



Friday, 5 June 2020

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**AER Final Decision on 5- year Regulatory Determination for SA Power Networks**

Please find attached our announcement in relation to the AER Final Decision on the Regulatory Determination for SA Power Networks for 2020-2025 period.

Spark Infrastructure will hold an investor briefing at 9.30am on Wednesday, 10 June 2020 with Mr Rob Stobbe, CEO of SA Power Networks. Details for the briefing can be found on our website at [www.sparkinfrastructure.com](http://www.sparkinfrastructure.com).

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Alex Finley', with a stylized flourish at the end.

**Alexandra Finley**  
Company Secretary

# ASX RELEASE

Friday, 5 June 2020

## AER releases its Final Decision on the Regulatory Determination for SA Power Networks for the 2020-25 period

Spark Infrastructure notes that the Australian Energy Regulator (AER) has today released its Final Decision for the next five-year regulatory period for SA Power Networks, in which Spark Infrastructure holds a 49% interest.

The AER has approved the following to apply for the 5-year regulatory period commencing 1 July 2020 to 30 June 2025 (\$2019-20 unless stated otherwise):

- Revenue – \$3,914m (nominal, smoothed)
- Rate of Return – 4.75% (nominal vanilla WACC)
- Return on Equity – 4.56%
- Capital Expenditure<sup>1</sup> – \$1,596m
- Operating Expenditure<sup>2</sup> – \$1,470m

Rick Francis, Managing Director of Spark Infrastructure commented, “The SA Power Networks’ Regulatory Determination is broadly in line with expectations, noting that the AER is satisfied that SA Power Networks’ forecast operating expenditures are efficient. It now provides the business with regulatory certainty for the next 5 years to maintain and develop the South Australian distribution system in response to the continuing changes in the electricity market and the ways in which consumers interact with the network.

“We were pleased to see the AER recognising the importance of the funding of capital expenditure with respect to both South Australia’s ageing distribution network, which is the oldest in Australia, as well as new technologies being embraced by consumers and businesses enabling them to make choices about how they interact with their energy supply.”

Mr Francis added, “Our network businesses, including SA Power Networks, are market leaders in productivity, safety and system reliability and have delivered consistently strong performance and sustained efficiency over time. This means they have been able to pass on lower network costs to consumers as well as outperformance benefits to our Securityholders, which we aim to continue into the next regulatory periods.”

Details of the Regulatory Determination can be found on the AER website at [www.aer.gov.au](http://www.aer.gov.au).

### Further Information:

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<sup>1</sup> Excluding equity raising costs, capital contributions and asset disposals

<sup>2</sup> Includes higher bushfire liability premium step change