



**MEDIA RELEASE**

**30 April 2015**

### **CITIPower DELIVERS VALUE FOR MELBOURNE CUSTOMERS**

CitiPower, the electricity distribution business for the Melbourne CBD and inner suburbs, will deliver price cuts for inner Melbourne residential and business customers.

“We will deliver a \$28 decrease in the average CitiPower customer’s residential annual electricity bill in 2016,” said Chief Executive Officer, Tim Rourke.

The electricity distribution business outlined the price reductions, as well as the capital investment and operating costs, in its regulatory proposals to the Australian Energy Regulatory (AER) for 2016-2020.

“CitiPower will also deliver an estimated \$995 million in capital expenditure from 2016 to 2020 and these investments will help facilitate Melbourne’s economic growth, job creation and support residential and commercial expansion,” Tim said.

CitiPower will invest \$180 million in upgrading its network and plans to decommission several smaller zone substations and connect customers to the more modern 66kV sub-transmission network.

“This is a more efficient way of using our existing infrastructure reducing costs for our customers,” Tim said.

The business will continue targeted upgrades to the 66kV network as part of the Central Business District Security of Supply project initiated by CitiPower in 2004, in conjunction with the Victorian Government. During the upcoming regulatory control period, CitiPower will spend more than \$9 million to complete the remaining works identified as part of this project.

CitiPower will also support urban renewal and redevelopment across inner Melbourne including the Fisherman’s Bend, E Gate, Federation Square East, Montague, and Arden-Macaulay area developments.

“The capital investment CitiPower will make in 2016-2020 will also enable the connection of more renewable energy to the grid and provide the ability to explore new and emerging technology to reduce costs for the customer, such as battery storage.

“A lot of our investments are about shifting the network from one which receives energy from a few providers to one that can receive energy from multiple sources and move that energy around in different directions,” Tim said.

“Whether that’s solar on people’s homes, commercial embedded generation or any of the potential generation methods of the future, Melbourne needs a network that can handle these technologies,” he said.

CitiPower will also invest in a customer relationship management system that enables the introduction of a customer portal to help people can make informed choices about their energy use.

CitiPower sought the views of its customers and stakeholders across Melbourne to help shape our future plans.

For more details of the investment plans and an overview of CitiPower and Powercor’s regulatory proposals see [www.Talkingelectricity.com.au](http://www.Talkingelectricity.com.au).

**Media inquiries: CitiPower and Powercor Australia’s media line on (03) 9683 4342**

## ABOUT CITIPOWER

### Regulated business

Electricity distribution in Australia is regulated and CitiPower is required to provide a regulatory proposal to the Australian Energy Regulator (AER) every five years, detailing forecast work programs and efficient revenue requirements. The AER assesses the regulatory proposal and makes a decision on the revenue CitiPower can earn during the subsequent regulatory control period – in this case 2016-2020.

### CitiPower

The CitiPower distribution network services customers across Melbourne's central business district and inner suburbs. It supplies electricity to world-class cultural and sporting facilities such as Federation Square, the Melbourne Cricket Ground, the Victorian Arts Centre and Melbourne Park Tennis Centre.



### CitiPower Network statistics

Network route line length:	3,186km
Network area:	157sq km
Customer numbers:	325,917
Customer density:	102.30c/km
Zone substation transformers:	106
Distribution transformers:	4,670
Poles:	58,276
Underground lines:	42%
Network reliability:	99.99%

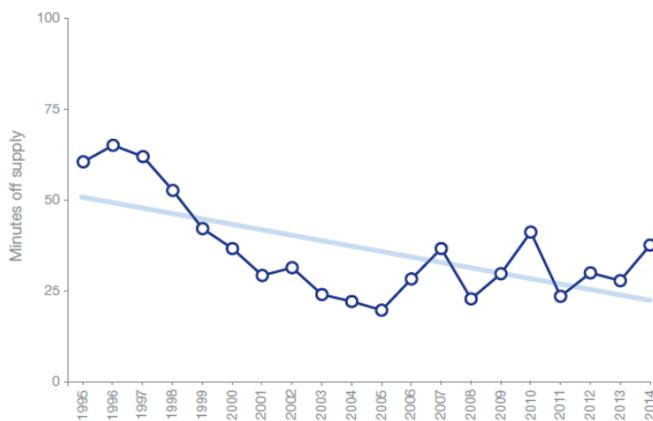
(As at 31 December 2014)

## CitiPower network reliability performance

The graph below shows the minutes per year that CitiPower customers are without supply presented as a per customer average, referred to as the System Average Interruption Duration Index (SAIDI). SAIDI is an industry standard for measuring reliability of electricity supply.

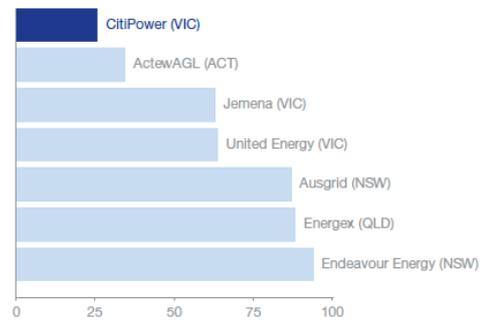
The results show unplanned outages. CitiPower's strong reliability performance is the result of robust asset management programs employed across its network. CitiPower's reliability performance is the best in Australia, exceeding the performance of other urban distributors, despite more than half of its network still comprising overhead powerlines.

Whole of network unplanned SAIDI 1995–2014 (after exclusions)



Source: CitiPower analysis

Urban distributors whole of network unplanned SAIDI average 2006–2013 (after exclusions)



Source: AER economic benchmarking RIN data

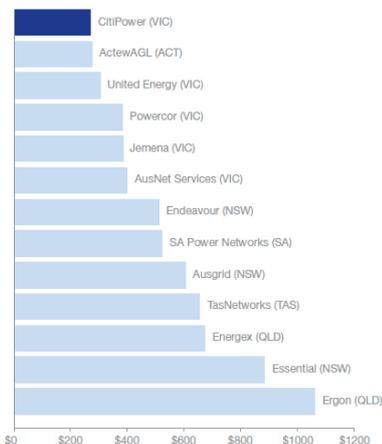
## Value for money

Our customers pay some of the lowest distribution network costs in Australia.

CitiPower's distribution network charges are the lowest in Australia, comprising less than 21 per cent of the average household electricity bill in 2014, compared with around half a customer's bill in some other states.

Based on our published distribution use of service tariffs for a customer with an annual consumption of 4,300 kWh and excluding GST, an average residential CitiPower customer on a single rate tariff pays \$271 per annum.

How we compare – Distribution charges across Australia (2015 dollars)



Source: CitiPower analysis