

AER RELEASES FINDINGS ON SMART METER SPENDING

The Australian Energy Regulator's (AER) today published its final decision on the advanced metering infrastructure (AMI) transition charges requiring Victorian electricity distributors to return \$75.8 million to customers, through a reduction in the metering portion of electricity bills.

At the end of the six year smart meter roll-out period, the AER has estimated that businesses had overspent on the program by \$192 million. Today's decision will ensure that consumers will not have paid more than necessary for the installation and operation of the smart meters.

"Smart meters can help consumers see and understand how much electricity they are using, and make choices to save," AER Chair Paula Conboy said.

"The AER has reviewed the Victorian business' costs of the smart meter roll out and found that the businesses spent more than they should have on the program," Ms Conboy said.

"These amounts will be returned to customers," she added.

The businesses had proposed to return \$37.8 million to consumers, but the AER found that there were additional costs incurred that were not properly justified.

With the Victorian Government's mandated roll-out of advanced metering now complete, these decisions are the last in a series of annual audits the AER has conducted.

"The cost of smart meters is a small proportion of the overall bill so consumers may not notice a change on their bill following this decision. But it's important for consumers to know that the AER has audited the business' costs and that they can be confident they have not paid more than what the program should have cost." Ms Conboy said.

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Notes to editor

In 2006, the Victorian Government mandated the roll-out of AMI for household and small business customers. This involved the replacement of manually read meters with smart meter technology.

Over the AMI roll-out period of 2009–2015, the Victorian electricity distributors spend a total of \$2 543 million (\$ nominal) installing new metering infrastructure. The AER's regulatory determinations allowed Victorian distribution businesses to recover \$2 351 million (\$ nominal) from consumers over this period, saving consumers \$192 million (\$ nominal).

Smart meters improve consumers' ability to monitor and control their electricity use, potentially allowing for cheaper and more efficient energy use.

Smart meters mean that consumers can more easily use new technologies such as smart appliances they otherwise wouldn't be able to use with the older meters.

	Proposed refund	AER refund
AusNet Services	25.5 million	52.65 million
CitiPower	1.8 million	1.8 million
Jemena	1.7 million	7.7 million
Powercor	9.8 million	9.8 million
United Energy	(1.0 million)	3.9 million

About the AER

The Australian Energy Regulator regulates energy markets and networks under national legislation and rules in eastern and southern Australia, as well as networks in the Northern Territory. Its functions include:

- monitoring wholesale electricity and gas markets to ensure energy businesses comply with the legislation and rules, and taking enforcement action where necessary;
- setting the amount of revenue that network businesses can recover from customers for using networks (electricity poles and wires and gas pipelines) that transport energy;
- regulating retail energy markets in Queensland, New South Wales, South Australia, Tasmania (electricity only), and the ACT;
- publishing information on energy markets, including the annual State of the energy market report, to assist participants and the wider community.