

APAYG Price Comparison Report 2019



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1.1 Introduction

Each year, the Tasmanian Economic Regulator (Regulator) compares estimated annual expenditure by customers on Aurora Energy's Pay As You Go (APAYG) with expenditure by customers on Aurora Energy's standing offer products.¹

Since the 2018 report, Aurora Energy has announced that, due to the age of the product, it will be decommissioning APAYG and has released a new product, Aurora Pay As You Go Plus (APAYG+). Similar to APAYG, APAYG+ has peak and off-peak pricing. However, APAYG+ allows customers to top up their account online using their phone, tablet or computer rather than via a rechargeable card. Amongst other things, APAYG+ also provides customers with daily usage data and the option of monthly statements. APAYG+ is Aurora Energy's standing offer Time of Use Tariff (Tariff 93) with an additional daily service charge. More information about APAYG+ is available at:

<https://www.auroraenergy.com.au/aurorapaygplus/what-is-aurora-paygplus>

Aurora Energy is replacing all APAYG meters with advanced meters, as the associated technology will not be supported from 1 December 2019. The replacement is at no cost to customers in most cases.² Existing APAYG customers can choose to transfer to APAYG+, Aurora Energy's standing offer tariffs (Tariff 93, Light and Power (Tariff 31) and Heating and Hot Water (Tariff 41)) or decide to change retailers and choose one of the products they are offering.

This Report compares the outcomes under Aurora Energy's 2019-20 regulated (standing offer) prices effective from 1 July 2019 with the outcomes under APAYG prices effective from 20 July 2019.

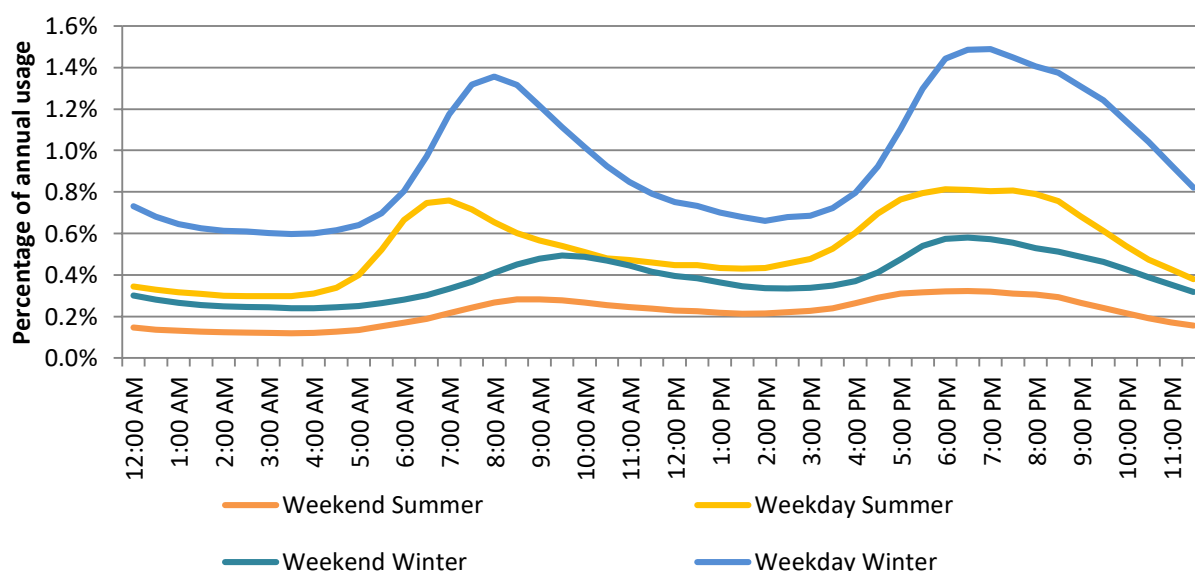
¹ Section 10C of the *Electricity Supply Industry Act 1995*.

² <https://www.auroraenergy.com.au/aurorapaygplus>

1.2 Customer usage profile

The Regulator uses a customer usage profile to account for differences between APAYG and Tariff 93 peak and off-peak rates and times. The usage profile is unchanged from the report issued in August 2018. Chart 1 presents the usage profile, which shows the average percentage of annual use per half hour period over 24 hours.

Chart 1 Customer usage profile



1.3 Electricity usage assumptions

As set out in previous reports, APAYG average usage provided by Aurora Energy for each APAYG product and the Regulator’s estimate of medium usage by typical customers (Typical Customer usage) for both Tariff 31 and 41 produced similar usage figures. This Report compares estimated expenditure based on Typical Customer usage as set out in Table 1.

Table 1 Typical Customer medium usage (kWh per annum)

	Tariff 31	Tariff 41	Total
Residential	3 400	4 100	7 500
Residential (Concession)	2 900	3 500	6 400

1.4 Comparison

Using the customer usage profile (Chart 1), Typical Customer medium usage (Table 1) and the relevant price schedules (Attachment 1), Chart 2 shows the estimated annual expenditure for customers on the three APAYG products from 20 July 2019, and Tariff 31 and 41, APAYG + and Tariff 93 over 2019-20.

Chart 2 Non-concession customer expenditure assuming usage of 7 500 kWh (\$ per year)

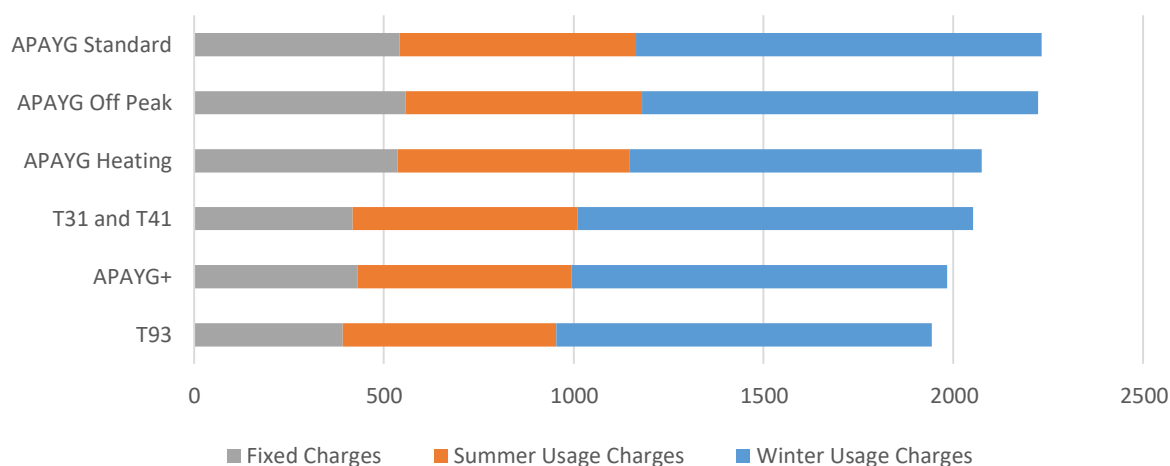
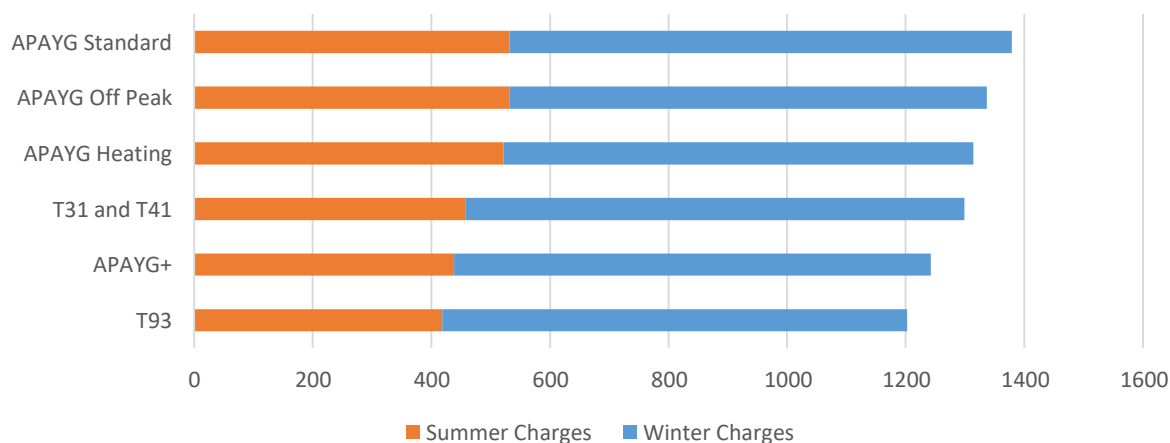


Chart 3 shows the estimated annual expenditure for APAYG products, Tariff 31 and 41, APAYG + and Tariff 93 for customers with a concession.

Chart 3 Concession customer expenditure assuming usage of 6 400 kWh (\$ per year)



In Charts 2 and 3, the annual expenditure for a customer with any of the APAYG products is estimated to be higher than under any of the standing offer products. The annual expenditure for a customer with APAYG Standard was estimated to be 15 per cent higher than for Tariff 93. The \$40.15 difference between Tariff 93 and APAYG+ for both non-concession and concession customers relates to the annual cost of the APAYG+ app. It is noted that the estimated annual expenditure under the APAYG+ product is lower than any of the APAYG products that are being decommissioned.

The estimates of annual expenditure levels assume that the usage profile is identical under all tariffs. In particular, they assume that where there are tariffs that include peak and off-peak rates (the three APAYG products, Tariff 93 and APAYG+), customers do not adjust their profile by decreasing usage in the higher price periods of the day and increasing usage in the lower price periods. Examples might include operating a washing machine, dishwasher or dryer, or an oven for baking, in the middle of the day or late in the evening instead of the morning or early evening. To the extent that customers do

adjust their usage profile, their annual expenditure levels would be lower, which would alter the outcome of the analysis presented in this Report.

One benefit of APAYG+ is that customers can access daily usage data captured by their advanced meters. This may also encourage customers to modify their electricity usage to avoid some consumption in the peak price periods, which would also alter the results in this Report.

Customers can also visit the Energy Made Easy website³ to compare energy tariffs according to their own circumstances and find advice about becoming more energy efficient. The site also provides information to help customers understand their energy bills and rights as consumers.

³ <https://www.energymadeeasy.gov.au/>

Attachment I

APAYG	Daily Charge (cents) (from 20 July 2019)		Summer usage charges (c/kWh) (from 20 July 2019)				Winter usage charges (c/kWh) (from 20 July 2019)			
			6:30-11:00	11:00-16:30	16:30-22:30	22:30-6:30	6:30-11:00	11:00-16:00	16:00-20:00	20:00-6:30
Heating	146.720	Monday to Friday	28.39	22.10	28.39	12.83	23.75	23.75	16.60	16.60
		Weekend	22.10	22.10	22.10	12.83	23.75	23.75	16.60	16.60
OffPeak	152.50	Monday to Friday	28.96	22.52	28.96	13.15	29.01	23.30	23.30	17.00
		Weekend	22.52	22.52	22.52	13.15	23.30	23.30	23.30	17.00
OffPeak (Concession)		Monday to Friday	28.96	22.52	28.96	13.15	29.01	23.30	20.61	13.94
		Weekend	22.52	22.52	22.52	13.15	20.61	20.61	20.61	13.94
Standard	148.20	Monday to Friday	28.96	22.52	28.96	13.15	29.01	23.30	23.30	18.39
		Weekend	22.52	22.52	22.52	13.15	23.30	23.30	23.30	18.39
Standard (Concession)		Monday to Friday	28.96	22.52	28.96	13.15	29.01	23.30	20.61	16.60
		Weekend	22.52	22.52	22.52	13.15	20.61	20.61	20.61	16.60

Aurora tariffs	Daily Charge (cents) (from 1 July 2019)		Usage charges (c/kWh) (from 1 July 2019)			
			7:00-10:00	10:00-16:00	16:00-21:00	21:00-7:00
T93	107.233	Monday to Friday	32.587	15.173	32.587	15.173
		Weekend	15.173	15.173	15.173	15.173
T31	96.528	26.960				
T41	17.999	17.507				
Concession discount	140.740					

