

# Smart meters and my electricity bill

## How will the cost of smart meters affect my electricity bill?

The costs of the smart meter upgrade will be paid for over time through your electricity bill. This is similar to the way that costs are currently charged for existing meters, as well as all the poles, wires and other technologies which are used to deliver power to properties across the state.

For 2010, this will mean on average about an extra \$1.30 a week or about \$68 over the year.

These charges are controlled and must be approved by the independent Australian Energy Regulator.

## Why are the costs of the smart meters spread across all power bills?

Smart meters are improving the power grid, and as with all improvements to the network, the costs are recovered from everyone at the same time. The alternative of paying for the project street by street would cost everybody more. These charges are regulated by the Australian Energy Regulator, which is responsible for making sure they are costs are fair and reasonable.

## Will my first bill after the smart meter is installed look any different?

Not necessarily. The smart meter should not change your power bill directly after it has been installed.

In the future, new pricing options with peak and off-peak rates may become available – but these will not happen automatically once your meter is installed.

Any changes to your electricity bill will be communicated to you by your electricity retailer.

## Will electricity pricing change?

On average about \$1.10 a week will be added to power bills to cover the cost of the metering upgrade.

In the future, time of use pricing may be introduced. Time of use pricing will mean there are different rates for power used at different times of the day, week or year.

This new pricing will not be introduced until a thorough assessment of consumer impacts has been conducted and more information is available for consumers.

## What is time of use pricing?

Time of use pricing will mean there are different rates for power used at different times of the day, week or year. It will reward customers who can move electricity usage to off-peak times with lower rates. Rates in peak-times are likely to be higher.

As smart meters will be able to measure power use at different times, they can enable this new type of time of use pricing, similar to how mobile phone or internet usage is charged now.

This new pricing will not be introduced until a thorough assessment of consumer impacts has been conducted and more information is available for consumers.

## **Will I still get estimated bills once my smart meter is installed?**

In the early stages of the smart meter rollout you may still receive estimated bills until the supporting telecommunications network and computer systems are fully operational.

The intention is to collect meter data remotely as quickly as possible after the smart meter is installed. By reading the data remotely it will almost fully remove the need for estimated meter reading.

## **Do I still provide my meter reading for billing purposes after my smart meter is installed?**

Until the supporting telecommunications network and computer systems are fully operational, any current arrangement that you have to read your own meter is likely to continue.

Providing your own meter readings will be gradually phased out. Your electricity retailer will advise of any changes to your meter reading arrangements.

## **I currently have an off-peak rate. Will I be able to keep this rate after a smart meter is installed?**

Once time-of-use rates become available, all energy used in off-peak times can be charged at off-peak rates. Currently, only specific appliances can benefit from off-peak rates.

Some distribution businesses may install smart meters that can record peak and off-peak energy consumption separately for appliances such as hot water services and slab heaters, allowing the existing pricing to remain.

Over time however, there is expected to be a transition to time of use pricing, which will make off-peak rates available to all electricity usage, not just power for certain appliances.

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<http://www.new.dpi.vic.gov.au/energy/projects-research-and-development/smart-meters>

Department of Primary Industries Customer Service Centre:

Phone: 136 186

TTY: 1800 122 969

Email:  [customer.service@dpi.vic.gov.au](mailto:customer.service@dpi.vic.gov.au)

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