



## ASX & Media Release

### AGL to challenge ESCOSA's right to review prices

**4 December 2012**

AGL Energy Limited (AGL) has today announced that it has commenced legal proceedings in the Supreme Court of South Australia, seeking the Court's permission to proceed with an action to challenge a decision by the Essential Services Commission of South Australia (ESCOSA) to amend its price determination of 14 December 2010.

AGL maintains that ESCOSA has wrongly exercised its power under the legislation to review prices due to "special circumstances".

The amended draft price determination was handed down on 2 October 2012. ESCOSA is due to hand down its final amended price determination later this month.

AGL's FY13 Earnings Guidance, announced on 23 October this year, highlighted that adverse regulatory pricing decisions in Queensland and South Australia would reduce FY13 Underlying Profit by approximately \$45 million.

The 2010 determination, which is not due to expire until 30 June 2014, effectively sets the price at which AGL must supply electricity to its regulated customers in South Australia.

#### Further inquiries:

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#### About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.