

1 October, 2010



Envestra lodges South Australian and Queensland price review documents with Australian Energy Regulator

Envestra Limited today lodged submissions with the Australian Energy Regulator (AER) in support of its request for an increase in gas distribution tariffs as part of the review of the Company's Access Arrangements for South Australia and Queensland.

The Access Arrangements set out the terms and conditions under which Envestra transports natural gas for retailers through its distribution networks. The revised Access Arrangements are for the five years commencing 1 July 2011.

Envestra's Managing Director, Ian Little, said "Subject to the AER allowing an acceptable, market-related investment return, we will spend around \$675 million on capital projects over the next five years. This is twice the amount spent in the prior regulatory period".

"The proposed increase in revenue of around \$40 million per year would be used to support the significant capital program".

"Natural gas is Australia's fastest growing energy source and widely recognised as an efficient, reliable and environment friendly fuel. The expanded capital program will enable Envestra to meet consumer demand for natural gas, replace older gas mains thereby reducing gas leakage and improve environmental outcomes".

The average charge for delivering gas to domestic consumers would rise by around \$1.40/week in South Australia and \$1.60/week in Queensland from 1 July, 2011, if the Company's proposal is approved by the AER.

Mr Little said "Whilst any price rise is unwelcome, the benefit to South Australian and Queensland gas consumers will be improved network reliability, enhanced capacity to supply natural gas to the increasing range of appliances being installed in homes and to connect more than 60,000 new consumers over the next 5 years.

Envestra's submissions will be available from the Company's website www.envestra.com.au on Tuesday, 5th October.

It is expected that the AER will issue its Draft Determination in early 2011, with the Final Determination due in April 2011.

Information on Envestra

Envestra is Australia's largest distributor of natural gas with networks in South Australia, Victoria, Queensland, New South Wales and the Northern Territory. The company delivers gas on behalf of retailers to over one million consumers.

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