



Prime Infrastructure Holdings Limited
ABN 61 100 364 234
Prime Infrastructure RE Limited
ABN 67 099 717 638 AFSL 219 673
as responsible entity of each of
Prime Infrastructure Trust
ARSN 100 375 479
Prime Infrastructure Trust 2
ARSN 108 288 204
Level 26, 135 King Street
Sydney NSW 2000 Australia
T +61 2 9692 2800
F +61 2 9692 2899
www.primeinfrastructure.com

ASX Announcement

15 June 2010

NGPL Update

Summary

- NGPL has agreed to a Settlement with all interveners and FERC staff.
- The Settlement has now been submitted to the Administrative Law Judge and, if approved, will then be submitted to the FERC Commissioners for their approval.
- The Settlement does not impact Prime Infrastructure's FY10 forecast for NGPL.
- A staged implementation of the reductions in service charges will commence from 1 July 2010.
- NGPL and each of the settling parties will not seek to propose changes to the rates contained in the Settlement prior to 1 April 2016.

Prime Infrastructure (ASX:PIH) today announced that the Natural Gas Pipeline Company of America (**NGPL**) has agreed to a Stipulation and Agreement (**Settlement**) with all interveners and the Federal Energy Regulatory Commission (**FERC**) staff.

The terms of the Settlement have now been documented and submitted to the Administrative Law Judge (**ALJ**) on 11 June 2010. The Settlement resolves all the issues set for hearing by the FERC in the Section 5 case that was initiated on 19 November 2009. Reductions in various service charges by NGPL will be implemented in stages.

This Settlement does not impact Prime Infrastructure's FY10 forecast¹ as the staged implementation of the reductions in service charges commences from 1 July

¹ As set out in Prime Infrastructure's prospectus and product disclosure statement dated 8 October 2009.

About Prime Infrastructure

Prime Infrastructure (ASX: PIH) is a specialist infrastructure entity which provides investors access to a diversified portfolio of quality infrastructure assets. Prime Infrastructure's investment strategy focuses on owning, managing and operating quality infrastructure assets in Australia and internationally. For further information please visit our website: www.primeinfrastructure.com



2010 with the first full year impact occurring in the 2012 Calendar year and sets out rate and tariff moratoriums to 1 April 2016, providing greater certainty over NGPL's operating cash flows for the next six years.

The settlement is subject to the approval of the ALJ and then separately by the FERC Commissioners before it becomes final and binding. This is expected to occur in the third quarter of this year.

The key terms of the settlement are summarised in Appendix A of this announcement.

ENDS

[Further enquiries](#)

David Akers
Investor Relations Manager
Prime Infrastructure
+ 61 2 9692 2870
david.akers@primeinfrastructure.com

Appendix A: Summary of Stipulation and Agreement (Settlement) Key Terms

The Settlement resolves all the issues set for hearing by the FERC and can be accessed from the FERC website². Reductions in various service charges by NGPL will be implemented in stages. The key terms of the Settlement are summarised below.

Maximum Transportation Rates

The maximum transportation rates will be the rates in effect at 1 April 2010 ("Current Rates"), with the following reductions:

- Current Rates reduced by 3 percent from 1 November 2010 to 31 March 2011
- Reduced by a further 2 percent (ie 5% reduction from Current Rates) from 1 April 2011 to 30 June 2011
- Reduced by a further 3 percent (ie 8% reduction from Current Rates) from 1 July 2011

Maximum Storage Rates

The maximum storage rates will be the rates in effect at 1 April 2010:

- Reduced by 3 percent from 1 November 2010

Fuel Retention Factors

The fuel retention factor will be the factor in effect at 1 April 2010:

- Reduced such that the gas that NGPL is collecting (before allowed usage in it gas compressors) from its customers will be reduced by 30 percent from 1 July 2010 to 30 June 2011
- Reduced such that the gas that NGPL is collecting (before allowed usage in it gas compressors) from its customers will be reduced by 45 percent from 1 July 2011

² www.ferc.gov



Transparency Report and Cost and Revenue Study

NGPL will file an informational report (**Transparency Report**) with FERC on 1 August 2013. The report will include the data for the fuel component of the transportation and storage services for the period 1 July 2011 to 30 June 2013. NGPL will file recurring subsequent Transparency Reports with FERC.

NGPL will submit a cost and revenue study by 1 July 2015, based on data for the 12 month period ending 31 December 2014.

Rate and Tariff Filing Moratoriums

NGPL and each of the settling parties will not seek to propose changes to the rates contained in the Settlement prior to 1 April 2016. NGPL will also not file for authority to increase tariffs before 1 April 2016.