



Tuesday, 1 November 2011

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**AUSTRALIAN ENERGY REGULATOR (AER) RELEASES ITS FINAL DETERMINATION ON ADVANCED METERING INFRASTRUCTURE (AMI)**

I enclose a statement issued by the AER in relation to its Final Determination on the AMI roll-out by electricity distribution businesses in Victoria for 2012-15.

Spark Infrastructure notes that the AER has awarded CitiPower and Powercor a total capital expenditure allowance of \$308.2 million and a total operating expenditure allowance of \$127.4 million for 2012-15 (real 2011 figures). This compares with CitiPower and Powercor's revised proposal of \$315.0 million of capital expenditure and \$131.9 million of operating expenditure.

The complete determination can be found on the AER's website at [www.aer.gov.au](http://www.aer.gov.au).

Spark Infrastructure holds a 49% interest in electricity distribution businesses CitiPower and Powercor Australia, which are based in Victoria.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Alex Finley". The signature is stylized and fluid, with a large loop at the end.

**Alexandra Finley**  
Company Secretary

## **AER MAKES FINAL DECISION ON SMART METER CHARGES**

The Australian Energy Regulator today issued its final determination on applications from the Victorian electricity distribution businesses for 'smart meter' budgets and forecast charges over the period 2012 to 2015.

The AER's final decision approves a total forecast expenditure of \$1.1 billion. In response to the AER's draft determination, all distribution businesses, other than SP AusNet, submitted lower amended budget proposals. \$117 million in proposed spending was not approved by the AER, of which \$107 million relates specifically to SP AusNet.

The businesses are able to recover expenditure associated with the smart meter program from consumers through metering service charges incorporated into customers' electricity bills. Meter charges vary from business to business as shown in the table below.

### **AER Final Determination—forecast annual charges for single-element meters (\$ per meter)**

	2011	2012	2013	2014	2015
SP AusNet	93.83	107.25	122.60	140.14	160.19
United Energy	92.12	106.57	123.30	142.64	165.02
Jemena	136.70	153.95	173.38	195.26	219.90
CitiPower	91.38	99.31	107.92	117.29	127.46
Powercor	95.01	102.96	111.57	120.90	131.01

The smart meter roll-out requires significant investment in metering infrastructure and new technology. The distribution businesses will spend over \$2 billion in total on the roll-out over the 2009–15 period.

The Victorian Government mandated the implementation of smart meters for residential customers in 2006. Victoria is the first state in Australia to undertake a large scale roll-out.

The AER must determine the approved budget for each Victorian distribution business according to an 'Order in Council' made by the Victorian Government.

SP AusNet services customers in the eastern suburbs of Melbourne, and north-east and eastern Victoria.

United Energy services customers in south-east Melbourne and the Mornington Peninsula.

Jemena services customers in Melbourne's north and north-western suburbs.

CitiPower services customers in Melbourne's central business district and inner suburbs.

Powercor services customers in Melbourne's western suburbs, and west and north-west Victoria.

**Media inquiries**

**Mr Andrew Reeves, AER Chairman, 0419 397 956**

**Mr Duncan Harrod, media unit, (02) 6243 1108 or 0408 995 408**

**General inquiries**

**Infocentre: 1300 302 502**

**NR 014/11**

**31 October 2011**