

29 July 2011

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**TO:** ASX Limited  
Singapore Exchange Securities Trading Limited

## AER Draft Determination on Victorian Smart Meter Costs and Charges

SP AusNet acknowledges the Australian Energy Regulator's (AERs) draft determination on Smart Meter Costs and Charges for the period 2012-2015, released today.

In this draft determination the AER has reduced SP AusNet's proposed expenditure for the period from \$371.0 million to \$232.7 million (in 2011 dollars).

SP AusNet notes that the AMI Cost Recovery Order in Council allows for the recovery of the actual costs of implementing the Government's mandated AMI program. SP AusNet considers that its submission was an accurate reflection of the costs required to implement the program. Further detailed analysis will be carried out to determine the rationale that has led to the AER's draft decision.

It should be recognised that this is a draft determination and SP AusNet will actively engage in the subsequent review process to provide any additional substantiation to allow the AER to arrive at a final determination that is more consistent with the anticipated program costs.

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