

Retail Competition Information Brief No. 7

Distribution/ Retailer/ Customer Relationships

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.

Who will be my distributor?

Aurora Energy Pty Ltd's distribution business will remain responsible for physically distributing or delivering electricity from the high voltage transmission grid to the sites of most contestable and non-contestable customers. In other words, Aurora Energy Pty Ltd will remain responsible for the "poles and wires". This will be the case no matter who your retailer is, unless the site is directly connected to the high voltage transmission network (see below).

What is my contractual relationship with Aurora distribution?

It will be possible to negotiate a connection agreement directly with Aurora Energy Pty Ltd's distribution business dealing with distribution issues. However, we anticipate this will be unusual except in the case of large manufacturing concerns which have quality of supply issues.

Generally, the contractual relationship with Aurora will be a deemed one created by regulations to be made under the *Electricity Supply Industry Act 1995*.

What will be the terms of the contract with Aurora distribution?

The terms and conditions of the deemed contractual relationship will be approved by the Regulator.

The terms and conditions of a negotiated connection contract will be agreed between the parties and will not need to be approved by the Regulator.

In either case, the distribution charges are regulated by a determination made by the Regulator under the *Electricity Supply Industry (Price Control) Regulations 2003*.

Will there be a separate bill for distribution charge?

No. Distribution charges will be included in the account you receive from your retailer. Your retailer will be responsible for paying the distributor.

If I have a supply problem, who do I contact?

Your retailer in the first instance.

There will be a co-ordination agreement between your retailer and Aurora Energy Pty Ltd's distribution business to ensure that supply is as seamless as possible.

What happens if I am a transmission customer?

You will need to enter into a connection agreement with Transend Networks in relation to each site which is directly connected to the transmission network, unless you already have one.

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.

Energy Markets Branch
Department of Treasury and Finance
21 Murray Street
HOBART TAS 7001

Telephone: (03) 6233 6554
Facsimile: (03) 6233 5646