



Thursday, 26 May 2011

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

Dear Sir / Madam

**ETSA UTILITIES RECEIVES FORMAL DETERMINATION IN RELATION TO "GAMMA"**

On 4 May 2011, Spark Infrastructure notified the ASX that the Australian Competition Tribunal (ACT) had indicated that gamma will be 0.25 for ETSA Utilities in the current regulatory period and that a formal determination would be made at the appropriate time.

A formal determination has now been made by the ACT in relation to this matter. A copy of the determination is available on the Spark Infrastructure website at [www.sparkinfrastructure.com](http://www.sparkinfrastructure.com).

Yours faithfully,

A handwritten signature in black ink, appearing to read "AF", with a large, sweeping flourish extending to the right.

**Alexandra Finley**  
Company Secretary

# MEDIA RELEASE

Thursday, 26 May 2011

## FAVOURABLE OUTCOME TO APPEAL WILL ADD APPROXIMATELY \$300 MILLION OF REVENUE FOR ETSA UTILITIES IN CURRENT REGULATORY PERIOD

In 2010, ETSA Utilities was granted a review by the Australian Competition Tribunal ("ACT") of the Australian Energy Regulator's ("AER") Final Decision regarding the value of imputation credits ("gamma") and the opening value of its Regulated Asset Base ("RAB").

The ACT has recently decided that the value of gamma will be 0.25 for ETSA Utilities' current five year regulatory period which commenced on 1 July 2010. Gamma determines the utilisation of franking credits in estimating the taxation allowance for regulated utilities and therefore has an impact on revenue. The AER's Final Decision for ETSA Utilities issued in May 2010 stated gamma at 0.65. A lower gamma has a positive impact on revenue.

In its News Release dated 25 May 2011, the AER has confirmed that ETSA Utilities will be permitted to recover an additional \$301 million<sup>1</sup> in revenue over the current regulatory period. The increased revenue is due to the combined impact of ETSA Utilities' successful appeal on the level of its opening RAB (as previously disclosed on 7 March 2011) together with the outcome of its appeal on gamma, being the change from 0.65 to 0.25.

The additional revenue will be recovered over the four years from 1 July 2011. Spark Infrastructure holds a 49% interest in ETSA Utilities and will benefit proportionally from the increased revenue.

This determination applies to ETSA Utilities. CitiPower and Powercor have also been granted a review of the AER's decision in relation to gamma as it pertains to their businesses. These appeals are ongoing and an outcome is expected in the second half of 2011.

### Further Information:

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Investor Relations & Corporate Affairs

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<sup>1</sup> The AER's stated increase in ETSA Utilities' revenue is \$301 million for the current regulatory period to 2015, which is unsmoothed nominal revenue. ETSA Utilities has calculated that it will receive approximately \$315 million in increased revenues on a smoothed basis in nominal terms, over the remaining four years in the current regulatory period.