



825 Ann Street, Fortitude Valley QLD 4006  
PO Box 264, Fortitude Valley QLD 4006

[ergon.com.au](http://ergon.com.au)

30 April 2014

Mr Chris Pattas  
General Manager – Networks  
Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3001

Email: [chris.pattas@aer.gov.au](mailto:chris.pattas@aer.gov.au)

Dear Mr Pattas

## **ERGON ENERGY PRICING PROPOSAL FOR 2014–15**

The National Electricity Rules require Ergon Energy Corporation Limited (Ergon Energy) to submit a Pricing Proposal to the Australian Energy Regulator (AER) for the next regulatory year.

Accordingly, please find attached our 2014–15 Pricing Proposal for approval.

Consistent with the AER's Confidentiality Guideline, we have provided both public and confidential versions of the Pricing Proposal (including appendices and attachments). Our confidentiality claims are set out in a separate attachment.

As the AER is aware, Ergon Energy has been reviewing our network tariff strategy. Our aim is to deliver more efficient outcomes for both Ergon Energy and our customers that support improving future electricity affordability and more sustainable electricity supply solutions for regional Queensland.

In developing our longer term network tariff strategy, we considered it important to understand the customer and broader stakeholder implications of any tariff changes. Consequently, we launched a comprehensive consultation process in June 2013.

The feedback received from stakeholders, along with outcomes from further investigations into the implementation of these changes, have been used to finalise the changes presented in our 2014–15 Pricing Proposal.

In broad terms, the changes to network tariffs in 2014–15 involve:

- introducing kVA as the basis of the demand tariff used by our Individually Calculated Customers
- commencing the process of 'rebalancing' tariffs towards more fixed / less usage-dependent charges for our Standard Asset Customers – Large
- introducing new and optional broad-based tariff structures for our Standard Asset Customers – Small.

If you would like to discuss the Pricing Proposal, please contact myself or Brendon Crown, Manager Regulatory Determination and Pricing, on (07) 3851 6785.

Yours sincerely



**Jenny Doyle**  
Group Manager Regulatory Affairs

Telephone: (07) 3851 6416

Email: [jenny.doyle@ergon.com.au](mailto:jenny.doyle@ergon.com.au)