

ASX & SGX-ST Release



12 December 2014

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Singapore Exchange Securities Trading Limited

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Advanced Metering Infrastructure 2013 Excess Expenditure AER Determination

Enclosed is an announcement made by AusNet Services which is provided for the information of AusNet Services Holdings Pty Ltd noteholders.

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AusNet Services
AusNet Services (Distribution) Ltd
ABN 37 108 788 245
AusNet Services (Transmission) Ltd
ABN 48 116 124 362
AusNet Services Finance Trust
ARSN 116 783 914

AusNet Services (RE) Ltd
ABN 46 109 977 371
AFS Licence No. 294117 as responsible
entity for AusNet Services Finance Trust

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Advanced Metering Infrastructure 2013 Excess Expenditure AER Determination

The Australian Energy Regulator's (AER) final determination on AusNet Services' 2015 Advanced Metering Infrastructure (AMI) charges application was published today.

The following table summarises the AER's determination:

\$M 2013	Excess Expenditure	AER Determination	Difference
Total Capital Expenditure	61.3	46.6	(14.7)
Total Operating Expenditure	9.1	1.1	(8.0)
Total Expenditure	70.5	47.8	(22.7)

The majority of the difference between the determination and the excess expenditure relates to expenditure on the communications network infrastructure. AusNet Services will review the determination thoroughly both with regards to challenging the current determination and consequences for future cost recovery.

As advised earlier this year, AusNet Services estimated that it would have approximately \$351m subject to future regulatory approval by the AER, comprised of \$70.5m in calendar year 2013, \$65m expenditure from January 2014 to end August 2014, forecast AMI metering business costs of \$40m and forecast remediation expense of \$175m. The table below provides an update on this position following the AER determination today.

1 Jan 2012 – 31 Dec 2015	\$M
Total AMI Expenditure (Actual / Forecast)	\$686m
AER Approved Budget (2012-15)	(\$335m)
Excess Expenditure in 2013 disallowed as per current determination	(\$23m)
Excess Expenditure in 2013 allowed as per current determination	(\$48m)
AMI Expenditure subject to future regulatory approval	\$280m

Note: All dollars presented in nominal figures

AusNet Services will seek to recover this additional AMI Program expenditure within the regulatory framework. The AER has discretion whether or not to approve any such applications for recovery of additional expenditure.

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

About AusNet Services

AusNet Services is the largest diversified energy network business in Victoria, owning and operating around \$11 billion of electricity and gas distribution assets, including the state-wide electricity transmission network. The company also has a non-regulated division, Select Solutions, providing utility services.

Headquartered in Melbourne, Australia, AusNet Services employs more than 2100 people to service 1.3 million consumers and is listed on the Australian Securities Exchange (ASX: AST) and the Singapore Stock Exchange (SGX-ST: X04).

For more information visit AusNet Services' website, www.ausnetservices.com.au

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