

Which type of tariff is right for you?

- [Electricity tariffs](#)
- [Gas tariffs](#)

A **tariff** is the way you get charged for your energy.

Choosing the right tariff for you can help reduce what you pay for your energy.

To help you work out what's best for you, we'll explain:

- what the different tariffs are, and
- how they work.

Electricity tariffs

There are three types of electricity tariffs:

- **single rate,**
- **time of use,**
- **controlled load,** and
- **demand**

Single rate tariffs

With **single rate** tariff plan there are no **peak** or **off-peak** periods. This means that you pay the same rate whatever time of day you use energy.

The rate is usually lower than the peak rates of a **time of use** tariff. This means a single rate plan could be a good choice if:

- You are at home a lot in the evening Monday to Friday.
- You need to use your appliances more Monday to Friday, like your washing machine or dishwasher.

Single rate tariffs are sometimes called:

- flat rate
- standard rate
- anytime rate, or
- peak rate.

Single rate tariffs are available to everyone. You don't need a smart meter to get a single rate tariff plan.

Time of use tariffs

A **time of use** tariff means that electricity costs different prices at different times of the day.

- **Peak**—electricity costs the most. Peak rates usually apply in the evening on Monday to Friday.
- **Off-peak**—electricity is cheapest. Off-peak rates usually apply overnight on Saturday and Sunday.
- **Shoulder**—electricity costs a bit less than peak. Shoulder rates usually apply in between peak and off-peak periods.

A time of use tariff plan could be a good choice if:

- You are out a lot in the evenings Monday to Friday.
- You are at home during the day or on weekends.
- You use your appliances on the weekend, like your washing machine or dishwasher.

Some retailers have even more time periods than **peak, shoulder** and **off-peak**.

Retailers will tell you the start and end times of the different periods for their time of use plan in the [Basic Plan Information Document](#) or the retailer's written summary of the plan.

To get a time of use tariff plan, you need a meter that measures your electricity usage at different times of the day. For example, a **smart meter** or time of use meter.

Controlled load tariffs

For some appliances you can be charged a **controlled load** tariff, like:

- slab or underfloor heating, or

- electric hot water systems.

This means that the retailer charges a rate just for that appliance and the energy it uses. Often that appliance has its own meter.

It is usually only for appliances that run overnight or in **off-peak** times. So controlled load rates are usually lower.

Controlled load is sometimes called dedicated circuit consumption.

Demand tariffs

Plans with demand charges will have regular usage and supply charges, but will have added demand charges on top.

Demand (measured in kilowatts, kW) is a measure of how intensely you use electricity at a point in time, instead of your usage over time. Therefore, demand will be high when you have many appliances on at the same time.

You will need a **smart meter** to be eligible for plans with demand charges.

Different retailers have different ways of applying demand charges, like being charged:

- for your highest demand in a period of time
- an average of peak demand over a period of time
- different demand rates in different seasons.

Gas tariffs

Gas plans are only available with **single rate** tariffs.

Most gas plans use **tariff blocks**. A tariff block is how the retailer charges you for the amount of gas you use.

This means you pay:

- one rate or cost for the first part of your usage, then
- a different rate or cost for the next part (or parts) of your usage.

Blocks can apply to:

- daily
- monthly, or
- quarterly usage.

Some gas plans have different rates for different times of the year, called **seasonal rates**. These rates are usually higher in winter.