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THE CREEKS PIPELINE COMPANY LIMITED
Established 2009

CPC DECEMBER 2015 NEWSLETTER

SARMS 3IP Update

As you are aware CPC has been successful in its Round 2 funding application for the South Australian River Murray Sustainability Irrigation Industry Improvement Program (SARMS 3IP) scheme.

The 3 projects are currently well under way with all projects to be completed by the end of this financial year. All 3 projects help address issues of flow resistance and leakage minimisation while decreasing power usage and accompanying costs.

Progress of the main elements of the project are:

1. Installation of a chlorination system at Pump Station 1 to reduce flow resistance and reduce costs and water wastage from current flushing regimes.

Progress update: The chlorination station was constructed off site and was delivered in the first week of December. On arrival the system is now being connected to power, water and the automated logic system SCADA which will oversee the automatic operation of the system.

2. Installation of remote sensing system will allow monitoring across a major portion of the system to detect leakage and has the added benefit of allowing access to water use data for invoicing and monitoring of overall operational performance at near real time.

Progress update: The remote sensing system for stage 1 (Langhorne Creek area) is near completion and final testing is in its final stage. Stage 2 (post Milang) will begin rolling out during December and is not expected to be online until late February.

3. Installation of a boosting station on the northern spur that will enable an overall reduction in operating pressure across the pipeline without affecting water delivery. This is achieved by enabling the system to operate at lower pressures for long periods of time thus reducing power usage requirements.

Progress update: The Northern Spur Line Boosting Station is complete and has been operating since early November. We are already seeing significant improvement in the water delivery to this portion of the system and the benefits of being able to operate the whole of the system at lower pressures outside of extreme weather days.

CPC Power Contract

As mentioned at the recent Annual General Meeting by our Chairman Ian Martens, CPC will see a significant price increases in our power supply contract for the coming 12 months.

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CPC has been benefitting from lower power supply rates secured 3 years ago when power prices were at its low point for some years. Unfortunately this fact inflates our coming increase to an increase of 89%. CPC is not alone with regards to rising power prices, all power users across all areas in South Australia will experience significant increases in the coming year.

The increase begins on January 1 next year, CPC will absorb the first 6 months of additional power costs, but stakeholders should be aware that from next year we will likely experience an increase in delivery fees.

The impact on delivery rates and how CPC will apply them has not been quantified or decided as yet.

I can assure shareholders that the CPC Board and its staff are committed to keeping costs associated with the operations, maintenance and serviceability of the pipeline to a minimum. We are also aware of the importance of ensuring that the pipeline is maintained in such a state that any disruptions to water availability are minimal.

CPC Operations

This summer for the first time we are utilising PS2 pump station for the 2015/16 irrigation season.

An operational decision to access PS2 only during Off Peak power periods enables us to avoid network charges in excess of \$30,000/mth. Peak times are between 12 Noon and 9:00 PM Monday through Friday. Where possible if shareholder can irrigate outside of these times it will help maintain power cost and keep water delivery cost down.

Additionally I would remind all water users be conscious of the needs of all other users especially during periods of extreme heat.

If you have any questions regarding these matters please do not hesitate to contact me on 08 85 373 266.

Regards

Mike Reynolds

General Manager

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