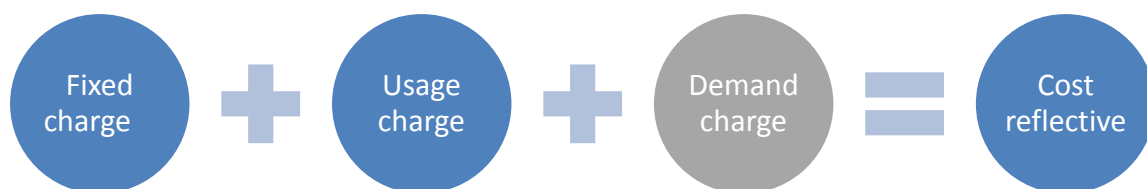


# Demand Charges for Residential Customers

## FAQ

**Q. What are demand charges and how do they differ from a traditional pricing structure?**

A. A demand charge is calculated based on the time of day a customer uses electricity and how much they use during that time. 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. 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.



**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. Residential customer demand is measured between 3pm-9pm as this is typically when our residential customers use the most power. Note that demand is not measured on weekends or public holidays.

**Q. What is I prefer the way I am charged now?**

A. Currently residential 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.

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

A. Our residential 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. 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 residential customers, the breakdown shown on electricity bills does not distinguish between network charges or other charges.