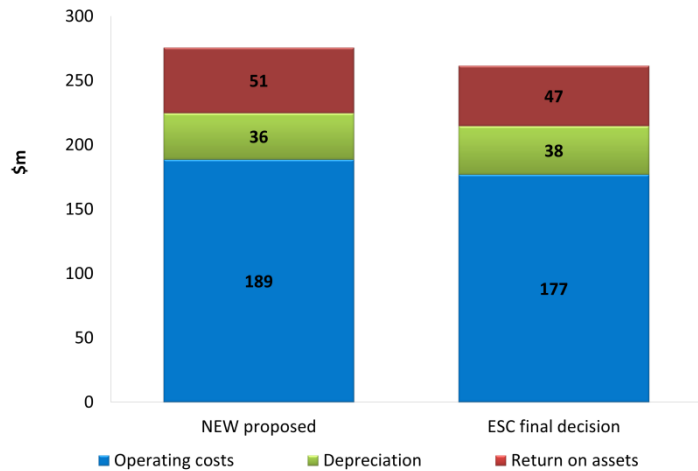


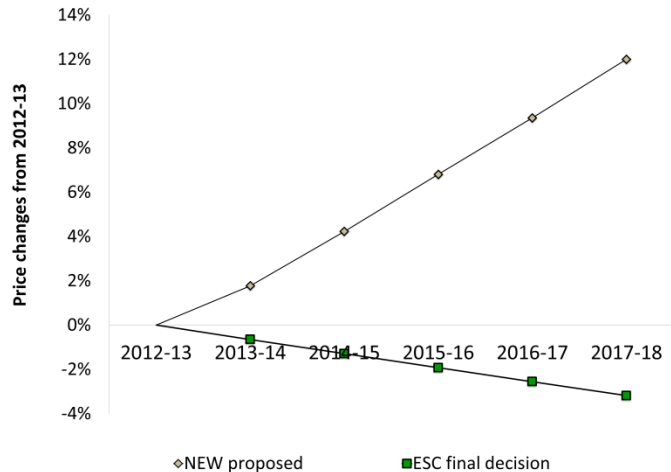
#### Breakdown of costs\*

The ESC's final decision has approved a reduction of North East Water's costs of 5.1% (or \$14 million) over the five years from 2013-14.



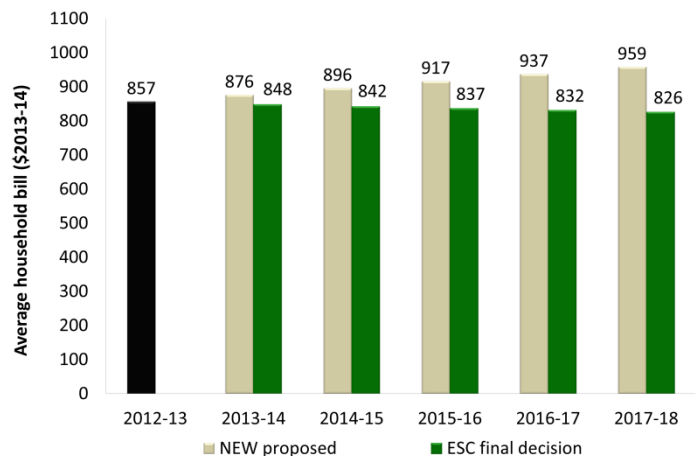
#### Prices\*

The ESC's final decision has approved a reduction in average prices of 3.2% 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 North East Water household bills would be reduced by \$401\*.



\*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 \$177.0 million.
- This is \$11.7 million (6.2 per cent) lower than the proposed expenditure of \$188.7 million.

#### Capital Expenditure

- North East Water proposed capital expenditure of \$78.9 million.
- The Commission's final decision approved capital expenditure of \$72.2 million.
- This is \$6.7 million (8.5 per cent) lower than the proposed expenditure by the water business.

### **Tariffs**

#### Water Tariffs

- North East Water proposed to maintain their existing two-part tariffs for residential and non-residential customers — a fixed service charge and a single variable charge.
- In its draft decision, the Commission required further information on how North East Water would inform customers of their tariffs, given they are proposing the tariff change.
- The Commission also required North East Water to provide information on how they will address any negative customer impacts.
- North East Water also proposed to introduce the pricing zone for its fixed water charge.
- In their response to the draft decision, North East Water indicated that it will advertise tariffs in local and community newspapers, attach a quarterly newsletter to bills and provide a fact sheet on its website.
- For customers experiencing hardship, North East Water proposes to operate a hardship relief program and provide a customer assistance supervisor.
- In its final decision, the Commission has approved the price structure of residential and non-residential retail water tariffs proposed by North East Water.

#### Recycled Water Tariffs

- North East Water proposed to maintain a two part tariff structure — a fixed component and a variable component for residential and non-residential sewerage tariffs.
- The Commission has approved North East Water's proposal to maintain existing tariff structures for residential and non-residential sewerage services in its final decision.