

November 2014

# snowyhydro

## NEWS



# Snowy Hydro acquires Lumo Energy!

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ISSUE 27



# Lumo Energy acquisition helps Snowy reach major milestone...



**CEO, Paul Broad, fills us in on exciting developments for Snowy Hydro of late as well as outlining some key events in the Snowy Mountains...**

In September, Snowy Hydro achieved a major milestone in our proud and successful history, becoming the fourth pillar in the National Electricity Market with the goal of securing our long term future.

In a deal worth \$605 million, Snowy Hydro has acquired Infratil's Australian Energy Market Assets. This purchase includes energy retailer Lumo Energy, utility connection service company Direct Connect and 163MW of peaking generation assets in South Australia and NSW.

Lumo, like our existing Red Energy business, is a very successful energy retailer with an enviable record in product development and customer service. They have achieved strong growth over the last 10 years, and now have over 540,000 customers

in Victoria, South Australia, NSW and Queensland. Lumo consistently demonstrates outstanding results in customer satisfaction and like Red Energy, they have won multiple customer service awards. We are excited to have Lumo join the team.

This acquisition marked a very significant moment for Snowy Hydro. We are starting a new chapter in our iconic history and there are exciting times ahead. We have a great track record of successful acquisitions, including Red Energy and Valley Power, and the addition of Lumo to our portfolio is an ideal fit. This acquisition, combined with our existing portfolio of hydro and gas generation assets and Red Energy, will underpin our ability to deliver a superior customer service offering in the retail, wholesale and commercial energy sectors, and secure our future as a stronger and more successful business.

With Snowy Hydro's retail base now totalling almost one million customers across four states, I am proud to say we are now the fourth pillar in the National Electricity Market, alongside Origin Energy, AGL and Energy Australia. This is a win for consumers because it will increase competition right across the eastern states of Australia. Any customer in these states now has the ability to sign up for their energy supply with retailers owned by Snowy Hydro.

While the Lumo acquisition has kept us very busy, there have been a number of other things happening at Snowy Hydro, particularly in the Snowy Mountains.

The Snowy Hydro Board of Directors spent several days visiting Cooma and Tumut in October. Keen to see progress of asset upgrade works and safety improvements, the Directors toured Tumut 3 Power Station and participated in a 'safety walk' with local employees. The Board takes the issue of safety very seriously, as do we all at Snowy Hydro, and they enjoyed the opportunity to experience safety in action as our number one priority with employees in the power station.

During their stay in Tumut the Board also played host to a community dinner to further build relationships and engage with community leaders.

Last month I was thrilled to be invited to speak at the Murray Darling Association Annual General Meeting and Conference. Although we don't own the water in the Snowy Scheme, it plays an integral part in our business, and relationships with organisations like the MDA are very important. I was privileged to address over 150 delegates from around NSW on

the past, present and future of Snowy Hydro, and participate in a panel discussion on the issues facing the Murray Darling Basin and the long term view of water in this area.

Celebrations to mark 65 years since the start of the Snowy Scheme were held in Cooma from 17th to 20th October. Organised by the Snowy Scheme Association and supported by Snowy Hydro, the long weekend saw visitors and former Snowy Scheme workers participate in day tours to the Snowy Scheme regions, the Snowy Scheme Museum in Adaminaby and a reunion dinner, which I was fortunate enough to attend. It was a fantastic weekend, and I acknowledge the outstanding work of the Snowy Scheme Association, in particular Wally Mills, in making the event such a success.

Snowy Hydro held our annual Former Workers presentation event during the anniversary celebrations. I was honoured to spend time with some of the men and women who worked on the Snowy Scheme during construction and hear their stories. What a wonderful group of people. To remember that they came from all over the world, particularly from both sides of post-war Europe, to join together to take on the challenge of building the iconic Snowy Scheme, is truly amazing. The fondness with which they recall their time building the Scheme is remarkable, as is the enthusiasm with which they listen to presentations from our people about the asset maintenance and upgrades happening today. I continue to be deeply humbled by their strong connection to and love for the Snowy Scheme.



L-R: Snowy Hydro CEO, Paul Broad, with Murray Darling Association's CEO, Emma Bradbury and National Vice President, Rodney Button, at the Murray Darling Association Conference in Tumut. Photo courtesy of the Tumut & Adelong Times.



Snowy Scheme Former Workers who attended the recent 65th Reunion Snowy Hydro Update.



# Farewell winter, Hello summer -

## The forecast ahead...



Winter has come to a close for another year in the Snowy Mountains. **Snowy Hydro's Atmospheric Scientist, Johanna Speirs**, reviews the 2014 winter and outlines what is expected this summer...

The snow season this past winter was slow to start but a series of cold fronts towards the end of June quickly delivered over a metre of snow to the mountains. The maximum snow depth recorded at Snowy Hydro's Spencers Creek snow course (1830m elevation) was 168.5 cm on July 24. This was lower than the maximum last year when a top of 185.9 cm was recorded on August 26. Both years were below the long-term (1954-2013) average maximum snow depth of 202.5 cm. Even though maximum snow depth was below last year and below the long-term average, a deep snowpack persisted well into September. This year Spencers Creek recorded at least a metre of snow for 92 days compared to only 43 days in 2013.

Relatively deep snow depths were also observed in lower elevation regions this year. The snow storms through late June and July delivered up to 43.2 cm of snow at our snow course site at Three Mile Dam

(1460m elevation) near Cabramurra, the deepest snow at this site since 2008.

The good snow falls in winter 2014 fell on top of a relatively wet catchment, with above average precipitation and runoff in the Scheme through April-June. These wetter than average conditions were partly driven by a climate pattern in the Indian Ocean known as the Indian Ocean Dipole. During the beginning of winter, the Indian Ocean Dipole was briefly in a negative (wet) phase meaning that warm ocean waters were present in the eastern Indian Ocean near Indonesia and northwestern Australia. Warm ocean waters increase cloudiness and moist air which can then be transported to southeast Australia and the Snowy Mountains during the passage of westerly cold fronts, causing large snow and rain events. The wet phase of the Indian Ocean Dipole was short-lived and returned to a neutral state by September.

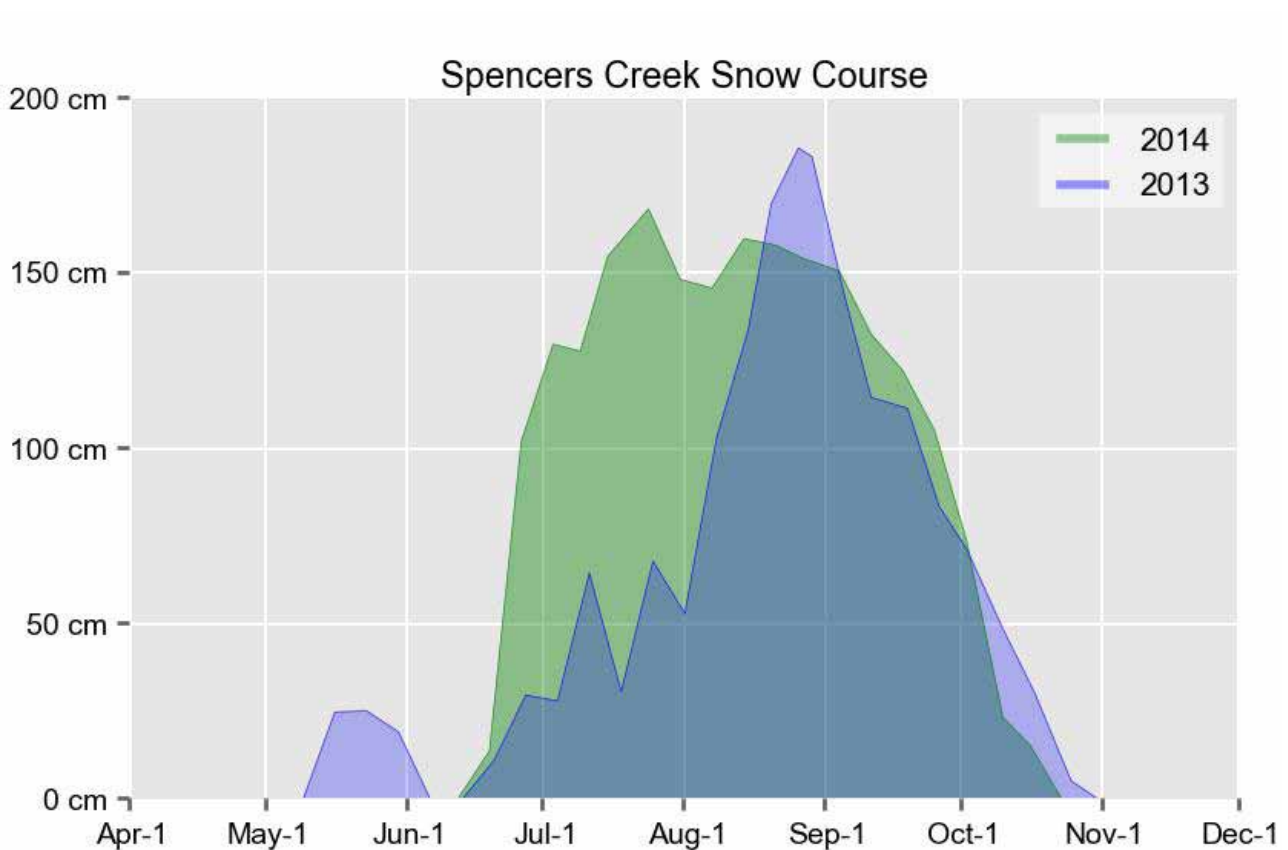
Below average precipitation and run-off were subsequently observed in the Scheme over the all-important August-October period, which is when 50% of our annual inflows occur.

Looking ahead, the Indian Ocean Dipole is expected to remain in a near-average state for the remainder of 2014 and generally has little influence on Australia's climate over the warmer months (December-April). The key climate pattern influencing weather over the next few months will be the El Niño-Southern Oscillation in the Pacific Ocean. El Niño-like conditions have been developing this year where warmer waters are dragged eastward across the Pacific Ocean, leading to cooler ocean waters around northern Australia

and below average rainfall across the northern and eastern parts of the country.

The Bureau of Meteorology (BoM) have been predicting an increased likelihood of El Niño forming this year but so far we haven't quite crossed into El Niño thresholds. According to the latest El Niño outlook issued by the BoM on November 5, current climate patterns are typical of "warmer and drier weather for parts of eastern Australia" as well as an "increase in bushfire risk in the south".

Another dry and hot summer will make the good snow we observed this past winter soon feel like a distant memory.

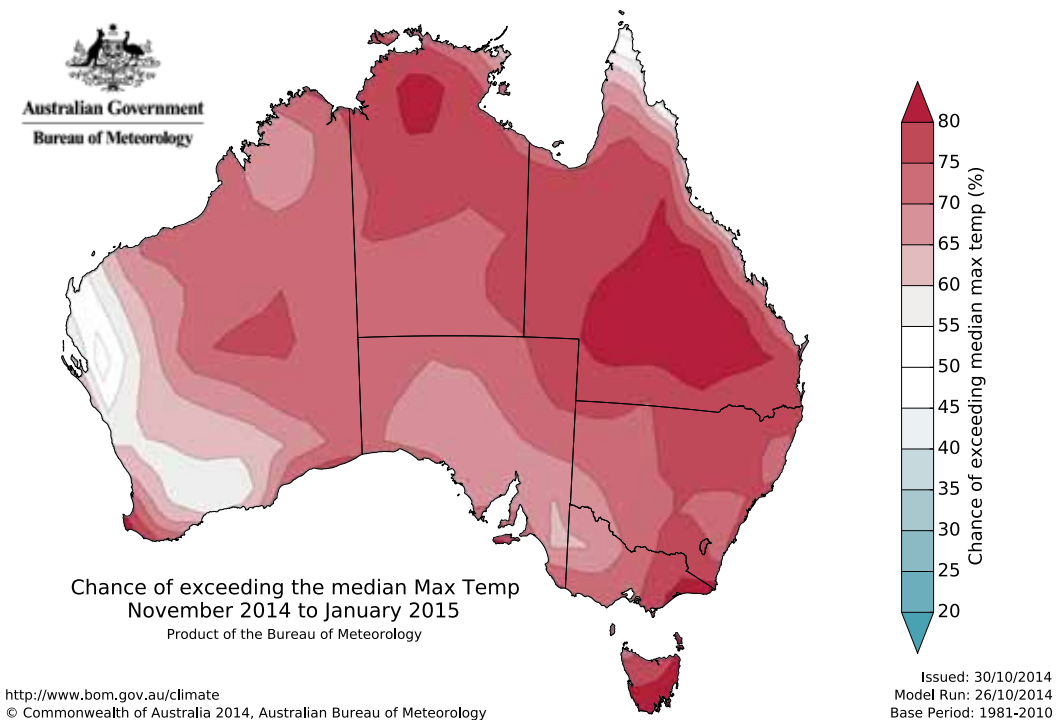
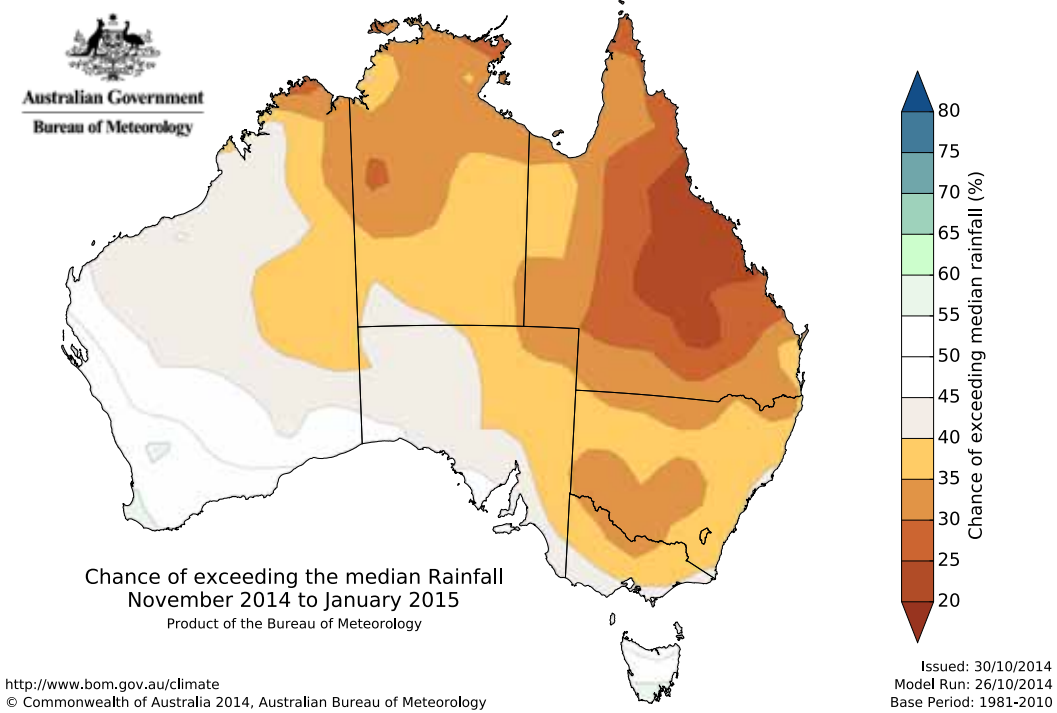


*The Bureau of Meteorology have been predicting an increased likelihood of El Niño forming this year...*

The BoM rainfall and temperature climate outlook maps show the likelihood, as a percentage, of experiencing wetter/drier (and warmer/cooler) than median weather for the upcoming three months.

For instance, in the Snowy Mountains region, the BoM rainfall outlook suggests that rainfall in the next three months is unlikely (35-40% chance) to exceed the long-term median.

This indicates there is a higher likelihood of drier conditions over summer. As for temperature, the BoM outlook suggests that maximum temperature in the Snowy Mountains region are likely (75-80% chance) to exceed the median, meaning that warmer than normal days are likely over the next few months. These BoM climate outlook maps are updated monthly and can be accessed at <http://www.bom.gov.au/climate/>





Lake Jindabyne

# Snowy Hydro water smartphone 'app' coming soon!



Snowy Hydro is currently developing a free smartphone app that will provide another way of communicating information about lake levels and water releases to the general public. Technology Specialist, **James Lin**, has the details...

As mentioned in our July edition of Snowy Hydro NEWS, we are currently developing a mobile 'app' for the general public to include easily accessible information on Snowy Hydro water operations.

With the ever increasing use of mobile technology and its benefits to users, we have been investigating and testing this technology internally for some time and are now in the development stage of a public app called SnowyLIVE.

Snowy Hydro provides a range of public information about the Scheme including lake levels, water releases and general tourism information, and feel that making this information available through the SnowyLIVE mobile phone app will result in even greater communication with those interested in the Scheme.

The mobile app will be free and available on both iOS and android devices. It will include five main options:

- Weekly lake levels for Jindabyne, Eucumbene and Tantangara
- Water releases for Jindabyne, Tantangara and Khancoban
- 'Visit the Snowy Scheme' information listing our four visitor facilities

- Public access information including safety information as well as contact details and location of caravan parks and camping grounds around the foreshores of the Scheme
- A 'favourites' feature allowing users to customise the app for their specific needs.

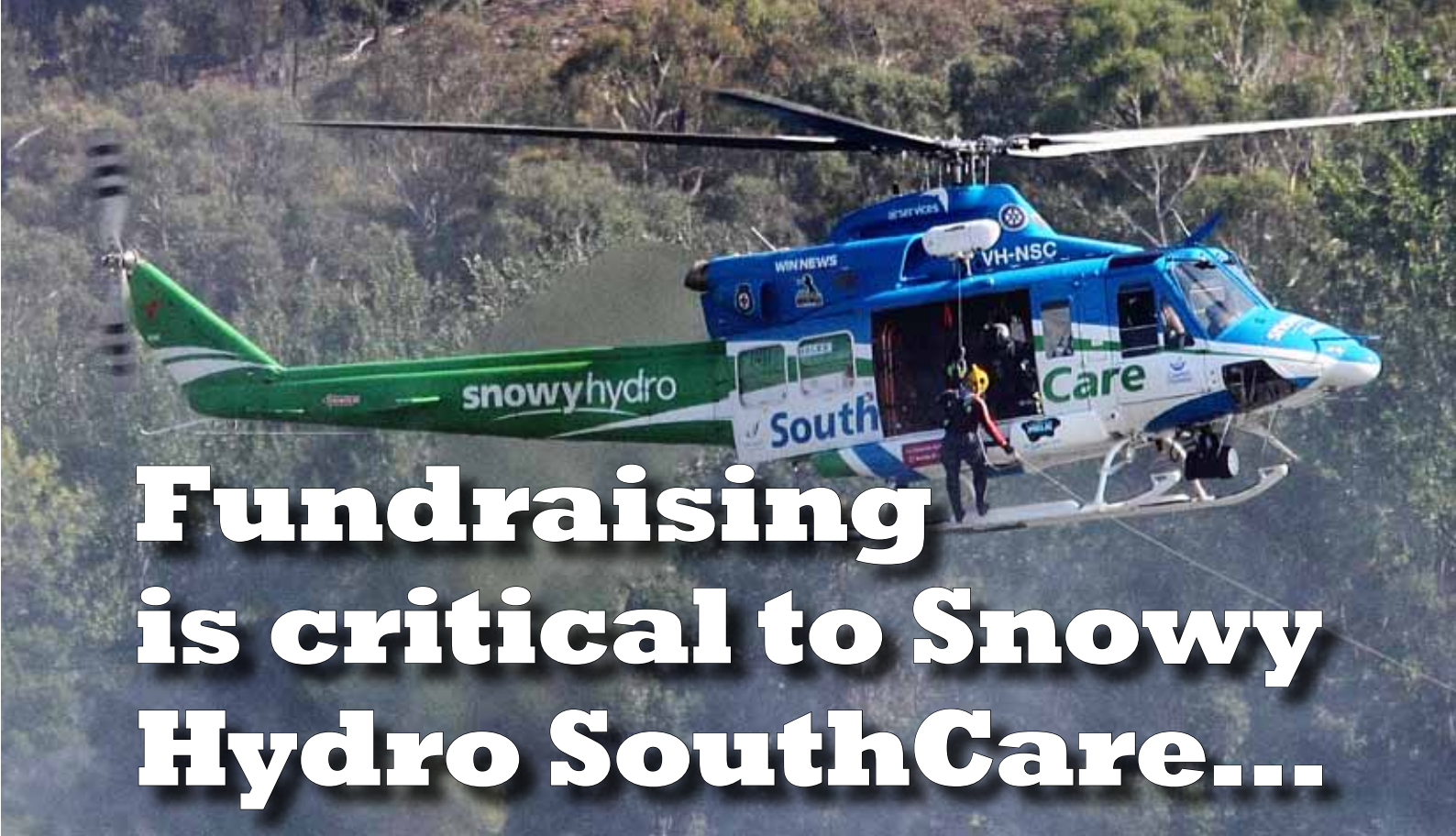
As the app will contain information from across the Scheme, we are including a comprehensive 'favourites' feature that will allow users to customise the app. A user can 'favourite' any section of the app, and in doing so, this information will appear on the home screen in both a customised button and also as a rolling update. This means that up to date information will be right at their fingertips!

By outlining caravan parks and camping areas around the Scheme we hope to further reduce illegal camping around lake foreshores. This section will also link to Google Maps to show the exact location of each park or camping area around the lakes.

We are very excited about this app and have many different stakeholders showing keen interest. We hope to launch the app in both Google Play and the App Store early in 2015.

*The SnowyLIVE mobile phone app will result in even greater communication with those interested in the Scheme*





# Fundraising is critical to Snowy Hydro SouthCare...



While Snowy Hydro Limited is the major and naming rights sponsor of Snowy Hydro SouthCare, it alone cannot keep the rescue service in the air. **CEO of Snowy Hydro SouthCare, Owen Finegan, explains...**

In 1998 the Snowy Hydro SouthCare Helicopter Fund was established to raise funds to contribute to the operation of the rescue helicopter, allow for mission reporting, and in turn, increase public profile, community awareness and support.

While we are grateful for ongoing support from Snowy Hydro and our other major sponsors, we still rely heavily on community fundraising to keep the service in the air and saving lives.

Community support of the rescue service is second to none and the variety of revenue raised in our communities is testament to that. Through donations, sponsorships, the generosity of individuals, companies, councils, service and social clubs and an array of others we have seen a steady increase in raised revenue for the service. Many donors contribute through monthly donations, workplace giving programs, bequests, direct mail campaigns, third party events and fundraisers.

The SHSC Fund also promotes the work of the helicopter, the successful retrieval of over 5,800

patients and the highly skilled flight and medical crew which helps the community understand that this service is there to save lives in the community where they live, work and travel every day.

If you would like to support Snowy Hydro SouthCare, please visit our website for information on all the ways you can help.

**W** [www.snowyhydrosouthcare.com.au](http://www.snowyhydrosouthcare.com.au)



*Thousands attend the Snowy Hydro SouthCare Base Open Day.*



Snowy River Flushing Flows

# Spiritual connection to 2014 Flushing Flows...



This year's Snowy River Flushing Flows had special significance with the NSW Office of Water initiating the Snowy cultural water project. **Snowy Hydro's Area Manager for Kosciuszko, Rob Cavallaro, has more...**

As it has in Spring of previous years, a schedule of five flushing flow releases from Jindabyne Dam down the Snowy River was set by the NSW Office of Water. For the first time, each event was named in recognition of the Aboriginal people of the Snowy Mountains.

On October 14, when the largest of the flushing flows occurred, a ceremony was held in Jindabyne to highlight the significant spiritual and social connection of local Aboriginal communities to the Snowy Mountains Rivers. The ceremony included a welcome to country, exchange of cultural water stories, smoking ceremony and traditional dances.

The NSW Office of Water initiated the Snowy cultural water project, which aims to incorporate traditional knowledge with contemporary science to improve the long-term understanding of the Snowy River.

This project engaged regional indigenous communities to share their connection to the Snowy Mountains, educate the broader community and actively contribute to water management. Members and stakeholders of this project spoke at the ceremony to share their experiences and acknowledge the successful partnership between the NSW Office of Water and the local Aboriginal people.

In accordance with the Snowy Water Licence, Snowy Hydro is responsible for delivering releases of water from Jindabyne Dam as set by the NSW Office of Water. Delivery of this volume of water is generally facilitated via the cone valves located at the base of the dam wall and utilises the spillway when peak events are required.

This event peaked on Tuesday 14th October at 10,294 megalitres, which was released from both the cone valves and spillway.

The temporary public viewing area was once again open to the public with several hundred people visiting the dam site to view the flows.



*Traditional dances were performed at the ceremony.*



*Snowy Hydro CEO, Paul Broad, braved the weather with others to watch the smoking ceremony at Jindabyne Dam Wall.*

# Over 2,700 motorcyclists attend the 2014 Snowy Ride



The Snowy Mountains once again welcomed thousands of motorbikes in early November for the annual Snowy Ride. Snowy Hydro's **Manager Corporate Communication, Danielle Venables**, explains what the event is all about...

When the Snowy Mountains welcomes thousands of motorcyclists in November each year for the Snowy Ride, it can be easy to forget what the event is all about – raising money for children's cancer research. There is another aspect of Snowy Ride that goes on behind the scenes and behind the 2700+ riders who made the annual pilgrimage to the mountains this year - that is the Snowy Hydro Family Weekend Program.

The Snowy Hydro Family Program brings families with a child who is suffering from cancer to the Snowy Mountains for the Snowy Ride weekend. This gives families who are facing the real challenges of an ill child the opportunity to have a break and experience the best hospitality the Snowy Mountains has to offer. They get a well-earned break from hospitals and all the challenges they impose on a family.

Snowy Hydro is also a major supporter of the Snowy Ride, this being our 14th year involved with this fantastic community event and children's cancer fundraising initiative. This year's event saw in excess of \$250,000 raised - an amazing result.

Snowy Hydro sponsors the Snowy Ride and Steven Walter Children's Cancer Foundation (SWCCF) to the value of \$100,000. This sponsorship provides \$50,000 per annum direct to the SWCCF for ongoing research at the Children's Cancer Institute of Australia. The other \$50,000 per annum goes to the Snowy Hydro Family Program.

The SWCCF has been in operation since 2001, with the goal of developing a significant long term fundraising capacity to benefit childhood cancer research in Australia. 'The Snowy Ride' is one of the major fundraising events for the SWCCF. The aim of the Snowy Ride is to involve the motorcycle riders of Australia in raising money for research into childhood cancer and its side effects and to give the local volunteer organisations of the Snowy Mountains area the chance to raise money for their own communities.

Snowy Hydro is proud to be a long-term, major sponsor of the event and would like to thank all the communities of the Snowy Mountains for their continued support of the Snowy Ride and the Steven Walter Foundation.



Snowy Hydro's David Hogan presenting the \$100,000 donation to Snowy Ride Coordinator, Brian Coyte, as well as the Snowy Hydro Family Weekend Program bags to the kids who attended the weekend.

# Thank you for your feedback...



Many around the Snowy Mountains have recently completed a telephone survey as part of our Community Feedback process. **General Manager, Corporate Affairs & Community Relations, David Hogan, thanks those who participated...**

Snowy Hydro would like to thank the communities of the Snowy Mountains for participating in our 5th biennial Community Feedback project.

With the aim of continuing to improve our company communications and to strengthen our partnerships with our local communities, it is essential that we get honest and direct feedback from across the community.

We wanted to know what you think regarding our community communications, our community partnership program, our relationships across the local region and your understanding of our business; how it operates and what it needs to prosper in a very competitive industry.

Independent specialists undertook this process on behalf of Snowy Hydro. This included one-on-one interviews with a cross section of community leaders and phone surveying of 500 households, all selected randomly, from across the region.

Early results from the survey have shown that the community highly values this community newsletter and there has been some improvement in understanding of some of our community partnerships such as the Young Driver Training program.

We can also see there is still some work to do to further improve the understanding of the Snowy Water Licence especially around water releases from the Scheme.

We thank you sincerely for your feedback for those who participated in the process. As we have seen from previous years I am confident your feedback will again result in further improvements to our community engagement, partnerships and mutual understanding.



# Snowy Mountains Scheme 65th Reunion



**Snowy Hydro recently celebrated 65 years since the start of construction of the Snowy Mountains Scheme. Team Leader - Controls, Ben Hammann, gives a rundown of the reunion activities...**

Over four days in October, former workers and family gathered for various activities to celebrate the occasion. People originally came from all over the world to construct power stations, dams, pipelines, tunnels and aqueducts that are all still in use today.

Over the weekend, bus tours visited key areas around the mountains including Guthega, Cabramurra, Khancoban, Talbingo and Happy Jacks, where former workers got to revisit the sites and also get an update on the Scheme modernisation activities happening across the assets.

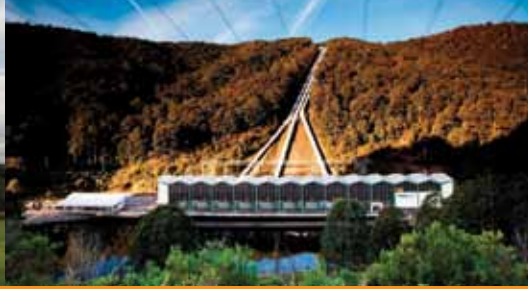
Audiences were also given daily briefings on the position of Snowy Hydro today at the Snowy Hydro Discovery Centre in Cooma, with CEO Paul Broad addressing the attendees on the Friday session. The weekend culminated in a celebration dinner attended by well over 350 people.

It was with great pride that I was able to present at one of the briefings and meet some of the former workers. I enjoyed doing this for three reasons; learning the history about the construction is interesting, welcoming visitors is enjoyable and sharing the status of Snowy Hydro today is a proud journey.

I was asked by one of the people attending the celebration, "Will you be doing a 70th anniversary?". Let me share with you why I believe there will be a 70th anniversary and beyond:

1. 100,000 people came from all over the world to join the construction and their commitment not only delivered a wonderfully engineered scheme but it was a nation changer in terms of culture and achievement.
2. Snowy Hydro is continuing to adapt to a changing water and electricity market with Snowy Hydro-owned Red Energy and Lumo Energy selling electricity to the customer.
3. Snowy Hydro is embarking on a renewed technology journey to allow safer and more efficient control of the important assets.

Thank you to the Snowy Scheme Association, in particular Wally Mills, for the hard work in putting together the 65th reunion and to the hundreds of attendees who participated.



# Friends & family visiting this Christmas?

Wondering what to do with visiting friends and family this Christmas and New Year break? Why not take them to experience the Snowy Scheme? Call in to one of our visitor facilities below - we look forward to welcoming you!

## Snowy Hydro Discovery Centre, Cooma

**Open 7 days:** 8:00am - 5:00pm Mon to Fri  
9:00am - 2:00pm Sat, Sun & Public Holidays  
**Closed:** Christmas Day & Anzac Day



## Cabramurra Visitors Centre, Coffee Shop & Gallery

**Open 7 days:** 9:00am - 5:00pm Mon to Fri  
10:00am - 3:00pm Sat, Sun & Public Holidays  
**Closed:** Christmas Day



## Murray 1 Visitors Centre, Khancoban

Alpine Way, 10kms east of Khancoban  
**Open 7 days:** October to April, 9:00am - 4:00pm Mon to Fri  
10:00am - 4:00pm Sat, Sun & Public Holidays  
**Open 5 days:** May to September, 9:00am - 4:00pm Mon to Fri  
**Closed:** Christmas Day, Anzac Day & winter weekends  
**Power Station Inspections 11am and 2pm**

## Talbingo Visitor Display Centre, Talbingo

Talbingo Shopping Centre, Whitty St Talbingo  
**Open 7 days:** 8:00am - 4:00pm

Take a drive to Tumut 3 Power Station to view the interpretive signage on the largest power station in the Snowy Scheme!





# RED IS GREEN & GOLD



**Red Energy** gives New South Wales, the power to choose an electricity retailer that is 100% Australian.

Not only are we 100% owned by the mighty Snowy Hydro, we're based right here in Australia.

That means the community and economy benefit from keeping Aussie jobs here, and our customers benefit by having locally based, award-winning service and great value electricity.

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