



Tuesday, 10 July 2018

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

Dear Sir / Madam

AER's Draft Rate of Return Guideline

Spark Infrastructure notes that the Australian Energy Regulator (AER) has today released its Draft Rate of Return Guideline (Guideline).

The Guideline sets out the approach by which the AER will estimate the allowed rate of return, which represents the forecast cost of funds a network business requires to attract investment in the network. It is a key component in setting the amount of regulated revenue that network businesses can recover, and is relevant to future revenue determinations by the AER. The draft decision is available on the AER website at www.aer.gov.au.

Spark Infrastructure's network businesses have certainty of cash flows from their regulated assets in the short term. The five-year regulatory determinations for SA Power Networks and Victoria Power Networks are in place until 30 June 2020 and 31 December 2020 respectively, while TransGrid's regulatory determination for the period from 1 July 2018 to 30 June 2023 was released on 18 May 2018.

Today's draft is the next step in the AER's review of the Guideline, a process which commenced in November 2017. The current Guideline was published in December 2013.

The draft will be reviewed by the independent panel established by the AER, and further submissions are invited by 14 September 2018 before the AER's final decision in December 2018.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Alexandra Finley'.

Alexandra Finley
Company Secretary