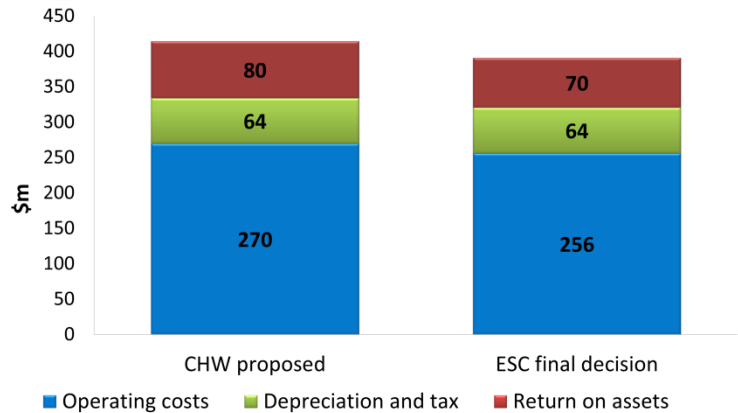


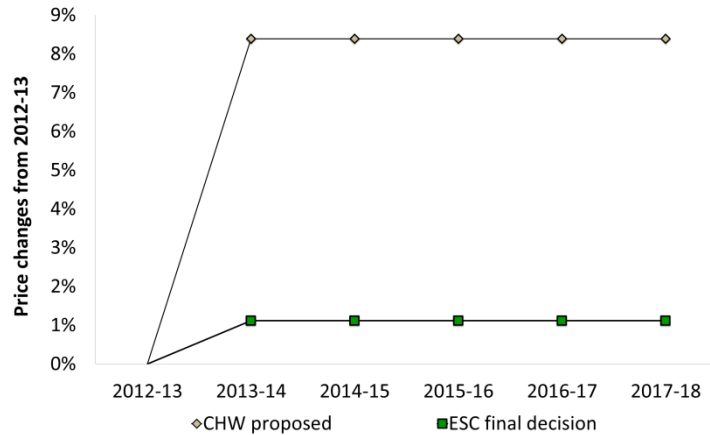
### Breakdown of costs\*

The ESC's final decision has approved a reduction of Central Highland Water's costs of 5.6% (or \$23 million) over the five years from 2013-14.



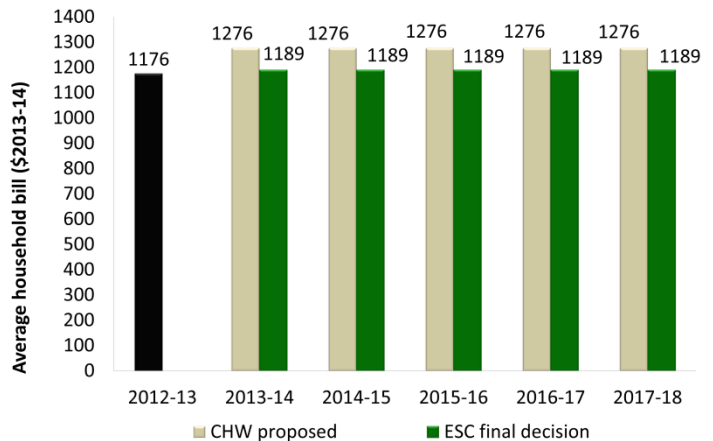
### Prices\*

The ESC's final decision has approved an increase in average prices of 1.1% over the five years from 2013-14.



### Indicative household bills (owner-occupier)\*\*

The ESC's final decision has approved that over the next five years, indicative Central Highlands Water household bills would be reduced by \$433\*.



\*Indicative bills are based on consumption for owner-occupier households.

\*\* Household bills are presented in 2013-14 prices.

All numbers presented here are in 2012-13 dollars and do not include future inflation, with the exception of household bills.

For further details on this business' pricing decision please visit [www.esc.vic.gov.au](http://www.esc.vic.gov.au).

## **Key Final Decision Outcomes**

### **Expenditure**

#### Operating Expenditure

- The final approved operating expenditure by the Commission is \$256.1 million.
- This is \$13.6 million (5.0 per cent) lower than the proposed expenditure of \$269.7 million.

#### Capital Expenditure

- Central Highlands Water proposed capital expenditure of \$100.1 million.
- The Commission's final decision approved capital expenditure of \$107.6 million.
- This is \$7.5 million (7.5 per cent) higher than the proposed expenditure by the water business.

### **Tariffs**

#### Retail Water Tariffs

- Central Highlands Water proposed to restructure its three tier inclining block tariff to a two-tier variable charge for residential customers.
- In its draft decision, the Commission required further information on how Central Highlands Water would mitigate negative customer impacts and how it will inform customers of the change.
- In its response, Central Highlands Water indicated it will inform customers via customer bills at the start of the first billing cycle.
- In its final decision, the Commission has approved Central Highlands Water's price structure of residential and non-residential retail water tariffs.
- The Commission has also approved Central Highlands Water's proposal to combine its two pricing zones (central and northern) for variable water tariffs over seven years, beginning in 2013-14.

#### Recycled Water Tariffs

- For non-residential customers, Central Highlands Water proposed to continue using the Commission's pricing principles approved for the second regulatory period for non-residential recycled water tariffs.
- In its final decision, the Commission has approved Central Highland Water's recycled water pricing principles.