NATURAL GAS SUPPLY

TO

MURRUMBIDGEE SHIRE

(Darlington Point and Coleambally)

Commercial In Confidence

A Feasibility Study, Financial
Model and System Design
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March 2003

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1. EXECUTIVE SUMMARY

A comprehensive financial model containing details of revenues from each market segment applicable to the corresponding capital cost of the required infrastructure has been constructed by PricewaterhouseCoopers. This model, due to its numerous options allows for almost unlimited scenarios to be created.

Negotiations have been conducted with those utilities and energy suppliers responsible for the haulage and provision of natural gas from both New South Wales and Victoria. From these discussions key assumptions have been included in the model so as to produce an early result. (Due to the complexity of supply options, these negotiations will continue,
only being completed when a supply agreement is signed with the proposed ethanol plant).

Capital costs have been estimated following a site visit to the region and having regard to recent pipe laying costs. Items such as crossing the Murray River and Environmental Impact Statements have been provided with allowances without site inspections.

Delivery charges for each of the market segments have been set at levels similar to those paid for transmission and network charges in other regions.

This project is dominated by the relatively very large energy requirement of the proposed ethanol plant when compared to the other loads. Therefore the delivery charges for Australian Bio Fuels have been estimated so as to be similar to those being proposed for other such plants in other regions.

Sensitivities have been included in the model for:-

- Capital (due to route selection)
- Growth Rate
- Delivery Charges
- Operating Costs
- Discount Rate
- Residual Value

The model concludes that the supply from NSW is far superior to supply from Victoria (due to twice the distance to Victoria, lower available pipeline pressures and the Murray River crossing).

Supply from NSW can produce internal rates of return of greater than 12% for the project provided Australian Pipeline Trust does not require a capital contribution for the Riverina pipeline augmentation.

Negotiations with APT will take some time to conclude as they are conducting detailed investigations. Early discussions indicate that the additional load for the Riverina pipeline may pay for the additional compression at the Burnt Creek offtake (6 km from Junee).

However in the model an allowance of $4 million for additional compression has been included in route option 4. This additional capital requirement had the effect of reducing the IRR from an acceptable 12.46% to and unacceptable 6.82%.

The conclusions from this modeling include:-

- NSW is a more viable supply option.
- Capital costs of more than $10 million begin to adversely effect the project viability
- The ethanol plant would produce more than 85% of the pipeline revenue at $0.70 per Gj and therefore the supply agreement for that plant is critical to the project.

The modeling shows that under certain assumptions the project could be viable.

To further progress the possibility of constructing the project the following needs to be undertaken:-

- Talk to potential infrastructure owners including:-
  - APT
  - AGL
  - Origin Energy
  - Murrumbidgee Shire Council (stand alone)
- Hold preliminary negotiations with Australian Bio Fuels regarding delivery charges
- Decide whether the project will be stand alone or offered as an incremental business to an existing energy organization.
- Continue the negotiations with APT

Current Situation (May 2003)

The Federal Government has decided to extend its subsidy of ethanol as a fuel additive for the next five years, before the subsidy is gradually reduced from 2008 to 2012.

Discussions with ethanol plant proponents in other areas of Australia advise this decision should give them the surety to continue with their projects and it could be expected the same situation would apply to the Coleambally project.

AGL Energy Sales and Marketing have provided a quotation to supply natural gas ex the Yoogali take off (copy attached) at a price of $3.277 per Gj variable and $73,368 per month fixed for year 1 ranging to $84,433 per month fixed for year 3.

Depending on the MDQ and ACQ this should translate to a price of approximately $4.219 over the period. With a total delivery charge of $0.90 per Gj for the new proposed pipeline and network, the new ethanol plant could expect to purchase gas in the $5.20 to $5.50 per Gj range depending on their negotiations with a gas supply agreement.

The price quoted by AGL does not allow for any Riverina pipeline upgrade or additional operating and maintenance costs associated with the increased load which APT may charge them.

Advice from APT (copy attached) indicates an additional $4 million in capital costs and $175,000 per annum in operating and maintenance cost will be incurred in supplying the additional load.

APT are yet to set a new haulage tariff due to these costs, however the final price for gas delivered to Coleambally for the ethanol plant should be similar to gas price quotations being obtained by other plants in NSW.

2. PROJECT BACKGROUND

Natural gas arrived in September 1993 via the new Riverina Pipeline to the City of Griffith, the pipeline also supplied the towns of Junee, Coolamon, Narrandera and Leeton.

Investigations into extending the supply to Darlington Point at this stage were completed and this work was intended to co-incide with the development of agricultural product processing in the area.

Unfortunately the construction of new plant did not occur in Darlington Point but tended to develop close to Griffith where a natural gas supply existed. Due to the lack of industrial load the natural gas network supplying Griffith failed to extend further south than Willbriggie.

With the load increasing particularly from industrial customers around Griffith the secondary main running to Willbriggie is now approaching its delivery potential, and would have difficulty in supplying any meaningful load at Darlington Point and be completely inadequate to supply Coleambally.

Even if it were physically possible to supply further to the south from Willbriggie the capital cost associated with the existing network upgrade and extension when compared to the relatively small load makes the project uneconomic.

Since 1993 there also have been major changes to natural gas transmission and distribution regulations that has tended to restrict the development of new greenfields projects.

Recently in 2002 Australian Bio Fuels Pty Ltd. Contacted Murrumbidgee Shire Council seeking details for the supply of a considerable volume of natural gas to a proposed ethanol plant to be constructed at Coleambally approximately 67 kilometers south of Griffith.

This plant combined with the existing domestic, commercial and industrial load at Darlington Point and Coleambally could now make this project viable.

Provided a certain gas price delivered to the new ethanol plant was low enough to make the plant viable but high enough to provide revenue to a new delivery system running from Coleambally to Griffith also to be viable, then the supply of natural gas to Darlington Point and Coleambally, sought since 1993 could now prove to be an economic reality.

Because of its high volume requirements the ethanol plant is directly linked to the new delivery system and the success of one is dependent on the other, the advantage of this to a potential owner, operator of the delivery system is that a suitable natural gas contract to this foundation customer can provide volume surety to underwrite the pipeline network project.

Although the ethanol plant is very large compared to the other loads, all existing loads have been included in the delivery system design and in the financial modeling carried out by PricewaterhouseCoopers.

3. SYSTEM DESIGN LOADS

SYSTEM DESIGN LOADS

Location	Market	ACQ Tj/A	Load Factor	M3/hr
Darlington Point	Domestic	8.4	7	176.6
	I & C Tariff	1.2	4	14.4
	Contract	17	2	102.1
	Total	26.6		293.1
Coleambally	Domestic	5.9	7	124
	I & C Tariff	3.9	4	46.86
	Contract	1026	2	6164.38
	Total	1037		6335.24
Murrumbidgee	**Total**	**1063.4**		**6628.34**

4. NATURAL GAS SUPPLY FROM NSW

Preliminary Transmission Design

The closest existing natural gas supply to Darlington Point and Coleambally is the Australian Pipeline Trust's Riverina pipeline terminating at the Yoogali trunk receiving station, approximately 4 kilometers east of Griffith. An exact route to Darlington Point and Coleambally is yet to be determined and an environmental impact statement will be required as part of the proposed Murrumbidgee pipeline licencing process. However early site assessment indicates very good laying conditions with an expected run of approximately 67 kilometers.

Discussions with Australian Pipeline Trust indicate that they would be able to supply the required 1,063 Tj.

Australian Pipeline Trust also advises that their current contract minimum pressure at Yoogali is 1750 kpa however 2750 kpa may be available. The higher supply pressure would be of great assistance in reducing the capital cost of the pipeline (Yoogali to Darlington Point could see the pipeline diameter reduced from 200 NB to 150 NB).

Both these options will be used in the financial models but will need to be confirmed in the final gas supply contract with Bio Fuels together with their proposed ACQ, MDQ and MHQ (Annual Contract Quantity, Maximum Daily Quantity and Maximum Hourly Quantity.)

Preliminary Network Design

Darlington Point and Coleambally townships will be reticulated with a 500 kpa PE distribution system laid on one side of all developed streets. A backbone main of 75mm and 50 mm PE will run through each town with 40mm PE mains forming a matrix over the remainder. Customers will be connected via short and long services.

Approximately length of mains.

5000 M	75mm PE	500 kpa
5000 M	50 mm PE	500 kpa
15,000 M	40 mm PE	500 kpa

5. NATURAL GAS SUPPLY FROM VICTORIA

Preliminary Transmission Design

In Victoria the closest natural gas pipeline is Gasnet's Chiltern Valley pipeline terminating at Koonoomoo approximately 151 kilometers from Darlington Point and approximately 118 kilometers from Coleambally. To supply both these towns would require a pipeline from Coleambally to Koonoomoo and a PE lateral from Darlington Point to Coleambally. Envestra do have a secondary main running 31 kilometers from Koonoomoo to Finley this may be able to be upgraded to save some of the distance, but investigations at this stage suggest this may be too expensive.

Gasnet's principal engineer advises that the Koonoomoo offtake is capable of delivering 6.4 Tj/day with 3.9 Tj/day uncommitted. While this would appear to be sufficient for the Murrumbidgee needs the minimum supply pressure is only 1400 kpa.

This lower supply pressure means the steel pipeline from Koonoomoo to Coleambally would need to be a combination of 250 NB and 200 NB over a 118 kilometer length this pipeline would be more than double the cost of the NSW pipline, plus the requirement for the 33 kilometer PE lateral.

Preliminary Network Design

Darlington Point and Coleambally townships will be reticulated with a 500 kpa PE distribution system laid on one side of all developed streets. A backbone main of 75 mm and 50 mm PE will run through each town with 40 mm PE mains forming a matrix over the remainder. Customers will be connected via short and long services.

The supply from the Coleambally TRS to the Darlington Point DRS will be via a 34 km 1050 kpa 100 mm PE main.

Approximate length of mains:-

34,000 M	110 mm PE	1050 kpa
5,000 M	75 mm PE	500 kpa
5,000 M	50 mm PE	500 kpa
15,000 M	40 mm PE	500 kpa

Reticulation of Natural Gas - Capital Expenditure Sheet

Sub-Options

Cost of Riverina Upgrade ($'000) (Base case) 4,000

Cost of Riveria Option (current capital sensitivity scenario) 4,000

	No of Premises	Cost/Metre	Metres/Premises	Cost ($'000)
Mains (Vic Option - 3 towns)	1530	35	30	1,607
Mains (NSW Options - 2 towns)	810	35	30	851

	Cost/Customer	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Services + Meters (3 towns)	820	188	63	63	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0	0
Services + Meters (2 towns)	820	100	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0

Base Case Costs

Route Option 1 - Supply from Victoria

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20

Transmission

	Distance (km)	Rate ($/m)	Cost ($'000)
250NB	66	140	9,240
200NB	52	105	5,460
Koonoomoo Interconnect Cost			100
Murray Crossing			250
TRS			275
Design etc			1,000
Total Transmission			**16,325**

Network

	Distance (km)	Rate ($/m)	Cost ($'000)																		
110NB	33	40	1,320																		
Mains (3 towns)			1,607																		
Services + Meters (3 towns)			188	63	63	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0
Contract Meters and Services			70																		
Design and Supervision			500																		
Total Network			**3,685**	63	63	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0
Total Capital - Supply from Victoria			**20,010**	63	63	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0

Route Option 2 - Supply from NSW (1750kPa)

Transmission

	Distance (km)	Rate ($/m)	Cost ($'000)
150NB	33	95	3,135
200NB	34	105	3,570
Yoogali Connection			100
TRS			500
Design etc			1,000
Total Transmission			**8,305**

Network

Mains (2 towns)	851																				
Services + Meters (2 towns)	100	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Contract Meters and Services	70																				
Design and Supervision	500																				
Total Network	**1,520**	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Total Capital - Option 2 Supply from NSW (1750kPa)	**9,825**	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	

Route Option 3 - Supply from NSW (2750kPa)

Transmission

	Distance (km)	Rate ($/m)	Cost ($'000)
150NB	67	95	6,365
Yoogali Connection			100
TRS			500
Design etc			1,000
Total Transmission			**7,965**

Network

Mains (2 towns)	851																				
Services + Meters (2 towns)	100	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Contract Meters and Services	70																				
Design and Supervision	500																				
Total Network	**1,520**	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Total Capital - Option 3 Supply from NSW (2750kPa)	**9,485**	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	

Route Option 4 - Supply from NSW (1750kPa) with Riverina Upgrade

Transmission

	Distance (km)	Rate ($/m)	Cost ($'000)
150NB	67	95	6,365
Yoogali Connection			100
TRS			500
Design etc			1,000
Riverina Pipeline Upgrade			4,000
Total Transmission			**11,965**

Network

Mains (2 towns)	851																				
Services + Meters (2 towns)	100	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Contract Meters and Services	70																				
Design and Supervision	500																				
Total Network	**1,520**	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Total Capital - Option 4 Supply from NSW (1750kPa) with Riverine Upg	**13,485**	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	

Reticulation of Natural Gas - Load Forecast Sheet

	Option 1	Option 2	Selected Option (from output sheet)
Growth in Premises	0%	1%	2

Domestic

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
1 Darlington Point																					
Average Consumption (GJ)	Growth	8	15	20	25	30	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
No. Dwellings	1%	400	404	408	412	416	420	425	429	433	437	442	446	451	455	460	464	469	474	478	483
Penetration %		15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
New Connections		60	21	21	22	22	22	23	23	24	24	3	3	3	3	3	3	3	3	3	3
Cum. Connections		60	81	102	124	146	168	191	214	238	262	265	268	270	273	276	279	281	284	287	290
Total Domestic Load (GJ) Darlington Point		480	1,212	2,040	3,091	4,371	5,886	6,688	7,605	8,338	9,187	9,279	9,372	9,465	9,560	9,656	9,752	9,850	9,948	10,048	10,148
2 Coleambally																					
Average Consumption	Growth	8	15	20	25	30	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
No. Dwellings	1%	280	283	286	288	291	294	297	300	303	306	309	312	316	319	322	325	328	332	335	338
Penetration %		15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
New Connections		42	15	15	15	15	16	16	16	17	17	2	2	2	2	2	2	2	2	2	2
Cum. Connections		42	57	71	87	102	118	134	150	167	184	186	187	189	191	193	195	197	199	201	203
Total Domestic Load (GJ) Coleambally		336	848	1,428	2,164	3,059	4,120	4,681	5,253	5,837	6,431	6,495	6,560	6,626	6,692	6,759	6,828	6,895	6,964	7,033	7,104
3 Jerilderie																					
Average Consumption	Growth	8	15	20	25	30	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
No. Dwellings	1%	600	606	612	618	624	631	637	643	650	656	663	669	676	683	690	697	704	711	718	725
Penetration %		15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
New Connections		90	31	32	32	33	34	34	35	36	36	4	4	4	4	4	4	4	4	4	4
Cum. Connections		90	121	153	185	219	252	287	322	357	394	398	402	406	410	414	418	422	426	431	435
Total Domestic Load (GJ) Jerilderie		720	1,818	3,060	4,636	6,656	8,828	10,031	11,267	12,507	13,780	13,918	14,057	14,198	14,340	14,483	14,628	14,774	14,922	15,071	15,222
Total Domestic Load (GJ)		1,536	3,878	6,529	9,891	13,986	18,834	21,400	24,016	26,682	29,398	29,692	29,989	30,289	30,592	30,898	31,207	31,519	31,834	32,152	32,474

I&C Tariff

1 Darlington Point																					
Average Consumption (GJ)	Growth	20	40	50	60	70	80	90	100	100	100	100	100	100	100	100	100	100	100	100	100

Reticulation of Natural Gas - Revenue Sheet

Delivery Charge Option Selected (from output sheet) 1 Option 1 - Base Case
Route Option Selected (from output sheet) 2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Transmission Tariff ($/GJ)																						
	Base Case	Price - this Option																				
Bio Fuels	0.7	0.7	312	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693
Contract	2	2	53	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
Tariff	3.5	3.5	4	11	18	27	38	50	57	64	69	75	75	76	77	78	78	79	80	81	82	82
Total Pipeline Delivery Charges ($'000)			369	788	795	804	815	827	834	841	846	852	852	853	854	855	855	856	857	858	859	859
Network ($/GJ)																						
Bio Fuels	0.2	0.2	89	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198
Contract	4	4	106	168	168	168	168	168	168	168	168	168	168	168	168	168	168	168	168	168	168	168
Tariff	6	6	7	19	31	46	64	86	98	110	119	128	129	130	132	133	134	136	137	138	140	141
Total Network Delivery Charges ($'000)			202	385	397	412	430	452	464	476	485	494	495	496	498	499	500	502	503	504	506	507
Total Delivery Charges ($'000)			571	1,173	1,192	1,216	1,245	1,280	1,298	1,317	1,331	1,345	1,347	1,349	1,352	1,354	1,356	1,358	1,360	1,362	1,364	1,367

Reticulation of Natural Gas - Operating Expenditure Sheet

Operating Expenses (as % total capital cost)

Option 1	5%
Option 2	3%
Option 3	1%
Option Selected (from output sheet)	2 3%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Total Operating Expenses ($'000)	600	602	604	606	608	610	611	613	614	616	616	616	616	616	616	616	616	616	616	616

Capital Expenses for selected route ($'000) Base Case	Route: (from output sheet)	Option 1 - Supply from Victoria	20,010	63	53	63	63	63	52	52	52	52	-	-	-	-	-	-	-	-	-
Capital Expenses for selected route ($'000) and selected cost option	Cost Option (from output sheet)	Option 1 - Base Case	20,010	63	53	63	63	63	52	52	52	52	-	-	-	-	-	-	-	-	-
Cumulative Capital Expenses for selected route and cost option			20,010	20,072	20,135	20,198	20,261	20,323	20,376	20,428	20,481	20,533	20,533	20,533	20,533	20,533	20,533	20,533	20,533	20,533	20,533
Cumulative Capital Expenses for selected route and cost option, excluding capital cost of Riverina Upgrade			20,010	20,072	20,135	20,198	20,261	20,323	20,376	20,428	20,481	20,533	20,533	20,533	20,533	20,533	20,533	20,533	20,533	20,533	20,533

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	3	Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	3	1% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	8%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,485	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	95	95	96	96	96	97	97	97	97	98	98	98	98	98	98	98	98	98	98	98	
Total Costs	**9,580**	**128**	**129**	**129**	**129**	**130**	**125**	**125**	**125**	**126**	**98**	**98**	**98**	**98**	**98**	**98**	**98**	**98**	**98**	**98**	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	**571**	**1,172**	**1,191**	**1,214**	**1,241**	**1,273**	**1,289**	**1,305**	**1,317**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**13,671**
Total Costs less Revenue	**9,009**	**1,044**	**1,062**	**1,085**	**1,112**	**1,143**	**1,165**	**1,181**	**1,192**	**1,202**	**1,230**	**1,230**	**1,230**	**1,230**	**1,230**	**1,230**	**1,230**	**1,230**	**1,230**	**1,230**	**13,671**

NPV ($'000)	3,778
IRR	13.17%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	2	Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	3	1% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,825	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	98	99	99	99	100	100	100	100	101	101	101	101	101	101	101	101	101	101	101	101	
Total Costs	9,923	132	132	132	133	133	128	128	129	129	101	101	101	101	101	101	101	101	101	101	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	571	1,172	1,191	1,214	1,241	1,273	1,289	1,305	1,317	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	13,634
Total Costs less Revenue	-9,352	-1,040	-1,059	-1,081	-1,108	-1,140	-1,161	-1,177	-1,188	-1,199	-1,227	-1,227	-1,227	-1,227	-1,227	-1,227	-1,227	-1,227	-1,227	-1,227	13,634

NPV ($'000)	3,397
IRR	12.65%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	3	Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
Growth Rate In Premises	1	0% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,485	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	285	286	287	288	289	290	290	291	292	293	293	293	293	293	293	293	293	293	293	293	
Total Costs	**9,770**	**319**	**320**	**321**	**322**	**323**	**318**	**319**	**320**	**321**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	**571**	**1,171**	**1,191**	**1,214**	**1,241**	**1,273**	**1,289**	**1,305**	**1,317**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**11,502**
Total Costs less Revenue	**9,199**	**853**	**871**	**893**	**919**	**950**	**971**	**986**	**997**	**1,007**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**11,502**

NPV ($'000)	1,469
IRR	10.65%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	3	Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
Growth Rate in Premises	2	1% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,662	35	35	36	37	37	32	33	34	34	4	4	4	4	4	4	4	4	4	5	
Operating Costs	290	291	292	293	294	295	296	297	298	299	299	299	300	300	300	300	300	300	300	301	
Total Costs	**9,952**	**325**	**327**	**329**	**331**	**333**	**329**	**330**	**332**	**334**	**304**	**304**	**304**	**304**	**304**	**304**	**305**	**305**	**305**	**305**	
Transmission Revenue	369	788	795	804	815	827	834	841	846	852	852	853	854	855	855	856	857	858	859	859	
Network Revenue	202	385	397	412	430	452	464	476	485	494	495	496	498	499	500	502	503	504	506	507	
Total Revenue	**571**	**1,173**	**1,192**	**1,216**	**1,245**	**1,280**	**1,298**	**1,317**	**1,331**	**1,345**	**1,347**	**1,349**	**1,351**	**1,354**	**1,356**	**1,358**	**1,360**	**1,362**	**1,364**	**1,367**	**11,795**
Total Costs less Revenue	**-9,381**	**847**	**865**	**887**	**914**	**947**	**970**	**987**	**999**	**1,012**	**1,044**	**1,045**	**1,048**	**1,050**	**1,052**	**1,054**	**1,055**	**1,057**	**1,059**	**1,062**	**11,795**

NPV ($'000)	1,368
IRR	10.50%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	2	Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	5%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,825	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	295	296	297	298	299	300	301	301	302	303	303	303	303	303	303	303	303	303	303	303	
Total Costs	**10,120**	**329**	**330**	**331**	**332**	**333**	**328**	**329**	**330**	**331**	**303**	**303**	**303**	**303**	**303**	**303**	**303**	**303**	**303**	**303**	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	**571**	**1,172**	**1,191**	**1,214**	**1,241**	**1,273**	**1,289**	**1,305**	**1,317**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**11,389**
Total Costs less Revenue	**9,549**	**843**	**861**	**883**	**909**	**940**	**961**	**976**	**987**	**997**	**1,025**	**1,025**	**1,025**	**1,025**	**1,025**	**1,025**	**1,025**	**1,025**	**1,025**	**1,025**	**11,389**

NPV ($'000) **1,008**

IRR **10.10%**

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	2	Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
Growth Rate in Premises	2	1% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	10,002	35	35	36	37	37	32	33	34	34	4	4	4	4	4	4	4	4	4	5	
Operating Costs	300	301	302	303	304	305	306	307	308	309	310	310	310	310	310	310	310	310	311	311	
Total Costs	**10,302**	**336**	**337**	**339**	**341**	**343**	**339**	**340**	**342**	**344**	**314**	**314**	**314**	**314**	**314**	**315**	**315**	**315**	**315**	**315**	
Transmission Revenue	369	788	795	804	815	827	834	841	846	852	852	853	854	855	855	856	857	858	859	859	
Network Revenue	202	385	397	412	430	452	464	476	485	494	495	496	498	499	500	502	503	504	506	507	
Total Revenue	**571**	**1,173**	**1,192**	**1,216**	**1,245**	**1,280**	**1,298**	**1,317**	**1,331**	**1,345**	**1,347**	**1,349**	**1,352**	**1,354**	**1,356**	**1,358**	**1,360**	**1,362**	**1,364**	**1,367**	**11,681**
Total Costs less Revenue	**9,731**	**837**	**854**	**877**	**904**	**937**	**959**	**977**	**989**	**1,002**	**1,034**	**1,036**	**1,037**	**1,039**	**1,041**	**1,043**	**1,045**	**1,047**	**1,049**	**1,051**	**11,681**

NPV ($'000)	906
IRR	9.97%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	3	Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	1	5% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,485	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	474	476	478	479	481	483	484	485	487	488	488	488	488	488	488	488	488	488	488	488	
Total Costs	9,959	509	511	512	514	516	513	513	515	516	488	488	488	488	488	488	488	488	488	488	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	571	1,172	1,191	1,214	1,241	1,273	1,289	1,306	1,317	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	9,333
Total Costs less Revenue	9,388	663	680	701	727	757	777	792	802	812	840	840	840	840	840	840	840	840	840	840	9,333

NPV ($'000)	-839
IRR	8.03%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	2	Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	1	5% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	9,825	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	491	493	495	496	498	500	501	502	504	505	505	505	505	505	505	505	505	505	505	505	
Total Costs	10,316	526	528	529	531	533	529	530	532	533	505	505	505	505	505	505	505	505	505	505	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	571	1,171	1,191	1,214	1,241	1,273	1,289	1,305	1,317	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	1,328	9,144
Total Costs less Revenue	9,745	646	663	684	710	740	760	775	785	795	823	823	823	823	823	823	823	823	823	823	9,144

NPV ($'000)	-1,382
IRR	7.44%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	4	Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	13,485	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	285	286	287	288	289	290	290	291	292	293	293	293	293	293	293	293	293	293	293	293	
Total Costs	**13,770**	**319**	**320**	**321**	**322**	**323**	**318**	**319**	**320**	**321**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	**293**	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	**571**	**1,172**	**1,191**	**1,214**	**1,241**	**1,273**	**1,289**	**1,305**	**1,317**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**11,502**
Total Costs less Revenue	**13,199**	**853**	**871**	**893**	**919**	**950**	**971**	**986**	**997**	**1,007**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**	**11,502**

NPV ($'000)	-2,531
IRR	6.84%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	4	Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade
Growth Rate in Premises	2	1% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	13,662	35	35	36	37	37	32	33	34	34	4	4	4	4	4	4	4	4	4	5	
Operating Costs	290	291	292	293	294	295	296	297	298	299	299	299	300	300	300	300	300	300	300	301	
Total Costs	13,952	325	327	329	331	333	329	330	332	334	304	304	304	304	304	304	305	305	305	305	
Transmission Revenue	369	788	795	804	815	827	834	841	846	852	852	853	854	855	855	856	857	858	859	859	
Network Revenue	202	385	397	412	430	452	464	476	485	494	495	496	498	499	500	502	503	504	506	507	
Total Revenue	571	1,173	1,192	1,216	1,245	1,280	1,298	1,317	1,331	1,345	1,347	1,349	1,352	1,354	1,356	1,358	1,360	1,362	1,364	1,367	11,795
Total Costs less Revenue	-13,381	847	865	887	914	947	970	987	999	1,011	1,044	1,046	1,048	1,050	1,052	1,054	1,055	1,057	1,059	1,062	11,795

NPV ($'000)	-2,632
IRR	6.80%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	4	Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	1	5% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	8%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	13,485	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	474	476	478	479	481	483	484	485	487	488	488	488	488	488	488	488	488	488	488	488	
Total Costs	**13,959**	**509**	**511**	**512**	**514**	**516**	**512**	**513**	**515**	**516**	**489**	**488**	**488**	**488**	**488**	**488**	**488**	**488**	**488**	**488**	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	**571**	**1,172**	**1,191**	**1,214**	**1,241**	**1,273**	**1,289**	**1,305**	**1,317**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**9,333**
Total Costs less Revenue	**13,388**	**663**	**680**	**701**	**727**	**757**	**777**	**792**	**802**	**812**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**9,333**

NPV ($'000)	-4,839
IRR	4.71%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	4	Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	1	5% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	8%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	13,485	33	33	33	33	33	28	28	28	28	0	0	0	0	0	0	0	0	0	0	
Operating Costs	474	476	478	479	481	483	484	485	487	488	488	488	488	488	488	488	488	488	488	488	
Total Costs	**13,959**	**509**	**511**	**512**	**514**	**516**	**512**	**513**	**515**	**516**	**489**	**488**	**488**	**488**	**488**	**488**	**488**	**488**	**488**	**488**	
Transmission Revenue	369	788	795	803	813	825	831	837	841	845	845	845	845	845	845	845	845	845	845	845	
Network Revenue	202	384	396	411	428	448	458	469	476	483	483	483	483	483	483	483	483	483	483	483	
Total Revenue	**571**	**1,172**	**1,191**	**1,214**	**1,241**	**1,273**	**1,289**	**1,305**	**1,317**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**1,328**	**9,333**
Total Costs less Revenue	**13,388**	**663**	**680**	**701**	**727**	**757**	**777**	**792**	**802**	**812**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**840**	**9,333**

NPV ($'000)	-4,839
IRR	4.71%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	1	Option 1 - Supply from Victoria
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	3	1% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	8%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	20,010	63	63	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0	0	
Operating Costs	200	201	201	202	203	203	204	204	205	205	205	205	205	205	205	205	205	205	205	205	
Total Costs	**20,210**	**263**	**264**	**265**	**265**	**266**	**256**	**257**	**257**	**258**	**205**	**205**	**205**	**205**	**205**	**205**	**205**	**205**	**205**	**205**	
Transmission Revenue	373	797	810	826	845	868	879	890	898	906	906	906	906	906	906	905	906	906	906	906	906
Network Revenue	209	401	423	451	483	522	541	560	574	587	587	587	587	587	587	587	587	587	587	587	587
Total Revenue	**581**	**1,198**	**1,233**	**1,277**	**1,329**	**1,389**	**1,420**	**1,451**	**1,472**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,492**	**1,493**	**1,493**	**1,493**	**1,493**	**14,311**
Total Costs less Revenue	**19,629**	**935**	**969**	**1,012**	**1,064**	**1,123**	**1,164**	**1,194**	**1,215**	**1,236**	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**	**1,288**	**14,311**

NPV ($'000)	-6,805
IRR	4.96%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	1	Option 1 - Supply from Victoria
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	20,010	63	63	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0	0	
Operating Costs	600	602	604	606	608	610	611	613	614	616	616	616	616	616	616	616	616	616	616	616	
Total Costs	**20,610**	**665**	**667**	**669**	**671**	**672**	**664**	**665**	**667**	**668**	**616**	**616**	**616**	**616**	**616**	**616**	**616**	**616**	**616**	**616**	
Transmission Revenue	373	797	810	826	845	868	879	890	898	906	906	906	906	906	906	906	906	906	906	906	
Network Revenue	209	401	423	451	483	522	541	560	574	587	587	587	587	587	587	587	587	587	587	587	
Total Revenue	**581**	**1,198**	**1,233**	**1,277**	**1,329**	**1,389**	**1,420**	**1,451**	**1,472**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**9,748**
Total Costs less Revenue	**-20,029**	**534**	**567**	**608**	**658**	**717**	**756**	**785**	**805**	**825**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**9,748**

NPV ($'000)	-11,664
IRR	1.52%

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	1	Option 1 - Supply from Victoria
Growth Rate in Premises	2	1% Growth in Premises
Operating Expenditure % Capital	2	3% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	20,344	65	67	68	69	70	61	62	63	65	8	8	8	8	8	8	8	8	8	9	
Operating Costs	610	612	614	616	618	620	622	624	626	628	628	628	629	629	629	629	630	630	630	630	
Total Costs	**20,954**	**678**	**681**	**684**	**688**	**691**	**683**	**686**	**689**	**693**	**636**	**636**	**637**	**637**	**637**	**638**	**638**	**638**	**639**	**639**	
Transmission Revenue	373	798	811	828	848	872	885	899	908	918	920	921	922	924	925	927	928	930	931	933	
Network Revenue	209	401	424	453	488	529	552	574	591	608	610	613	615	618	620	623	625	628	631	633	
Total Revenue	**581**	**1,199**	**1,235**	**1,281**	**1,336**	**1,402**	**1,437**	**1,473**	**1,499**	**1,526**	**1,530**	**1,534**	**1,538**	**1,542**	**1,546**	**1,550**	**1,554**	**1,558**	**1,562**	**1,566**	**10,303**
Total Costs less Revenue	**20,373**	**522**	**555**	**597**	**649**	**711**	**754**	**787**	**810**	**834**	**894**	**898**	**901**	**905**	**908**	**912**	**916**	**920**	**923**	**927**	**10,303**
NPV ($'000)	-11,854																				
IRR	1.63%																				

Reticulation of Natural Gas - Output Sheet

Route Options
1 Option 1 - Supply from Victoria
2 Option 2 - NSW Supply, 1750 kPa, no Riverina Upgrade
3 Option 3 - NSW Supply, 2750 kPa, no Riverina Upgrade
4 Option 4 - NSW Supply, 1750 kPa, with Riverina Upgrade

Delivery Charge Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Operating Cost Options
1 5% of Capital
2 3% of Capital
3 1% of Capital

Residual Value Options
1 Yes
2 No

Capital Cost Options
1 Option 1 - Base Case
2 Option 2 Base +10%
3 Option 3 Base + 20%
4 Option 4 Base -10%
5 Option 5 Base -20%

Growth in Premises Options
1 0% Growth in Premises
2 1% Growth in Premises

Summary Output

Key Assumptions Adopted

Route	1	Option 1 - Supply from Victoria
Growth Rate in Premises	1	0% Growth in Premises
Operating Expenditure % Capital	1	5% of Capital
Delivery Charge Variations	1	Option 1 - Base Case
Real Discount Rate for NPV	9%	
Residual Value	Yes	
Capital Cost Sensitivities	1	Option 1 - Base Case

PRICEWATERHOUSECOOPERS

Costs and Revenues (real, $'000)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Residual Value
Capital Costs	20,010	63	53	63	63	63	52	52	52	52	0	0	0	0	0	0	0	0	0	0	
Operating Costs	1,000	1,004	1,007	1,010	1,013	1,016	1,019	1,021	1,024	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	
Total Costs	**21,010**	**1,066**	**1,060**	**1,073**	**1,076**	**1,079**	**1,071**	**1,074**	**1,077**	**1,079**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**	**1,027**	
Transmission Revenue	373	797	810	826	845	868	879	890	898	906	906	906	906	906	906	906	906	906	906	906	
Network Revenue	209	401	423	451	483	522	541	560	574	587	587	587	587	587	587	587	587	587	587	587	
Total Revenue	**581**	**1,198**	**1,233**	**1,277**	**1,329**	**1,389**	**1,420**	**1,451**	**1,472**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**1,493**	**5,186**
Total Costs less Revenue	**-20,429**	**132**	**164**	**204**	**253**	**310**	**349**	**377**	**396**	**414**	**467**	**467**	**467**	**467**	**467**	**467**	**467**	**467**	**467**	**467**	**5,186**

NPV ($'000)	-16,523
IRR	-3.15%

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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24 March 2003

Mr David Adam
Infrapro Pty. Limited
PO Box 112
BOWRAL NSW 2576

Dear David

Modelling of Gas to Murrumbidgee Shire

As requested PricewaterhouseCoopers (PwC) has prepared the attached model which analyses the cost and revenues associated with the provision of gas to Murrumbidgee Shire from the existing transmission systems. The model allows a number of different scenarios to be reviewed.

Features of the model are:

- information and options may only be entered in the yellow cells. The rest of the model is protected;
- all figures and interest rates are expressed in real terms.

We understand is intended for use by yourself and the Murrumbidgee Shire.

All base data used in the model has been provided by yourself including information relating to unit costs, customer numbers, average usage and pipe diameters and lengths. PricewaterhouseCoopers has not reviewed these assumptions and expresses no opinion on their reasonableness or otherwise.

Data may be entered in the yellow shaded cells to undertake sensitivity analysis however PricewaterhouseCoopers must undertake all model coding changes and data input outside of the yellow shaded cells. This applies unless specific authorisation is given by PricewaterhouseCoopers for other parties to alter the model coding and data input or output.

In using the model, it should be noted that the residual value calculation is based on the value of the cash flows in year 20 occurring in perpetuity. To the extent that this approach will exclude capital expenditure that may be required to replace or repair the system, the residual value may therefore be overstated slightly.

PRICEWATERHOUSECOOPERS

Limitations on Liability

This model has been subject to normal checking procedures but has not been formally audited by PricewaterhouseCoopers. Recipients should therefore carry our their own due diligence. No representation, warranty or undertaking (expressed or implied) is made in relation to the model. No responsibility is taken or accepted by PricewaterhouseCoopers for the adequacy, completeness, mathematical accuracy or consistency of the model, the assumptions on which it is based, or the appropriateness of any outputs of the model, and all liability therefore is expressly excluded. Anyone using the model does so at their own risk and no responsibility is accepted for any losses which might result from such use directly or indirectly.

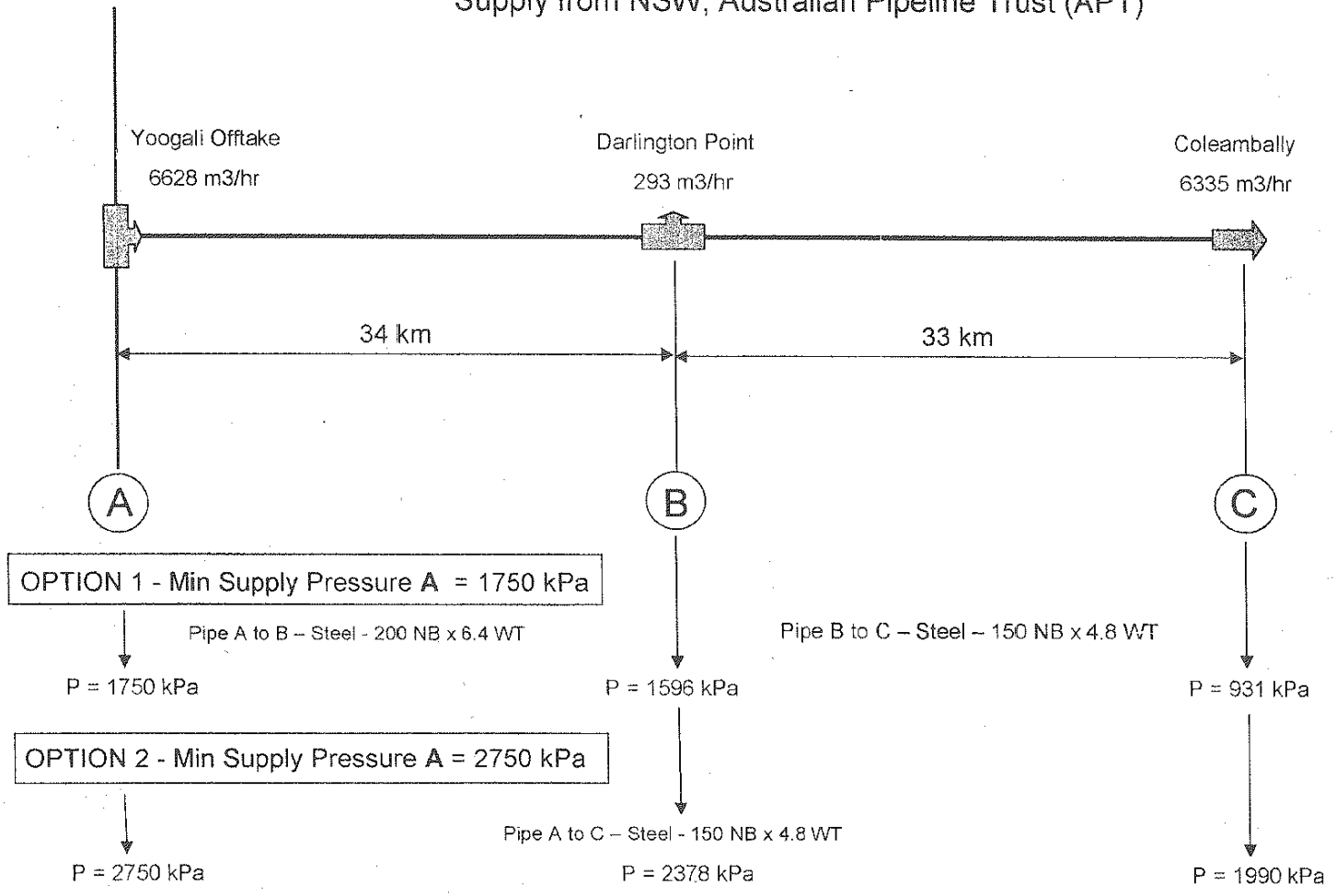
Please contact Paul Liggins on 03 8603 4172 if you have any queries on this model.

Yours sincerely

Robert Southern
Partner
Economic and Regulatory Studies Unit

Natural Gas Supply to Darlington Point and Coleambally:-

* Supply from NSW, Australian Pipeline Trust (APT)



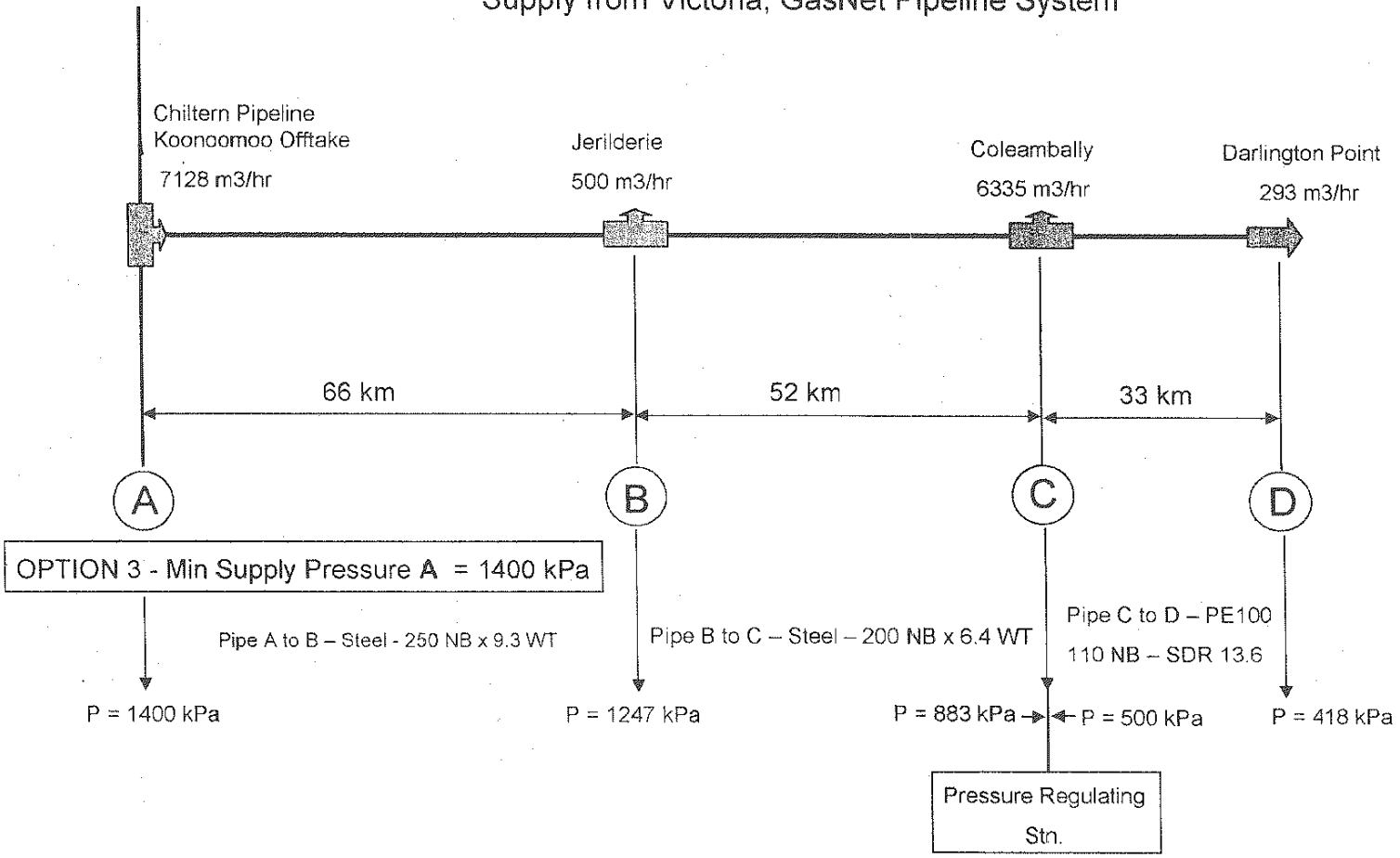
Note! All steel pipe to be to API 5L – Grade X42

The design Max Allowable Operating Pressure of pipe A-C must match that of the APT Pipeline

CPS ETD 8/3/03

Natural Gas Supply to Darlington Point and Coleambally:-

* Supply from Victoria, GasNet Pipeline System



Note! All steel pipe to be to API 5L – Grade X42

The design Max Allowable Operating Pressure of pipe A-C must match that of the Chiltern Pipeline

Capital Project Services Pty Ltd
Investigation, Engineering & Management of Pipeline & Energy Projects.

8 March 2003

Mr David Adam,
Infrapro Pty Limited,
PO Box 112,
Bowral, NSW, 2576

Dear David,

Pipe Sizing for alternate gas supply options-
Murrumbidgee Shire.

I have studied the data and supply options you provided for a natural gas supply to the townships of Darlington Point and Coleambally from both the NSW Australian Pipeline Trust and the Victorian GasNet pipeline systems.

The results are tabulated on the attachments (2) to this letter and will be self explanatory.

Unfortunately it would appear, because of the low inlet pressure available in combination with a much greater pipeline length, that a supply from Victoria would be prohibitively expensive compared with that from NSW.

I trust that this data is sufficient for you at this time. If you have any further queries I would be pleased to carry out detailed analysis and provide further advice as necessary.

Yours faitrhfully,

E. T. Davis
FIE (Aust). CPE

Attached:-
Gas load and pipelines sizing tabulations.

19 Careebong Rd, Frenchs Forest, NSW 2086, Australia
Phone: 02 9975 1191 Fax: 02 9975 1701 Mobile: 0412 053 354
Email: etdavis@bigpond.com
ACN 074 714 248
ABN 16 074 714 248

COMMERCIAL IN CONFIDENCE

Yoogali Takeoff

Yoogali

AGL Energy Sales & Marketing Limited Indicative Gas Supply Price

ACQ	990 TJ
MDQ	3550 GJ
MHQ	252 GJ
Commencement Date	1/08/2004
Termination Date	31/07/2006
Term	24 months *plus extension, if any, in accordance with clause 11*

Gas Supply Price

Variable Charge $3.277 /GJ

Fixed Charge and Network Charge ($/mth)

Period Starting	*Fixed Charge*	*Network Charge*
1/08/2004	$72,368 /mth	'At Cost on the above MDQ and ACQ'
1/01/2005	$77,739 /mth	'At Cost on the above MDQ and ACQ'
1/01/2006	$83,433 /mth	'At Cost on the above MDQ and ACQ'

Parties

Customer: Yoogali Takeoff ABN 0
of: Yoogali

Supplier: AGL Energy Sales & Marketing Limited ABN 18 076 092 067
of: 181-187 First Avenue, Five Dock NSW 2046

Offer

Supplier offers to supply gas to the Customer on the terms and conditions set out below.

Offer Terms and Conditions

1. The offer price is based on the MDQ, MHQ and ACQ set out above and the Customer must not take Gas in excess of the MDQ, MHQ and ACQ.
2. The Customer may request a variation to the MDQ, MHQ and/or the ACQ. The Supplier will advise the Customer in writing of any change in the Gas Supply Price or other terms and conditions. If the Customer accepts the proposed variation, the relevant quantity(s) shall be varied as requested and the variation in the Gas Supply Price as notified by the Supplier shall apply.
3. Decreases in MDQ must be notified at least two months prior to the commencement of the Contract Year.
4. Variable Charges are escalated at 100% of CPI at 1 January of each year. CPI is defined in clause 12.
5. Overrun charges will apply according to the Supplier's overrun procedure as notified to the Customer in Schedule 2.
6. The Customer must pay a minimum bill of 80% of ACQ each Contract Year.
7. Prices are exclusive of Goods and Services Tax (GST). GST will be in addition to the prices quoted. Any new or varied fees, taxes, imposts or levies will be passed on at cost. Such new fees and taxes include but are not restricted to Goods and Services Tax, Greenhouse or Carbon tax.
8. The offer reference date is: 1/01/2003
9. The offer is open until 5 pm on: - 25/04/03.

.David Adam

From: <psydney@pipelinetrust.com.au>
To: <dadamburradoo@bigpond.com>
Sent: Monday, 12 May 2003 9:38 AM
Subject: Coleambally Project

Agility Management are proceeding with their assessment of the capital and operating costs for the Coleambally project. While there are no firm details of the costs at this stage, my understanding is that the capital costs required will be in the order of $4m with operating and maintenance costs of the order of $175,000 pa.

You will appreciate that these are still considered provisional estimates at this stage and we will not be able to obtain firmer figures from Agility until a work and revenue agreement has been completed.

I will be using this order of costs to assess likely tariff costs based on gas receipts from Moomba and Culcairn. I look forward to maintaining close contact with you on this project.

Regards

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Ethanol prop extended to 2008

Cosima Marriner

The Government has decided to extend its subsidy of the controversial fuel additive ethanol for the next five years, before gradually reducing the production grant.

As part of a wider reform of the fuel tax system, it will continue the existing ethanol subsidy when it expires on September 18. The 38 cents a litre production grant will be extended until June 30, 2008.Extending the subsidy will cost taxpayers $195 million over the next four years.

The production grant will be gradually reduced in five equal annual instalments between 2008 and 2012. These new arrangements will apply to both domestic and imported ethanol.

The Government will set a new excise rate that will apply to ethanol on July 1, 2012. To simplify the fuel tax system, it will also introduce taxes for liquefied petroleum gas, liquefied natural gas and compressed natural gas on July 1, 2008. The final excise rates will be determined later this year, based on the energy content of the fuels.

The excise will be introduced in five equal annual stages between 2008 and 2012.

"The tax reductions will assist families working hard on their own budgets. The reforms . . . in education, in health, in energy and tax will make Australia stronger . . . a further step on the journey to secure Australia's future."

Full text of Treasurer Peter Costello's speech at smh.com.au

smh.com.au

Environmentally friendly diesel, or biodiesel, will be taxed at 38 cents a litre from September 18 this year, but as with ethanol, the excise will be offset by a subsidy until 2008. This will cost taxpayers $234 million over the next four years. Like ethanol, the biodiesel grant will be phased out between 2008 and July 1, 2012, w new excise rate is introduced. T courage,the adoption of ultra-lo phur diesel, the Government will the tax on regular diesel by a c litre on July 1, and the same agair January.

The Government said the highe rol prices created by the new taxes the cost consumers would have to for cleaner fuel. Acknowledging plight of drought-affected farmer Government will increase the off grant rate by $18 million under it ergy Grants (Credits) Scheme.

"The reforms will establish a f and more transparent fuel excise tem with improved competitive trality between fuels," Mr Costello

"They will provide the opportu for currently untaxed fuels to esta their commercial credentials in marketplace."

To boost consumer confidenc ethanol-blended petrol, the Gov ment capped the level of ethanc lowed in petrol at 10 per cent month. It is developing an ethanol standard and made labelling of e nol content at the bowser mandat