

## AER MAKES FINAL DECISION ON SMART METER CHARGES

The Australian Energy Regulator today issued its final determination on applications from the Victorian electricity distribution businesses for 'smart meter' budgets and forecast charges over the period 2012 to 2015.

The AER's final decision approves a total forecast expenditure of \$1.1 billion. In response to the AER's draft determination, all distribution businesses, other than SP AusNet, submitted lower amended budget proposals. \$117 million in proposed spending was not approved by the AER, of which \$107 million relates specifically to SP AusNet.

The businesses are able to recover expenditure associated with the smart meter program from consumers through metering service charges incorporated into customers' electricity bills. Meter charges vary from business to business as shown in the table below.

### AER Final Determination—forecast annual charges for single-element meters (\$ per meter)

	2011	2012	2013	2014	2015
SP AusNet	93.83	107.25	122.60	140.14	160.19
United Energy	92.12	106.57	123.30	142.64	165.02
Jemena	136.70	153.95	173.38	195.26	219.90
CitiPower	91.38	99.31	107.92	117.29	127.46
Powercor	95.01	102.96	111.57	120.90	131.01

The smart meter roll-out requires significant investment in metering infrastructure and new technology. The distribution businesses will spend over \$2 billion in total on the roll-out over the 2009–15 period.

The Victorian Government mandated the implementation of smart meters for residential customers in 2006. Victoria is the first state in Australia to undertake a large scale roll-out.

The AER must determine the approved budget for each Victorian distribution business according to an 'Order in Council' made by the Victorian Government.

SP AusNet services customers in the eastern suburbs of Melbourne, and north-east and eastern Victoria.

United Energy services customers in south-east Melbourne and the Mornington Peninsula.

Jemena services customers in Melbourne's north and north-western suburbs.

CitiPower services customers in Melbourne's central business district and inner suburbs.

Powercor services customers in Melbourne's western suburbs, and west and north-west Victoria.

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