

REVEALED: How you could pay an extra 400 per cent to stay cool in summer

POWER JOLT

SWELTERING Victorians could see their electricity bills soar more than four-fold in four years.

Documents seen by the *Herald Sun* reveal energy distribution company SP AusNet has asked the Australian Energy Regulator to allow it to introduce the increases.

If power retailers passed on the costs, consumers in northern and

Antonia Magee

eastern Victoria and parts of Melbourne could end up paying 42c per kilowatt hour in peak summer periods.

SP AusNet's existing summer peak rate is 8c per kilowatt hour.

If given the go-ahead, the charges would apply from 2011 to people with the new SmartMeters.

The State Government-approved meters, which can communicate wirelessly with power companies, are designed to reduce energy costs and help households and businesses manage power use.

SP AusNet outlined its tariff changes in its December 17 proposal to the energy regulator.

An SP AusNet spokesman said yesterday it hoped the proposed tariff changes would encourage

consumers to use less power and give manufacturers an incentive to produce more efficient products.

It would not put more money in the company's pockets, he said.

But consumer groups said if the price rises were allowed they would hit hardest those Victorians who could least afford it.

Victorian Council of Social Service chief Cath Smith said they were the ones who were most often

at home, using electricity during periods of peak power usage.

"VCOSS is concerned that with the introduction of time-of-use pricing, people who are at home during the day — like parents with young children, older people, people with a disability and the unemployed — will be facing much higher electricity bills," she said.

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Opposition energy spokesman Michael O'Brien said the price rise was a result of the Brumby Government's mismanagement of energy, and SP AusNet was just the messenger.

"People should be shooting the people responsible for the message: the Brumby Government," Mr O'Brien said.

But Energy Minister Peter Batchelor said the Government would not stand for severe price rises.

"The Government will continue to stand up for Victorian families and will make it clear to the AER that these price rises are totally unacceptable and unjustified," Mr Batchelor said.

Yesterday it also emerged that some people were being billed for SmartMeters that had not yet been

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installed. AER spokesman Lin Enright said the State Government had given the go-ahead for energy companies to charge for SmartMeters, even though they'd only been installed in a small proportion of households.

Ms Enright said the charges were like a "lay-by". Victoria was so far the only state to be charging for the meters in this way.

But Mr Batchelor said the decision was the energy watchdog's.

"AER had determined private electricity distributors should spread the costs of SmartMeters across all customers, to save Victorian families significant upfront costs," Mr Batchelor said.