



MEDIA RELEASE

30 April 2015

POWERCOR DELIVERS VALUE FOR SOUTH WEST VICTORIA

Powercor will deliver electricity price cuts for residential and business customers in south west Victoria in 2016.

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

"We will deliver a \$43 decrease in the average Powercor residential annual electricity bill in 2016," said Chief Executive Officer, Tim Rourke.

"Powercor will also deliver \$2.3 billion in capital expenditure from 2016 to 2020, to help facilitate economic growth, job creation and support residential expansion."

Tim said safety, with a strong focus on bushfire mitigation, remains Powercor's number one priority.

"We will invest in delivering a safe, reliable electricity supply and Powercor will continue to work with the Victorian Government and Energy Safe Victoria (ESV) to implement a range of programs to reduce the bushfire risk," Tim said.

Powercor is committed to supporting the growth and prosperity of the south west region and plan to invest around \$30 million in projects to maintain a reliable electricity network while supporting residential growth and the expansion of local industries such as dairy and agriculture.

Powercor plans to invest in a number of major capital upgrades to meet the expected rise in electricity demand and ensure reliability of supply is maintained in Warrnambool and surrounding areas in the period to 2020 and beyond.

The proposed infrastructure program includes replacing ageing transformers at the Warrnambool and Terang Zone Substations, the construction of a new high voltage line between Warrnambool and Allansford, and a number of 22kV high voltage lines in the Cobden, Colac, Hamilton, Port Fairy, and Portland areas.

The capital investments 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 wind farms or any of the potential generation methods of the future, we need a network that can handle these technologies."

Powercor 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.

Powercor sought the views of customers and stakeholders across south west Victoria 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.

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

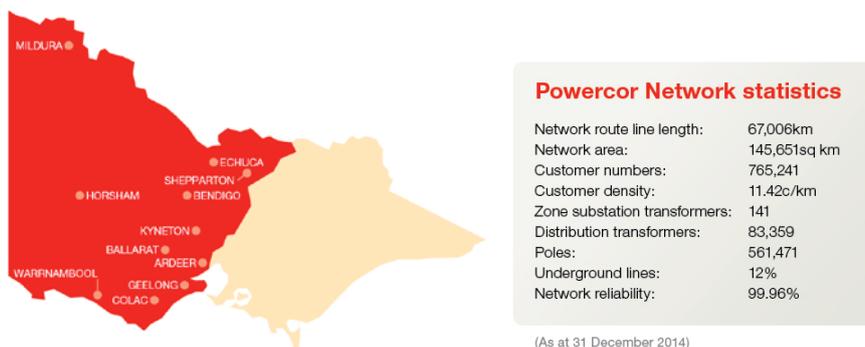
ABOUT POWERCOR

Regulated businesses

Electricity distribution in Australia is regulated and Powercor 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 Powercor can earn during the subsequent regulatory control period - in this case 2016-2020.

Powercor

The Powercor distribution network services customers across Central and Western Victoria and Melbourne's fast growing Western suburbs. It is the largest of Victoria's five electricity distribution networks, and supplies the regional cities of Mildura, Shepparton, Bendigo, Ballarat, Horsham, Warrnambool and Geelong.

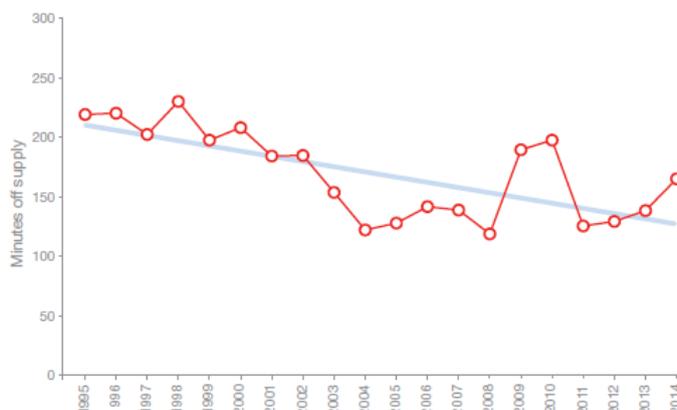


How we compare

Powercor's network reliability performance

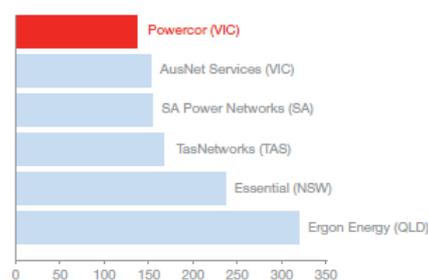
Powercor's reliability performance compares favourably to other Australian electricity distributors, particularly regional and rural distribution businesses. This is despite its customers being spread across our extensive network with less than 12 customers per kilometre and only 12 per cent of our assets underground.

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



Source: Powercor analysis

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



Source: AER economic benchmarking RIN data

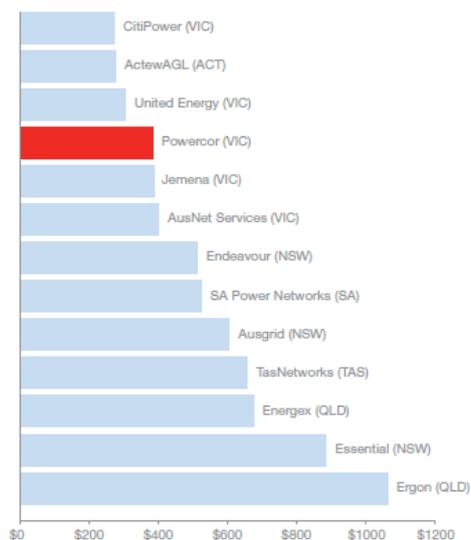
Value for money

Powercor customers pay some of the lowest distribution network costs in Australia. Research conducted by energy sector experts Oakley Greenwood concluded that Victorian electricity distribution network charges make up less than 25 per cent of the average household electricity bill, compared with around half a customer's bill in some other states.

Powercor's distribution network charges comprised less than 25 per cent of the average household electricity bill in 2014.

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 Powercor customer pays \$382 per annum compared to higher distribution network charges in other states, particularly when compared to other predominantly rural based distributors.

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



Source: Powercor analysis