

Demand Charges for Small and Medium Sized Businesses FAQ

Q. Pricing changes for medium business customers in 2018

A. From 1 January 2018 our pricing will change for all medium business customers. Customers will be charged depending on how much electricity they use at peak and off peak times as well as a demand charge component.

This type of pricing is commonly referred to as cost-reflective or demand-based pricing. This pricing structure rewards those who shift their electricity use to off-peak times to help reduce peak demand. Reducing peak demand helps to drive down electricity costs for all users of our network in the future.

Demand-based pricing for small businesses is unchanged in 2018 and availability will depend on your retailer. Please contact your retailer for further information.

Q. How do I know if I am a small or medium business?

Our customers are grouped based on their usage and the operations, and you're a small to medium sized business based on the following:

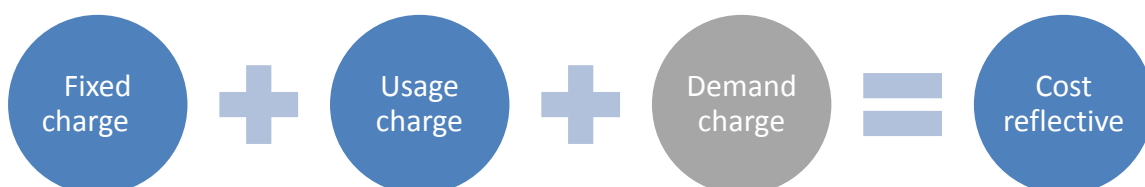
- A small sized business would use less than 60 MWh per annum.
- A medium sized business would use more than 60 MWh per annum and have a maximum demand of less than 120 kW.

Customers with a maximum demand higher than 120 kW are classified as large businesses and will be on a kVA demand tariff.

Learn more about kVA demand tariffs [here](#).

Q. How does this differ from a traditional pricing structure?

A. Traditional pricing structures typically consist of a fixed charge and a usage charge. Cost-reflective pricing introduces a demand charge combined with a lower usage charge enabling customers to reduce their bills by reducing their demand.



Q. How will you measure my demand?

A. Demand is measured in kW (kilowatts) and is based on your maximum consumption within a 30 minute block. Each month your demand level will be reset.

Small and medium sized business customer demand is measured between 10am-6pm as this is typically when our business customers use the most power.

Note that demand is not measured on weekends or public holidays.

Q. Why is demand charged differently depending on the season?

A. Our small and medium business cost-reflective pricing has a higher demand charge in the summer months (December through March) than in any other season. The warmer months are typically when we experience peak demand across our networks. Lower charges in the cooler months incentivise our customers to shift their demand where possible away from our peaks.

Q. When do demand charges start for medium business customers?

A. From 1 January 2018 we will join other Victorian distribution businesses by introducing a demand charge for medium business customers. Note that how you are billed will depend on your arrangement with your electricity retailer.

Q. What if I prefer the way I am charged now?

Currently small business customers are able to ask for demand-based pricing by contacting their retailer. Customers that have opted-in can still change their mind and revert back to a fixed pricing structure at any time.

All medium sized business customers have been mandatorily assigned to a demand charge tariff. As of 1 January 2018, any customer that uses less than 160 MWh per annum can opt-out of a demand tariff. Please contact your retailer for further information on how to opt-out.

Q. Where will I see this charge on my electricity bill?

A. Our network charges cover the cost of supplying electricity to your home or business. We charge retailers for these network charges, and the costs are passed on in your electricity bill.

What retailers charge, how they bundle network charges and how they communicate them to customers varies. In general for small sized business customers, the breakdown shown on electricity bills does not distinguish between network charges or other charges.