

1 August 2014



TO: ASX Limited
Singapore Exchange Securities Trading Limited

AMI Program – Determination of Customer Rebate

Enclosed is an announcement made by SP AusNet which is provided for the information of SPI Electricity & Gas Australia Holdings Pty Ltd noteholders.

Susan Taylor
Company Secretary

1 August 2014

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Singapore Exchange Securities Trading Limited

Advanced Metering Infrastructure Program (AMI) Determination of Customer Rebate

In late November 2013, the Victorian Government announced a new policy under which distribution businesses would pay a rebate to customers who do not have a smart meter installed by 30 June 2014. The Victorian Government has now advised SP AusNet that the structure of the rebate will be a two tranche staggered payment as follows:

- Tranche 1: A fixed amount of \$125 per customer as a one-off lump sum for premises which do not have a smart meter installed by 30 June 2014. This rebate must be paid by 31 October 2014.
- Tranche 2: A fixed amount of \$125 per customer as a one-off lump sum for premises which do not have a smart meter installed that communicates remotely with the market by 31 March 2015. This rebate must be paid by 30 June 2015.

As at 30 June 2014, SP AusNet had installed almost 700,000 smart meters representing over 99% of those premises able to be completed. As a result, SP AusNet does not consider the Tranche 1 rebate payments to be of a material nature. With regard to Tranche 2 rebate payments, SP AusNet has converted around 400,000 of the installed meters to communicate remotely with the market. At the present time, it is not known how many additional meters will be successfully converted prior to 31 March 2015. If no additional meters were to be converted prior to 31 March 2015, a rebate payment of up to \$37.5m would be payable by SP AusNet to those affected customers.

SP AusNet has previously advised that, as a result of periods of significant instability in its AMI systems performance, it would undertake a technical review to address instability with a view to converting its entire fleet of AMI meters to communicate remotely with the market. SP AusNet expects that the remediation strategy, timing and associated investment will be finalised during September. Following completion of this review, SP AusNet will provide a further update on the financial impacts of the AMI program remediation.

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