



**INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES**

NEWS RELEASE

IPART APPROVES ACCESS ARRANGEMENT FOR AGL GAS NETWORKS

June 23, 2005

The Independent Pricing and Regulatory Tribunal of NSW (IPART) today approved the amended Access Arrangement submitted by AGL Gas Networks (AGLGN) on 10 June 2005. The new Access Arrangement will start on 1 July 2005 and is expected to apply until mid 2010.

IPART's Chairman, Dr Michael Keating AC, said the Access Arrangement will result in real reductions in average network prices on 1 July of 4 per cent for the vast majority of consumers paying through the tariff market and 16 per cent for contract customers, around 500 of the largest commercial gas users in the state.

Average network prices will continue to fall by around 1 per cent a year in real terms over the course of the Access Arrangement.

AGLGN's amended Access Arrangement substantially incorporates the changes required by IPART in its final decision released in April 2005. The key changes that AGLGN has made in response to the Tribunal's requirements are a lower rate of return on assets, lower expenditure and a reduction in the asset value of the trunk pipeline to Wollongong.

Dr Keating said that the extent to which the price decreases will be passed on to customers will depend on their current contractual arrangements. However, the network price reductions should encourage competition among retailers, which is expected to result in lower prices for gas customers.

AGLGN delivers gas to 900,000 customers in New South Wales. The Access Arrangement for AGLGN includes the Wilton to Newcastle trunk line, Wilton to Wollongong trunk line, pipelines within the AGL distribution system and AGL's Central West distribution system. Network prices contribute around 40 per cent to the final retail costs of gas.

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