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E-mail: [AERinquiry@aer.gov.au](mailto:AERinquiry@aer.gov.au) marked 'AER price comparator – Attn Dianne McGrath

**Issues Paper - AER Price comparator website**

Dear Tom

United Energy welcomes the opportunity to provide comments on the AER Issues Paper, AER price comparator website.

Our response is limited to three issues relating to the metering/tariff arrangements, the energy consumption methodology and simple communication/messages for customers.

**Metering/tariff arrangements**

The AER is considering an approach whereby users could select from one of the meter/tariff types:

- Single rate;
- Two rate (peak and off peak);
- Time of use; or
- Unknown.

The AER considers that meter type will usually determine the rates. However meter configuration, in addition to meter type may limit the available retail tariff options.

UE support a simple help button for customers to select from metering combinations such as:

- Single basic or accumulation meter
- Two basic or accumulation meters to support dedicated off peak heating/hot water tariff
- Interval meter or smart meter.

UE recommend that these categories be tested with customers to ensure that they are meaningful for them.



Where a customer has a smart meter, the customer should be provided with a choice of available retail tariff options including, a flat rate, two rate (peak/off peak) or other form of time of use tariff(peak/off peak/shoulder) where these are available.

### **Energy consumption methodology**

Option 2 allows a customer to provide an estimated spend on energy for a year or for a billing period. Without an understanding of the retail tariff price or retail tariff structure, there will be some assumptions made to back calculate the customer's energy consumption. If the customer is actually on a time of use tariff with a high summer peak price, then the energy consumption which is back calculated could be quite misleading. Where the customer uses this calculated consumption to compare complex tariffs, the impacts for certain retail tariff options could be even further misleading as the total consumption and the customer's energy profile across the day could both be poor estimates.

UE suggest that it may be simpler that the calculation methodology use energy consumption provided by the customer or just provide available retail tariff rates and allow the customer to draw their own conclusions.

### **Simple Messages**

The relationship of the type of meter (basic or interval), meter configuration (1 measuring element or 2 measuring elements) and the retail tariff structure can be quite complex. There needs to be some easily understood messages for customers to understand time of use pricing and the benefits that may be gained based on certain types of behaviour.

Customers have readily understood the value of price vs time of service, where it has been well communicated. An example of free calls to mobile phones after 8 or 9pm is an example. In this case customers will need to understand their total consumption, their profile of energy usage across the day and their ability to move load to more cost effective time periods or the effect of reducing consumption. UE consider that the AER also has a role in educating customers in this respect.

Customers will need to have access to their specific energy consumption and profile across a day in order to make informed decisions on tariffs. This may be an area that the AER can consider in relation to their launch of the price comparator website.

Should you have any questions in relation to the above please feel free to call me on 8846 9856.

Yours sincerely

Verity Watson

Manager Regulatory Strategy