

Draft Proposal

Context for 11 February Deep Dive



1 February 2019

Draft Proposal Headlines



LOWER PRICES
\$38↓
 From 2020–2021

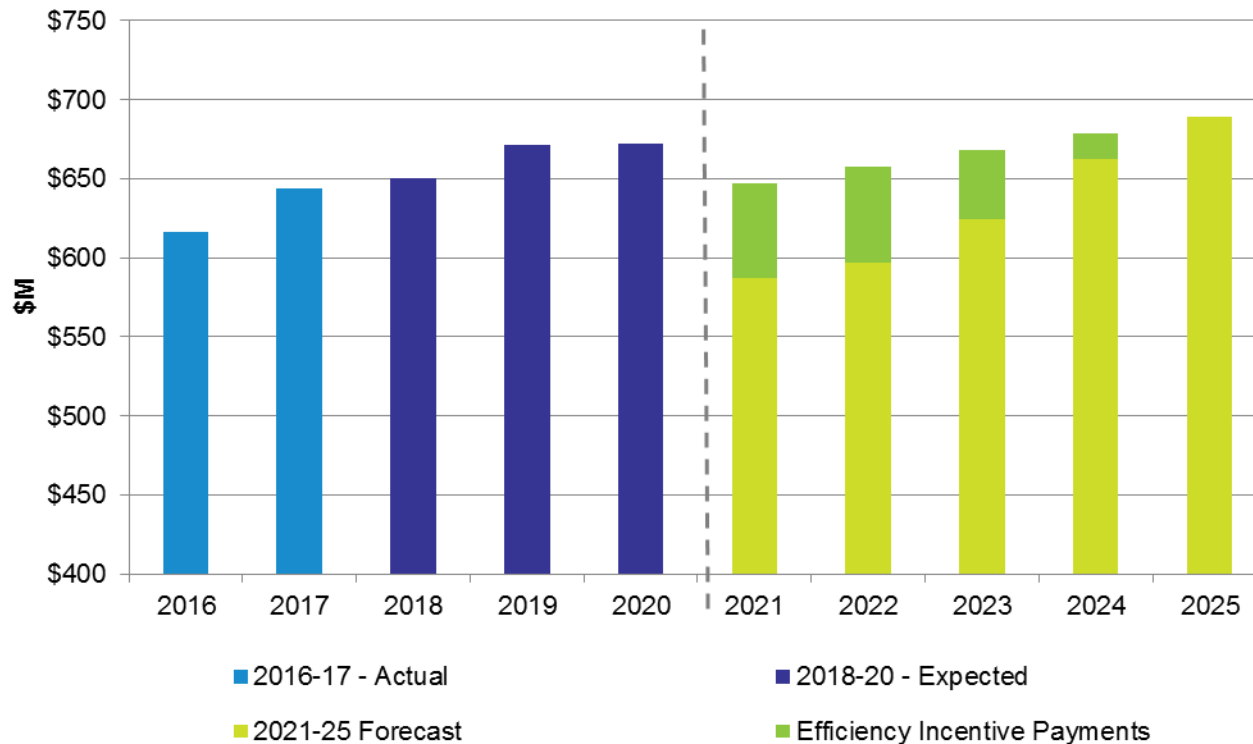
Draft proposal better reflects customers' expectations

BETTER CUSTOMER EXPERIENCE	LOWER COSTS	DELIVERING ON SAFETY	BALANCING RELIABILITY AND COSTS
Targeting faster response Better information Support customers' solar and energy future	Affordability is our customers' primary concern Operating costs cut by \$53m Capital costs cut by \$310m	Further reducing bushfire ignition risk across our network	Customers have told us reliability is highly valued We are balancing costs and reliability in consultation with customers

We are listening to our customers who would like a better customer experience and more affordable services. We are working to meet these expectations while balancing reliability and costs and delivering on safety.

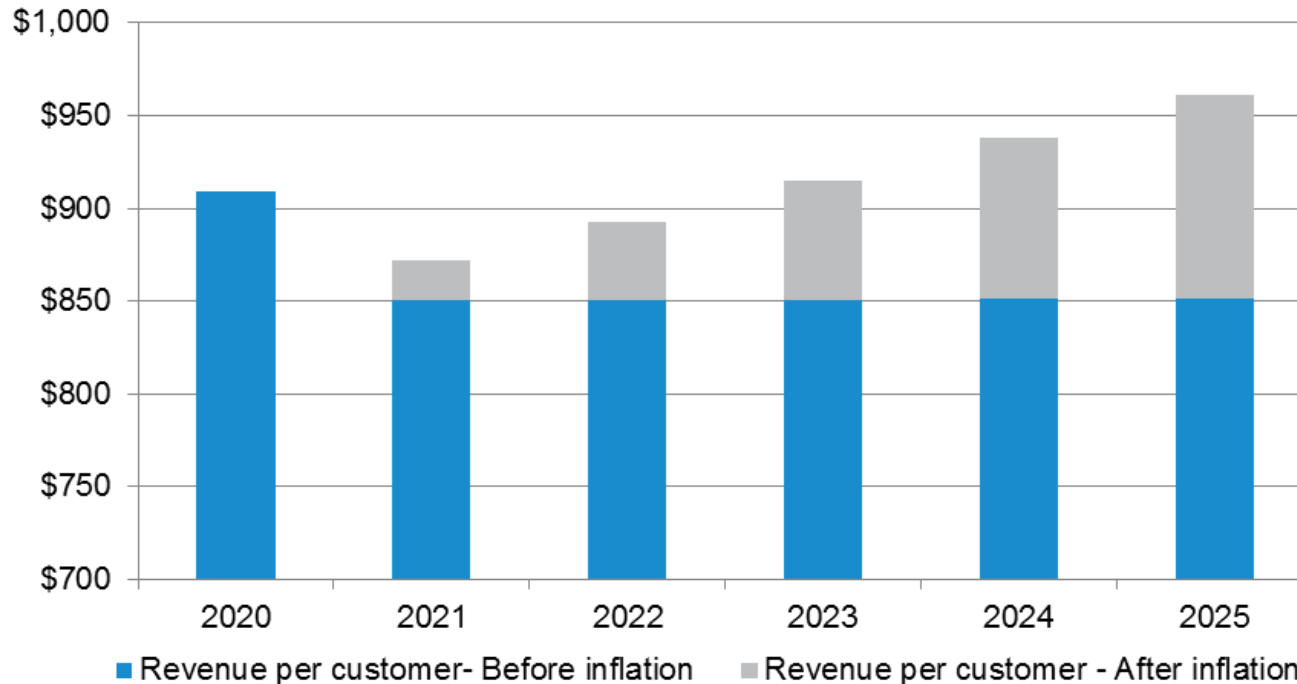
- We expect to publish a Draft Proposal for consultation in the next two weeks.
- To provide relevant context for the 11 February deep dive, revenue and price headlines are contained in this pack.

Total Distribution Revenues 2016 to 2025 (\$M, \$2020)



- Total revenue is forecast to be \$3,340m (\$2020) over 2021-25, a 2.6% increase compared to expected revenue over 2016-20

Distribution Revenue Per Customer



- Before inflation (in real terms), revenue per customer will initially fall by almost 6.5% (or \$58) between 2020 and 2021 and then will remain flat.
- After inflation (in nominal terms), revenue per customer will initially fall by almost 4.5% (or \$38) between 2020 and 2021, and then increase in line with inflation.