peak – Weekends	11am to 1pm
Volume	Peak – Weekdays	5pm to 8pm
	Peak – Weekends	No Peak
Demand	Peak Demand – Weekdays	5pm to 8pm
	Peak Demand – Weekends	No Peak

Appendix B: Objections to tariff or tariff class assignment

The notification of a tariff assignment or reassignment is the same of that for tariff class assignment or reassignment and will include advice that the customer may request further information from us and that they may object to the proposed assignment or reassignment and request that we undertake a review.

This notification will include:

- Advice that if a customer is not satisfied with their tariff class or tariff code assignment or reassignment, they may request a review of the tariff allocation made by us
- A copy of our internal assignment/reassignment review procedures or the link to where such information is available on our website
- Advice that if the customer is not satisfied with the review and their objection has not been addressed adequately by our internal review procedures, the next steps include:
- For SAC customers – to the extent that resolution of the dispute is within the jurisdiction of the Energy and Water Ombudsman Queensland, the customer is entitled to escalate the matter to such a body, and
- For CAC and ICC customers – the customer is entitled to escalate the matter to the Department of Natural Resources, and Mines, Manufacturing and Regional and Rural Development for resolution.
- Advice that if the dispute is still not resolved to the customer's satisfaction, the customer is entitled to seek resolution via the dispute resolution process available under Part 10 of the National Electricity Law and enforced by the AER.

If a customer objects to the proposed assignment or reassignment and requests a review be undertaken, we will follow the process set out in the below table. In reviewing a customer's request, we will take into account clauses 6.18.4(a)(1)–(3) of the NER, and the tariff class and tariff assignment process detailed in this TSS. We will notify the customer and/or their electricity retailer in writing of our decision and the reasons for that decision.

In accordance with the AER's 2025-30 Final Distribution Determination, if a customer's objection to an assignment or reassignment is upheld by an external dispute resolution body, the tariff adjustments deriving from this decision will be made by us as part of the next network bill.

Tariff class and tariff assignment review objection process

Process	Inputs	Outcome
Written request for review of objection received		We will notify the customer within 1 business day acknowledging receipt of their request.
Review energy / demand / voltage / nature of connection	Energy usage will be determined considering: • Any additional information the customer has provided • Estimated energy consumption for new customers, and • Historical consumption for existing customers. Note: Depending on the nature of the connection, there may be exceptions to the application of criteria around energy use.	Customer's energy use (i.e. consumption and/or demand) and nature of connection is known.
	Nature of connection will be determined considering: • Reviewing connection asset databases. • Any additional information the customer provided • Network connection point / charge, and • Assets	
Determine tariff class	Using the data collected, the applicable tariff class will be determined according to the approved process for assigning customers to tariff classes.	**Key Outcome 1:** Applicable tariff class is identified.
Determine metering and customer type	For SAC on demand tariffs, CAC and ICC: • Metering: is the site HV or LV? • Customer type: is the customer business or residential? For SAC customer on non-demand tariffs: • Metering: Is the NMI metered or unmetered? • Customer type: Is the customer business or residential?	Metering and customer type is known.
Determine network tariffs	Using the data collected, the applicable network tariff will be determined according to the approved process for assigning customers to tariff classes.	**Key Outcome 2:** Applicable network tariff is identified.
Managerial review of identified tariff class / network tariff	The review department's manager will review the tariff class (Key Outcome 1) and network tariff (Key Outcome 2) identified through this process and decide whether the proposed tariff class / tariff assignment / reassignment is approved.	**Key Outcome 3:** Managerial approval to proceed with assignment / reassignment.

Process	Inputs	Outcome
Notification of outcome	The review outcome and final decision for the appropriate tariff class / tariff assignment or reassignment confirmed in Key Outcome 3.	We will use best endeavours to notify in writing the customer's retailer of the outcome of the review within: • 10 business days for SAC customers • 20 business days for CAC and ICC customers.