

A few
words.

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APA GasNet Access Arrangement variation Proposal

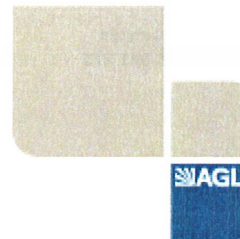
Dear Chris,

AGL refers to the access arrangement variation proposal by APA GasNet lodged on 18 December 2008.

In brief, the variation proposal deals with a very localised issued and calls for:

- removing the WUGS Transmission Refill Tariff;
- applying the standard withdrawal tariff for the South West Zone (projected to be \$0.1414/GJ in 2009) to all withdrawals at WUGS, irrespective of whether the gas is exported via the SEA Gas Pipeline or reinjected into the PTS;
- removing the Cross System Withdrawal Tariff for all withdrawals from the Port Campbell Injection Zone

AGL wholeheartedly supports GasNet's proposal as it would appear to be eminently sensible and fair. It will have the primary benefit of removing an



existing tariff anomaly whereby shippers using the WUGS connection point are able to export gas to South Australia without paying the standard withdrawal tariffs faced by other shippers exporting gas via the SEA Gas connection point. It has the benefit of delivering efficient tariffs (non-distortionary) whilst at the same time ensuring that lower prices are delivered. Those parties who have entered into long-term contracts on the expectation of the previous tariff arrangements are not financially disadvantaged.

Should you have any queries, please contact George Foley on ph: 03 8633 6239.

A handwritten signature in blue ink, appearing to be 'EM', is positioned above the typed name.

Yours sincerely

A small handwritten signature or initials in blue ink, 'EM', is placed to the left of the typed name.

Elizabeth Molyneux

General Manager Energy Regulation

- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series