

Ms Kami Kaur
General Manager - Network Expenditure
Australian Energy Regulator

Dear Ms Kaur

Re: Submission on network cost pass through applications

Power bills are not going down in the foreseeable future.

This will have a severe impact on many household, business and farming budgets throughout the National Electricity Market.

The flow on effect of higher power bills, compounded by the threat of higher interest rates and a housing crisis that will not go away, will only exacerbate the Cost of Living Crisis and Cost of Doing Business Crisis.

Regardless of whether it is for natural disasters or to accommodate regulatory changes, successful network cost pass through applications add to the cost stack of a power bill.

The impact on energy consumers of a successful network cost through application would appear to be minimal as it generally represents less than \$100 million in a network annual revenue of more than \$1 billion.

However, successful cost through applications do contribute to higher power bills for homes, businesses and farmers, and in doing so add to the growing energy crisis.

Outside of the Australian Energy Regulator's engagement process on network determinations there is little scrutiny by energy consumers of cost pass through applications.

This is mainly because there is a lack of energy consumer advocates who understand cost pass through applications and have the time and funding resources to engage on behalf of energy consumers.

Consequently, we assume the Australian Energy Regulator will not receive many submissions on cost through applications from energy consumers or energy consumer advocates.

The paucity of consumer submissions should not be viewed as a lack of concern about their impact on the cost stack of a power bill.

Quite the opposite.

It should be a red light to the Australian Energy Regulator that the current consumer engagement process on cost pass through applications is not working.

As a consumer advocate based in the most disaster prone region of the National Electricity Market we are concerned that network businesses may have replaced prudent insurance policies with an application for a cost pass through. Parametric insurance was a topic discussed at length in the lead up to the 2015-2020 Ergon and Energex revenue determinations.

We are also concerned cost pass through applications caused by regulatory changes have failed to take into account the impact of regulatory changes on the rising cost stack of a power bill.

For many homes, businesses and farmers, *power bills are the straw that will or have already broke the camel's back.*

The latest retail performance statistics for September Quarter 2025 were sad reading. The March Quarter 2026 statistics are highly likely to be worse.

However, the June Quarter 2026 retail performance statistics will be more important as many small businesses will simply find themselves unable to continue. The small business sector employs more than 5 million Australians, of which over one million are located in Queensland. Without a job residential customers will find it harder to pay their home power bills.

It is very important that all components of the cost stack of a power bill receives adequate scrutiny from energy consumer advocates.

We encourage the Australian Energy Regulator to review the adequacy of its consumer engagement on cost pass through applications.

As the issues raised in this submission apply to all networks please accept this as a submission for all networks.

Queensland Electricity Users Network (QEUN)

QEUN represents small business and middle Australian households with a particular emphasis on energy consumers in regional Australia.

We advocate for affordable and reliable electricity from a resilient National Electricity Market where the pace of the transition to more renewable energy in the generation mix is not at the expense of the economy, jobs or reasonable living standards.

Yours faithfully

Jennifer Brownie

Coordinator



Queensland Electricity Users Network

"Water to Survive AND Affordable and Reliable Energy to Thrive"