

1 April 2016

Mr Hugo Harmstorf  
Chief Executive Officer  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office  
NSW 1230

Dear Mr Harmstorf

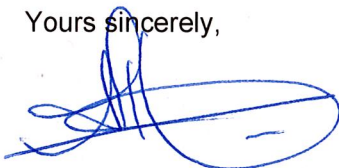
***Review of regulated retail prices and charges for gas from 1 July 2016 to 30 June 2017***

In September 2015 the Minister for Industry, Resources and Energy asked the Independent Pricing and Regulatory Tribunal (IPART) to continue to regulate retail prices and miscellaneous charges for small retail gas customers from 1 July 2016 to 30 June 2017. ActewAGL Retail (ActewAGL) submitted a price proposal to the Independent Pricing and Regulatory Tribunal in January 2016.

Following discussions with IPART secretariat and subsequent analysis, ActewAGL has reconsidered its proposal and now proposes that the retail component of regulated retail gas prices is adjusted by CPI -2% on 1 July 2016. This reflects a reduction of the forecast customer acquisition and retention costs. The other retail cost components have been kept unchanged as per ActewAGL's original proposal. ActewAGL notes that the updated proposal is based on unchanged network prices in real terms and that the final values will be updated to reflect actual network charges once these are known.

If you would like to discuss any aspects of our submission, please contact David Graham, Director Regulatory Affairs and Pricing, on (02) 6248 3605.

Yours sincerely,



Ayesha Razzaq  
General Manager Retail