

YOUR ELECTRICITY BILL EXPLAINED

Tariffs explained

A tariff is the price you pay for your electricity. The tariff includes two price components: a fixed charge and a variable charge. When comparing offers it is important to note both these charges.

- The **fixed charge**, also known as the 'daily supply charge', is a charge that applies for supplying electricity or gas to your premises for each day of your billing period, regardless of how much electricity you use. It is often displayed as a daily rate on your bill in cents per day.
- The **variable charge**, also known as the 'usage charge', is listed as cents per kilowatt hour (c/kWh) for electricity and cents per megajoule (c/MJ) for gas.

It is important to note that tariffs listed on your bill are Goods & Services Tax (GST) exclusive. Instead, the GST is added at the end of the bill.

Where is the tariff shown on my bill?

The variable and fixed charges that make up the tariff are usually fully listed on the second or back page of a one page electricity or gas bill. They are located in the section where the cost of your bill is calculated.

Types of tariffs:

There are a range of different tariffs that can be included as a part of the variable charge on your bill. These include -

Single rate tariffs

Sometimes referred to as 'flat rate tariffs' or 'peak rates', you are charged the same amount for the electricity you use no matter what time of day it is used. Single rate tariffs are the most common type of tariff.

Block tariffs

Your electricity or gas use may be split into different tariff blocks, with each block charged at a different rate. The first block—for example, 0 to 1500 kilowatt hours (kWh) of electricity or 0 to 1 megajoules (MJ) of gas—is charged at one rate. The second block—for example, 1500 to 3000 kWh of electricity or 1 to 2 MJ of gas—has a different rate.

When you have reached the cap of your first block, any additional electricity or gas you use is charged at the second block price. Any energy you use above the second block is charged at a third block price and so on.



Your Electricity Charges

Electricity
609.120 KWH @ 5.000 cents/KWH
Delivery
225.109 KWH @ 5.800 cents/KWH

Regulatory
Abt Retirement Charge
Total Electricity Charges
1.000

If you are unsure about information on your bill you should contact your retailer.

Controlled load tariffs

Controlled load tariffs may offer a cheaper rate that can be used to heat water or run other appliances overnight when the demand for electricity is at its lowest. These tariffs are generally only available where the hot water system or other appliance is separately metered and can be time-controlled to operate at low-demand times.

Because controlled load tariffs are interruptible, they will always operate with some other tariff type in place for equipment which requires 24 hour supply (for example single rate tariffs or time of use tariffs).

Time of Use tariffs

Under a time of use tariff (sometimes called a 'time of day tariff'), you can be charged a different price depending on the time and day of consumption.

There are usually two or three different price periods: Peak and Off-Peak if there are two periods, and a Shoulder period if there are three.

Peak is the most expensive tariff period and Off-Peak is the cheapest. Peak periods are more likely to be in the afternoon or evening.

GreenPower options

A renewable energy or GreenPower premium is added to the cost of your electricity or gas if you elect to have your retailer purchase a nominated percentage of your energy usage from renewable energy sources, such as wind, solar or biomass (waste). This energy will be purchased by your retailer on your behalf from renewable sources and sent into the National electricity grid for distribution to the market. Generally, the premium results in a higher variable usage price, but sometimes it is included as a fixed fee. The details of the GreenPower premium that your retailer will charge will be listed in your contract and outlined in the offer's Energy Price Fact Sheet.

Price changes

Sometimes energy tariffs will change during a billing period. This is sometimes referred to as 'price variation'. Your retailer must provide you with notice of this as soon as practicable, and no later than your next bill. When the tariffs change part way through a billing period, the bill you receive covering the period of the change will divide the energy usage into two categories: the amount of energy used at the old tariff rate and the amount of energy used at the new tariff rate. If you are unsure about the information on your bill, you should contact your retailer.

For more information visit www.energymadeeasy.gov.au