

Retail Competition Information Brief No. 5

Metering

As part of the Government's decision to join the National Electricity Market (NEM), competition in the retail sector will be introduced from 1 July 2006.

Competition will be phased in by progressively allowing certain groups of customers (**tranches**) - starting with the biggest power users - to choose their electricity supplier (**retailer**).

Customers who can choose their retailer are called **contestable customers**. Customers who are not yet classed as contestable - termed **non-contestable** - continue to be supplied by Aurora Energy Pty Ltd.

Why does my business have to consider metering?

If you are a contestable customer, you will need to change your metering if it does not comply with the National Electricity Code.

The NEM is dependant upon code-compliant metering at all levels of the industry to support effective measurement, and settlement for value, of electricity flows. The market requires settlement for retailers, wholesale customers and generators, as well as with network service providers. Retailers in a competitive market will settle at a wholesale level and with their direct end-use customers.

These settlements are based on the integrity of metering data, supporting telecommunications and data capacity. Each metering connection point is allocated a national metering identifier and there is a person with financial responsibility for this point as well as a person responsible for its maintenance and integrity.

Will my business need a new meter?

Only if your existing meter is not code-compliant. Some meters are already code-compliant, and Aurora Energy Pty Ltd or your chosen retailer can advise you whether your meter is code-compliant.

A code-compliant meter is an interval meter capable of recording energy usage in ½ hour blocks, which has a communications link to enable it to be remotely read for billing purposes.

When will my business have to install a new meter?

You do not need to install a new meter and communications link until you become contestable, but it is important to make plans early so there is plenty of time to have a new meter installed if necessary.

How much will metering cost?

Because metering services for contestable customers will be a competitive activity, charges will not be regulated; they will be set by the market.

In most cases your retailer will undertake these services on your behalf.

What if I do not change from Aurora as my retailer?

You still need to have a code-compliant meter.

Does a new meter give my business any benefits?

Yes, a code-compliant meter allows you to determine the profile of your electricity consumption, which will assist you to get the best possible price from your retailer. You will be able to use this information to manage your electricity consumption to further lower costs.

Who installs a new meter, and who reads it?

Your retailer of choice or Aurora Energy Pty Ltd can organise with a Meter Provider for a meter to be installed and maintained on your behalf.

Meter reading will be undertaken by a Metering Data Agent and in most cases your retailer of choice will organise this service on your behalf.

Where can I get further information?

Further information on Tasmania's energy reform framework is available on the Internet at www.treasury.tas.gov.au.

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