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Press RELEASE

Multinet Gas Access Arrangement Review – ESC Final Decision

The Essential Services Commission (ESC) in Victoria today released the 2008 Gas Access Arrangement Review – Final Decision. The Final Decision deals with gas access arrangements during the period 1 January 2008 to 31 December 2012, for the three Victorian gas distribution businesses, including Multinet Gas (“Multinet”). The Final Decision is a substantial improvement on the Draft Decision.

Following the release of the Draft Decision by ESC, Multinet responded to the ESC on a number of elements used as the basis for determining Multinet’s prescribed revenue. The Final Decision has delivered a substantially better outcome than that proposed by the Draft Decision as outlined in the table below.

Parameter	Draft Decision	Final Decision
P ₀	15.5%	2.5%
X-Factor (CPI – X% annual increase in tariffs)	3.0%	0.0%
WACC	5.6	6.2
Adjusted Real Return on Assets	n.a.	6.5
Total Revenue (2006 Real A\$m)	653.8	771.9
Gross Capital Expenditure (2006 Real A\$m)	209.4	246.2
Operating Expenditure	154.7	196.5

Multinet is continuing to review the details of the Final Decision. Based on this review, Multinet will decide whether it would pursue an appeal.

ENDS

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