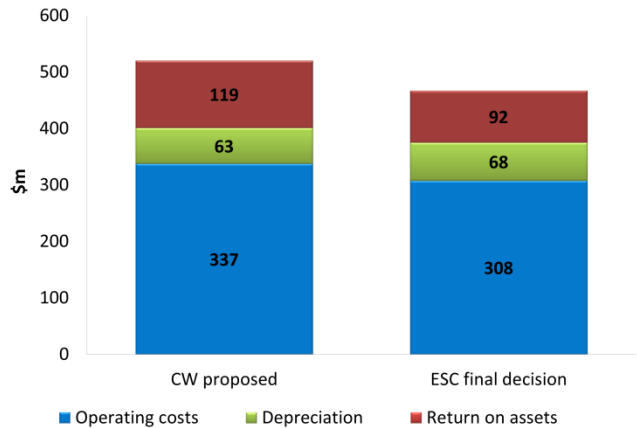


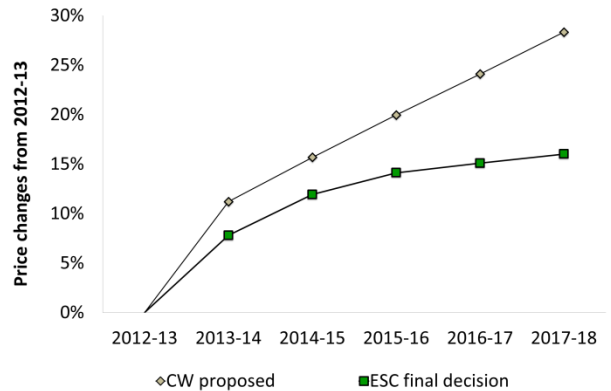
Breakdown of costs*

The ESC's final decision has approved a reduction of Coliban Water's costs of 10.2% (or \$53 million) over the five years from 2013-14.



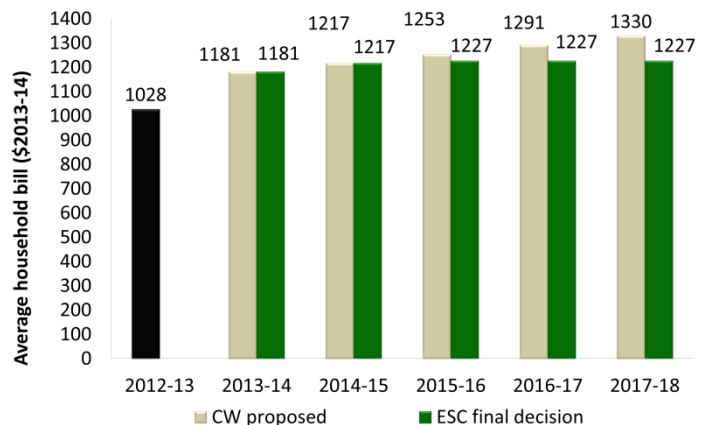
Prices*

The ESC's final decision has approved an increase in average prices of 16.0% 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 Coliban Water household bills would be reduced by \$194*.



*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.

Key Final Decision Outcomes

Expenditure

Operating Expenditure

- The final approved operating expenditure by the Commission is \$334.0 million.
- This is \$3.5 million (1.0 per cent) lower than the proposed expenditure of \$337.5 million.

Capital Expenditure

- Coliban Water proposed capital expenditure of \$178.0 million.
- The Commission's final decision approved capital expenditure of \$179.3 million.
- This is \$1.3 million (0.7 per cent) higher than the proposed expenditure by the water business.

Tariffs

Retail Water Tariffs

- Coliban Water proposed to restructure its three tier inclining block variable tariff to a single variable charge for residential customers.
- Coliban Water also proposed to consolidate its variable water pricing zone over seven years.
- In its draft decision, the Commission required Coliban Water to provide further information on how they planned on informing customers of their tariffs, given the proposed tariff changes.
- Coliban Water responded by indicating it will inform customers through direct mail, online campaigns, information packages, bill inserts and tailored communication to key stakeholders.
- Coliban Water also planned on introducing a hardship scheme to help mitigate negative customer impacts.
- In its final decision, the Commission has approved the price structure of residential and non-residential retail water tariffs proposed by Coliban Water.

Recycled Water Tariffs

- For non-residential customers, Coliban Water proposed to continue using the Commission's pricing principles approved for the second regulatory period for non-residential customers.
- For residential and non-residential customers, Coliban Water proposed a fixed charge at 50 per cent of the potable water fixed charge and a variable charge at 75 per cent of its central zone water variable price.
- In its final decision, the Commission has approved Coliban Water's proposed residential recycled water tariffs and proposed schedule charges for non-residential recycled water services.
- The Commission has also approved Coliban Water's recycled water pricing principles in its final decision.