

Our 2016 Plan: A safe, reliable and responsive electricity network service for homes and businesses in north-west Melbourne

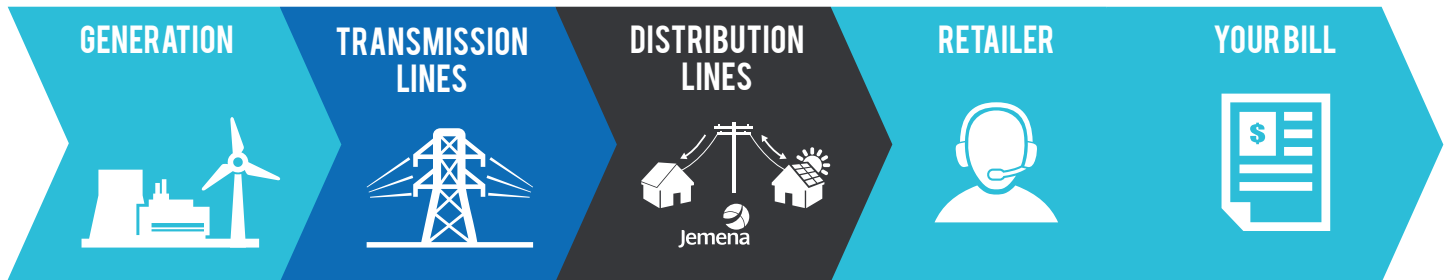
We have always provided a safe, reliable and responsive electricity network service that is valued by our residential and business customers in north-west Melbourne.

Empowered by a range of technological, market and policy changes - including our investment in smart meters – our customers are increasingly taking control of their energy needs.

We want to facilitate these changes by investing smartly to enable us to maintain our current service levels, using the benefits of the smart meters we have installed across our network to deliver better (as well as cheaper) services.

We are proposing to reduce our network charges by 13% over the next 5 years for our typical residential customers (excluding the impact of inflation). This will deliver average savings of \$85 per year over the period for our residential customers (excluding the impact of inflation).

We are also proposing to update the components of our network charges to make them fairer, more cost reflective and to empower our customers with new ways to save on their energy bills. However, as requested by the Victorian Government, customers can choose if they want to take up electricity offers that adopt this new way of pricing.



Generate electricity

Carry electricity long distances

Carry electricity to customers

Organise these services and send you your electricity bill

Many electricity customers in Victoria may not be aware of Jemena – the company that delivers electricity to around 320,000 homes and businesses across North-West Melbourne – or some of the changes occurring in the market.

It's our job to make sure our customers have electricity when they need it, and to empower our customers to take control of their energy bills – for example, by facilitating their increasing use of new technologies and making it easy to get the information they need to make energy decisions.

Like most businesses, we need to recover the costs of providing our services to our customers. We do this through the distribution and metering charges that make up 32% of a typical residential customer's electricity bill.

The prices we can charge for distributing electricity are determined by an independent body, known as the Australian Energy Regulator (AER). Every five years, we are required to prepare a plan for the AER that explains how much funding we need – including the prices we propose to charge – to continue to provide safe, reliable and responsive network services.



Over the last two years we have developed our 5-year plan for the period 1 January 2016 to 31 December 2020 (our 2016 Plan) and the AER has reviewed and made a Preliminary Decision on this plan. We have now revised our 2016 Plan to include updated information, feedback from our customers and stakeholders and to respond to the AER's Preliminary Decision.

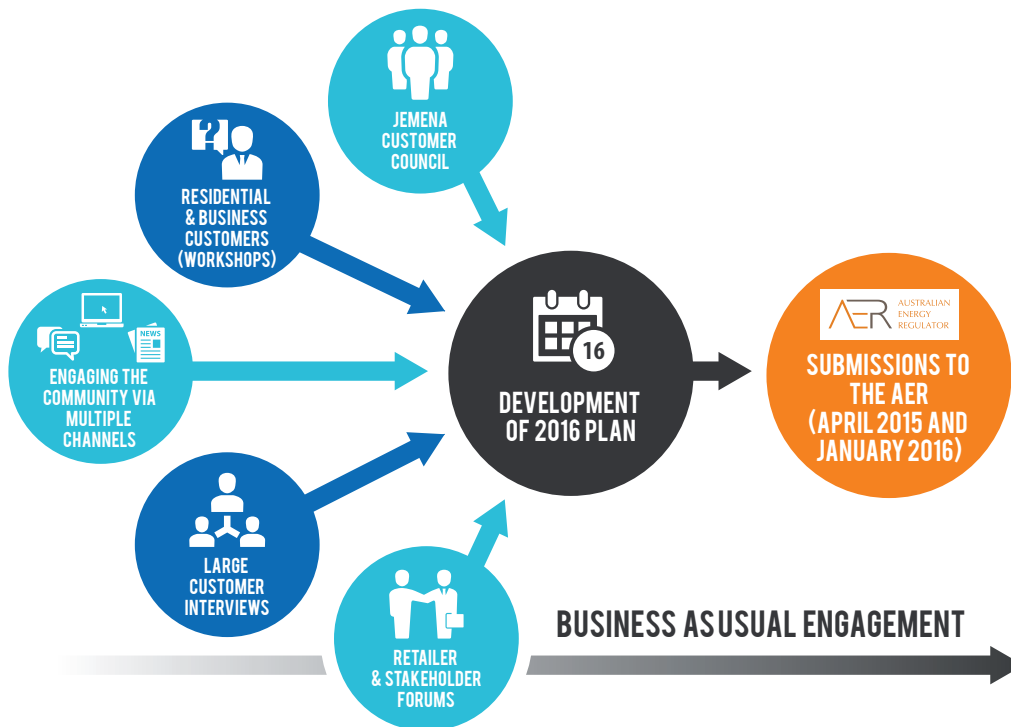
The AER will review our submission and make a final decision in April 2016.

We designed an innovative program to engage meaningfully with our customers, stakeholders and the community on a range of key issues

In developing this plan, we have engaged extensively with our customers, stakeholders and the community to better understand what they want in their electricity supply to ensure the decisions we make about our services, costs and

prices continue to reflect our customers' priorities and long-term interests.

One of the key messages we have heard is that we should continue to provide a safe, reliable and responsive network service, but look for ways to minimise our costs and charges and facilitate our customers' increasing engagement in energy decision-making.



By building on the feedback and knowledge gained through our engagement, and by being smarter and more innovative in the way we run our business, we are confident our proposed 2016 Plan facilitates the changes occurring in our energy market in a way that supports our customers' long-term interests.

We welcome your views on our proposed 2016 Plan.



Lowers our network charges by 13% for our typical residential customers over the 5-year period, reducing electricity bills an average of \$85 per year (excluding inflation)



Will allow us to maintain the safety and service levels customers value, as well as supporting the development of new growth areas and significant infrastructure in North-West Melbourne



Will see us continue to improve our cost efficiency and explore new technologies to help lower our network costs and prices over the long term



Empowers customers with new ways to save on their energy bills through fairer and more cost reflective network charges



Assists vulnerable customers who are struggling to pay their electricity bills by providing targeted information on their electricity usage and helping them to replace old inefficient appliances



Is responsive and transparent by outlining what we have heard through our engagement activities and how we have responded in a way that promotes our customers' long term interests

HAVE YOUR SAY & STAY INFORMED



We welcome your views on our proposed 2016 plan
We will keep you informed of the AER's review process and how it impacts you



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