

General tariff information

Essential Energy offers a range of tariffs that have been designed for different types of customers, considering their energy consumption and/or demand profile, voltage level, type of connection to the network and whether they are classified as large or small. Tariffs are also dependent on what type of meter the customer has, noting that the Australian Energy Market Operator requires customers consuming greater than 100MWh per annum to have an interval meter.

In NSW, large customers have annual energy consumption of greater than 100MWh and small customers have annual energy consumption of less than 100MWh. For energy consumption levels between 100MWh and 160MWh customers must move to a Time of Use (TOU) based tariff. For annual consumption levels above 160MWh, Essential Energy requires customers to move to a demand tariff.

Q: Why do some customers need to change to a time of use (TOU) based tariff?

A: On 27 November 2014, the Australian Energy Market Commission (AEMC) made a rule that establishes a new pricing objective and principles for electricity distribution businesses such as Essential Energy, which will require our network prices to reflect the efficient costs of providing network services to our customers. Implementation of these changes is due to be finalised by 1 July 2017.

To comply with this rule and align with our network pricing requirements, Essential Energy will need to change some businesses to a different, and more appropriately cost-reflective, TOU based tariff. The TOU based tariff enables Essential Energy to more accurately recover the costs involved in building and maintaining a network with the capacity to support customers' differing, and often intermittent, electricity consumption during times of peak demand.

Q: When do the changes come into effect?

A: Implementation of these changes is due to be finalised by 1 July 2017. However customers can move to their correct tariff any time before then.

Q: Can I have a say about application of the TOU tariff and interval meter requirement?

A: Yes, we will offer opportunities for consultation with you and other affected customers to discuss the tariff change and meter requirement in detail and to seek your feedback and suggestions about our tariff structures. You can register your interest in joining this consultation process by sending an email to networkpricing@essentialenergy.com.au.

Specific Time of Use information

Q: Who should be on a TOU based tariff?

A: Large customers with annual consumption between 100MWh and 160MWh per annum.

Q: How do I know if my energy consumption is greater than 100MWh per annum?

A: Your bill provides the amount of energy (in kWh) that you have consumed, or your retailer can tell you.

Q: What is a TOU tariff?

A: TOU tariffs apply different prices for electricity at different times of the day. Time is divided into peak, shoulder and off-peak periods which reflect the level of demand on the electricity network. During off peak periods electricity prices will be cheaper than at other times.

Q: Why do I have to move to a TOU tariff?

A: Your consumption has been measured at greater than 100MWh over the past twelve months and you are currently on a non-TOU based tariff. To align with our network pricing requirements and comply with

our obligations under Australian Energy Market Operator (AEMO) Rules, Essential Energy will need to change your business to a different, and more appropriately cost-reflective, TOU based tariff.

This tariff will enable Essential Energy to recover the costs involved in building and maintaining a network with the capacity to support customers' differing, and often intermittent, electricity consumption at times of high peak demand on the network.

Q: What effect will the tariff change have on my electricity bills – will I be better or worse off?

A: The effect will vary depending on individual customer usage, tariff structure and consumption patterns.

Changing to a TOU based tariff may benefit customers who have the majority of their electricity consumption in off-peak periods but may negatively impact customers who have the majority of their electricity consumption in peak periods.

Q: How can I minimise my electricity charges?

A: You may be able to reduce your charges by applying energy efficiency measures and changing consumption patterns to shoulder and off-peak periods. In addition, you may be able to obtain assistance through the NSW Government's Energy Saver program.

You can find out if you are eligible for the NSW Government's Energy Saver program by phoning 1300 361 967, or visiting the website at www.environment.nsw.gov.au/business/energy-saver.htm. Alternatively, you may find it beneficial to engage a commercial energy efficiency consultant to assess the potential for reducing your energy bill.

Q: Why do I have to change my meter?

A: The Australian Energy Market Operator requires you and other customers with electricity consumption levels greater than 100MWh per annum to install an interval meter to record your usage data. You will need to contact your electricity retailer to find out whether you already have one and, if not, ask your retailer to arrange for one to be installed. You will be responsible for the costs involved in installing the new meter.

Q: Why do I have to pay for the new meter? Don't meters belong to Essential Energy?

A: Under new metering arrangements customers are required to pay up front for all new meters. However it has been in the Rules for some time now that large customers must have interval meters and these have always been paid for by the customer.

Q: How do I change to the new TOU tariff?

A: If you want to move to the correct TOU based tariff prior to 1 July 2017, you will need to ask your retailer to submit a tariff change request form. Your retailer should also be able to tell you which tariff is best for you.