

New rules for distribution network pricing

Final determination: 27 November

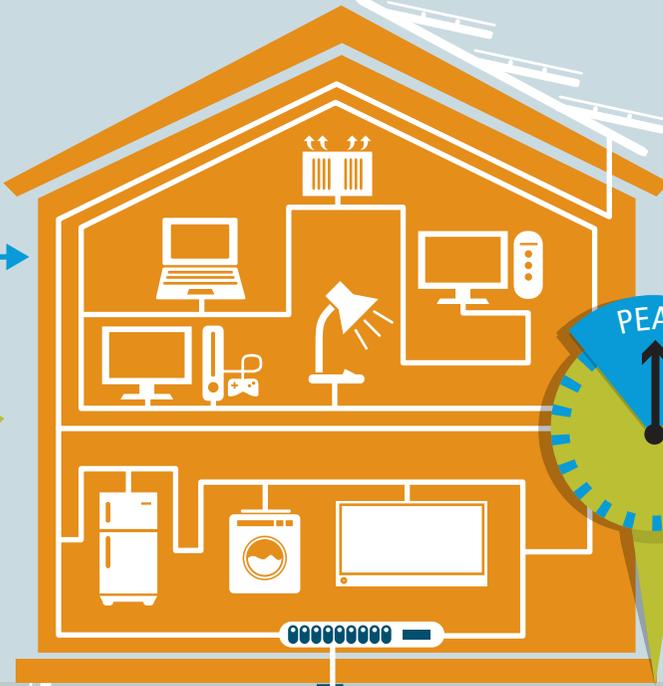
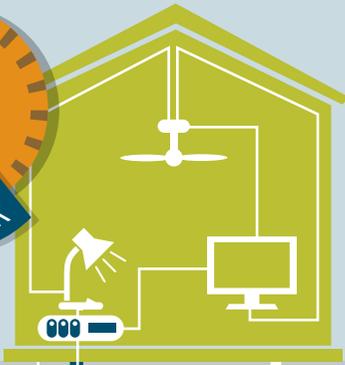
We are changing the rules so that the prices we pay reflect the different ways we use electricity and the actual costs of providing it.

Putting consumers in the driving seat

The way we pay for power has to keep pace with our modern lifestyle. When prices reflect how much it costs to use different appliances at different times, consumers are able to make more informed decisions.

Network charges are around 50% of the average residential bill.

50%



OUR CHANGES

We want everyone, from heavy industry to small customers, to be able to make clearly informed decisions about how they use electricity. We want consumers to use electricity when the value of services to them is greater than the costs of supplying it.

Why: It means that the right information on costs will be available to help people choose the energy services that are right for them – no matter what the energy supply industry looks like in the future. Changing the way networks charge is the best way to reduce the risks involved in trying to guess the pattern of future demand.



More consumer consultation on how network prices are structured



Network prices that reflect each consumer's usage



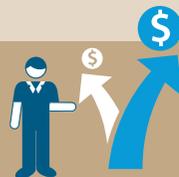
Clear instructions for networks on the requirements to apply when determining how to structure network prices



Earlier notification of network prices to allow retailers and consumers to better prepare for price changes

HOW CONSUMERS WILL BENEFIT

We have set up the right rules for the future so:



The prices we pay reflect the decisions we make



Everyone can make informed decisions on how and when they use electricity as new technologies evolve



POWER OF CHOICE

These rules are part of the AEMC's overall Power of Choice program to give customers better information about how they use energy and how different choices might help reduce power costs. Under these rules people will pay according to how much electricity they use – and when – reflecting the different costs of supplying electricity at different times.



Poles and wires reform