

OUR CUSTOMERS' PRIORITIES



Safety Leader



Affordability



Reliability



Good customer service & communication



Transparency/bill itemisation



Environmentally friendly/encouraging renewables



Innovative technologies



Safety

We agree with customers that **safety must remain** fundamental for Essential Energy to operate

Our proposal **balances safety, risk and affordability**

We **actively manage key risks**, from asset failure to bushfires, to ensure **community safety**

We will continue to work with our communities and schools on safety **education**

Our Black Spot Program is focused on **reducing traffic accidents** involving our network



Affordability

Customers expect **affordable electricity** providing value for money and price stability – we are working hard to achieve this by **reducing costs**

Distribution charge increases in 2019-24 will be limited to **1.43% p.a. above the rate of inflation**. A typical residential bill will be \$13 per quarter higher by June 2024, compared to today

Applies AER's Rate of Return Guideline

Capital expenditure in 2019-24 will be 19% less than the 2014-19 allowance but remains higher than depreciation placing **upward pressure on network charges**

Small increase of \$5 per annum to fixed charge with offsetting changes to variable charges

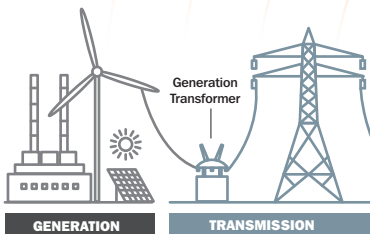
2019-20

2020-21

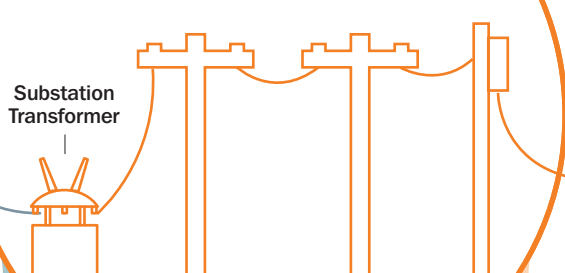
2021-22

2022-23

2023-24



Substation Transformer



Distribution

Essential Energy's commitment



Innovation

Most customers are excited about new and future technologies

We plan to invest \$141 million in systems and technology to deliver **sustainable cost reductions** for our customers

Investing in research and new technology to **improve asset monitoring** analysis and risk management

New technologies are shaping the future of our industry and are **key to our Proposal**

We will **enable** customers to craft their own energy solutions using a variety of technologies



Asset Management

We know that **network reliability** is important to our customers and you would like us to **balance this with affordability** without compromising safety

To achieve this we will use evidence-based, prudent **asset planning**

By 2024, we expect to have 900,000 customers, and forecast **overall consumption to be unchanged with slightly rising demand**



Reliability

Most customers are satisfied with current network **reliability**, so we will continue to invest in programs to **maintain it**

For areas with the poorest reliability we will **proactively invest** as we aim to provide these customers with, on average, a **25% improvement by 2024**

Trial alternate start and finish times for planned outages

We are proposing to **increase our accountability** and incentives to maintain reliability