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## Regulator issues Final Decisions on Envestra's Victorian and Albury Access Arrangements



The Australian Energy Regulator (AER) has issued its Final Decisions on Envestra's Victorian and Albury Access Arrangements for the 2013 to 2017 period.

The AER has set tariffs such that revenue of around \$0.95 billion is anticipated for Victoria and Albury over the 5 year period, \$60 million higher than that allowed for in the Draft Decisions released by the AER in September 2012 and \$115 million higher than the revenue received in the last 5 year period (2008 to 2012). The AER decisions anticipate an increase in Victorian network tariffs on 1 July 2013 of 2.3%, with average annual adjustments of around 5% each year thereafter.

Managing Director, Ian Little said, "The AER Final Decisions envisage the Company undertaking \$440 million of capital expenditure between 2013 to 2017, including completing at least 365 km of mains replacement and connecting some 70,000 new gas customers to the network, including in Merrifield, north of Melbourne".

The AER has also provided an allowance such that the Company may increase its capital expenditure from \$440 million to around \$560 million during the regulatory period if certain construction milestones are met.

Mr Little said that the Final Decisions did not change the 2012-13 profit guidance provided in the half-year results announced on 21 February 2013. Mr Little also commented that the regulatory outcome is expected to facilitate the targeted upgrade in the Company's credit rating from Standard & Poor's to BBB.

Copies of the Final Decisions are published on the AER's website, [www.aer.com.au](http://www.aer.com.au).

### Background:

The Access Arrangements set out the terms, conditions and tariffs for the provision of access to Envestra's gas distribution networks from 1 July 2013 to 31 December 2017.

Envestra's Victorian and Albury networks generate about 40% of the Company's revenue.

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