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## Regulator issues Final Decisions on Envestra's South Australian and Queensland Access Arrangements

The Australian Energy Regulator (AER) today issued its Final Decisions on Envestra's South Australian and Queensland Access Arrangements.

The Access Arrangements set out the terms, conditions and tariffs for the provision of Envestra's gas distribution services from 1 July 2011 to 30 June 2016.

Envestra's South Australian and Queensland networks generate about 50% of the Company's revenue.

The key elements of the Final Decisions are:

### South Australia

- Revenue of \$172.2 million in 2011-12, increasing to \$252.4 million in 2015-16;
- \$533 million for capital expenditure over the five year period;
- Allowed operating costs of \$65.8 million for 2011-12;
- Network tariffs to be increased by 15.3% on 1 July 2011 and then to be adjusted for the next four years by CPI plus 7.3% (on average);
- An adjusted regulatory asset base of \$1,024 million as at 1 July 2011; and
- Nominal post-tax WACC of 9.77%.

### Queensland

- Revenue of \$54.9 million in 2011-12, increasing to \$75.9 million in 2015-16;
- \$151 million for capital expenditure over the five year period.
- Allowed operating costs of \$21.8 million for 2011-12;
- Network tariffs to be increased by 12.5% on 1 July 2011 and then to be adjusted for the next four years by CPI plus 4.3% (on average);
- An adjusted regulatory asset base of \$319 million as at 1 July 2011; and
- Nominal post-tax WACC of 9.77%.

The Final Decisions provide approximately \$100 million of extra revenue over the 5-year period relative to that proposed by the AER in the Draft Decisions published in February.

Whilst we are encouraged that the AER has accepted a significant number of arguments made by Envestra in its response to the Draft Decisions, there remain areas where the Regulator has not accepted Envestra's proposals. The Company is accordingly reviewing the Decisions to determine whether it will lodge an appeal to the Australian Competition Tribunal.

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**Note: We are advised that copies of the Final Decisions are available on the AER's website: [www.aer.gov.au](http://www.aer.gov.au)**