

Tariff Reform

Seasonal Demand / Time of use Residential (RESKWTOU) Tariff

After extensive consultation with industry stakeholders United Energy (UE) has developed a new tariff for residential customers with both demand and energy charge parameters. The seasonal demand time of use tariff (RESKWTOU) seeks to achieve better alignment between individual customer use profiles and their resultant cost on the UE network. By providing a more cost reflective pricing structure it is envisaged that this tariff will result in;

- Reduced cross subsidies between different types of residential users.
- Reduced cost of network investment as customers respond to price signals by shifting discretionary load to off peak periods and reducing load in peak demand periods.
- Cost reflective signals in place for the next wave of technological change.

Whilst UE firmly supports a shift towards demand based network pricing the RESKWTOU was introduced on July 1st 2015 on an opt in basis. UE understands that this tariff represents a fundamental shift in the way residential network charges are levied in Victoria and in this regard we are keen to work with customer and stakeholder groups to facilitate a smooth introduction. The table below provides a summary of charge parameters and an indication of how the DUoS is allocated between demand/energy components and summer/non summer periods.

Tariff Name	Component	Description	Charging Parameter	Rate Summer (Dec-Mar)	Rate Non Summer (Apr-Nov)	Criteria	Average DUOS Bill (4200KWh pa)	DUoS Charge Split	Billing
Residential demand / Time of Use (RESKWTOU)	Energy	Anytime energy on any day type. Seasonal consumption elements. Initially same price for Summer and Non Summer.	c/kWh	2.50	2.50	Monthly energy kWh. Summer = Dec-Mar	\$105	40%	Monthly
	Demand	Actual Max Demand on any day type between 3 - 9PM local time. Seasonal demand elements. Price premium for Summer reflects network constraint. Monthly Minimum of 1.5KW.	\$/kW/month	7.10	2.80	Max Actual demand between 3-9 PM local time for the month. Summer = Dec -Mar Monthly Minimum of 1.5KW	\$160	60%	
	Seasonal Split		\$/Month	\$27.88	\$17.98	Total	\$265	100%	

United Energy is committed to a path of tariff reform and continues consultation with government, industry, retailers and customers on the content of the Tariff Structure Statement to be submitted in September this year.

For further information on United Energy's tariff structures or tariff reform strategy please visit the website www.uemg.com.au