

ASX & SGX-ST Release



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TO: ASX Limited
Singapore Exchange Securities Trading Limited

AER Draft Rate of Return Guideline

The Australian Energy Regulator (AER) published its Draft Rate of Return Guideline earlier today. The Final Guideline will be published in December 2018 and is expected to be binding.

The Draft Guideline includes negative movements in cost of equity parameters (beta from 0.7 to 0.6 and the market risk premium from 6.5% to 6.0%) and the value of imputation credits (from 0.4 to 0.5). Gearing remains at 60%.

If upheld in the Final Guideline, these reductions would apply to AusNet Services' electricity distribution network from 1 January 2021, transmission from 1 April 2022 and gas from 1 January 2023.

AusNet Services is currently assessing the Draft Guideline and, together with the industry, will provide the AER with further evidence to support improvements to the Draft Guideline.

For a full copy of the Draft Guideline please refer to the AER's website, www.aer.gov.au.

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