

Friday, 18 December 2020

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

Dear Sir / Madam

AER releases its Final Position on the 2020 Review of Regulatory Treatment of Inflation

Please find attached Spark Infrastructure's announcement in relation to the AER releasing its Final Position on the 2020 Review of Regulatory Treatment of Inflation.

Yours faithfully,



Alexandra Finley
Company Secretary



ASX RELEASE

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AER releases its Final Position on the 2020 Review of Regulatory Treatment of Inflation

Spark Infrastructure notes that the Australian Energy Regulator (AER) has released its Final Position on its 2020 review of the regulatory treatment of inflation.

The AER has maintained its draft position to improve the approach to forecasting inflation to better reflect market expectations of inflation.

This is a good outcome with Network Service Providers more likely to receive the return stipulated in the AER's Rate of Return Instrument, with the revenue deducted for forecast inflation more likely to be reflective of the actual indexation applied to the asset base. This change is in the best interests of consumers and will better support investment in networks to facilitate the transition to a lower emissions energy system.

If applied in the draft regulatory decision for Victoria Power Networks (CitiPower and Powercor), the forecast of inflation would have been reduced from 2.3% to 1.95%. The changes will apply to their final regulatory determinations for the regulatory period commencing 1 July 2021 with no transition period.

The AER's Final Position is available on the AER website at www.aer.gov.au.

Further Information:

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