

21 July 2017

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

## Gas Access Arrangement Review 2018-22 Acceptance of Draft Decision and Appeals Update

### **Acceptance of the AER's Gas Access Arrangement Review 2018-22 Draft Decision**

Following receipt of the AER's Draft Decision for the 2018-22 Gas Access Arrangement Review published on 6 July 2017, AusNet Services has advised the AER that it will accept the Draft Decision.

The Draft Decision determined total revenues of \$1,045M over the 5 year period. It approved capital expenditure in line with current levels and a 4% real increase in operating expenditure compared to the current access arrangement period.

AusNet Services considers that the decision will enable it to provide safe, reliable and efficient gas distribution services over the next access arrangement period. It also provides stable customer prices.

AusNet Services will formally submit its proposal to accept the Draft Decision to the AER on 14 August 2017.

We expect that the AER's Final Decision, due on 29 November 2017, will update revenues to reflect more recent data, including prevailing interest rates.

### **Withdrawing Legal Challenges to the AER's Value of Imputation Credits (Gamma)**

AusNet Services has advised the AER of its intention to withdraw its legal challenges to the AER's decision on gamma in the following regulatory determinations, in light of the recent Federal Court decision on this matter:

- Electricity distribution determination for the 2016-20 regulatory period; and
- Electricity transmission determination for the 2017-22 regulatory period.

AusNet Services will give formal effect to its decision to withdraw in the coming days. It continues to appeal the AER's use of the Bloomberg BVAL curve to estimate the cost of debt and its forecast of self-insurance costs in its electricity distribution merits review application.

**Claire Hamilton**  
Company Secretary