

## Draft Decision for AGN's Second Access Arrangement

m\$ as at 31 December 2004, the last update date = 2005/01/31

Ref	2	3	4	5	6	7	8	9
4	<b>Real WACC &amp; IRR</b>					<b>PV of Cost of Service</b>		<b>% of Total</b>
5	Real Pre-tax WACC		6.50%			OPEX	161.430	35.5%
6	Real IRR		6.50%			Depreciation	114.198	25.1%
7	<b>Real IRR check</b>		<b>OK</b>			Return on Assets	177.440	39.0%
8						Return on Working Capital	1.709	0.4%
9	<b>Nominal WACC &amp; IRR</b>					<b>Cost of Service (CoS)</b>	<b>454.777</b>	<b>100.0%</b>
10	Nominal Pre-tax WACC		9.22%					
11	Nominal IRR		9.22%			<b>PV of Regulatory Revenue</b>		
12	<b>Nominal IRR check</b>		<b>OK</b>			Asset Opening Value	658.386	
13						Asset Closing Value	-476.698	
14	<b>2004 Closing Capital Base</b>					Opening Working Capital	6.291	
15	Closing Fixed Asset Value		658.386			Variation & Closing Working Capital	-4.582	
16	Working Capital		6.291			Opex	161.430	
17	<b>2004 Closing Asset Value</b>		<b>664.677</b>			Capex	109.950	
18						<b>Total Regulatory Revenue (RR)</b>	<b>454.777</b>	
19	<b>2009 Closing Capital Base</b>					<b>Check 1 = PV CoS less PV RR</b>	<b>OK</b>	
20	Closing Fixed Asset Value		653.089					
21	Working Capital		6.423			<b>PV of Forecast Revenue</b>		<b>% of Total</b>
22	<b>2009 Closing Asset Value</b>		<b>659.512</b>			A1	15.903	3.5%
23						A2	55.764	12.3%
24	<b>Tariff Annual Smoothing Factor X</b>					B2	24.763	5.4%
25	X Factor		3.96%			B3	344.362	75.7%
26						Discounts	13.985	3.1%
27	<b>PV CoS less PV Forecast Revenue</b>		<b>0.E+00</b>			<b>Total Forecast Revenue</b>	<b>454.777</b>	<b>100.0%</b>
28	<b>Check 3 = PV CoS less PV Forecast Revenue</b>		<b>OK</b>			<b>Check 2 = PV CoS less PV Forecast Revenue</b>	<b>OK</b>	

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Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
3		Real Pre-tax WACC	6.50%														
4		<b>Smoothing Factor X</b>	<b>0.03965</b>														
5		<b>PV Revenue &amp; PV CoS</b>	<b>PV</b>														
6		PV Revenue	454.78														
7		PV Cost of Service	454.78														
8		Delta = 10^8 * PV Revenue less 10^8 * PV CoS (min accuracy = \$0.01)	-														
9																	

Quantities				2005	2006	2007	2008	2009
11	<b>Tariff A1</b>							
12	Customers			35	35	35	35	35
13	RT A - first 10 km's			23,054,000	23,054,000	23,054,000	23,054,000	23,054,000
14	RT A - > 10 km's			14,390,000	14,390,000	14,390,000	14,390,000	14,390,000
15	Demand 1			5,402	5,402	5,402	5,402	5,402
16	Demand 2			2,608	2,608	2,608	2,608	2,608
17	<b>Tariff B1</b>							
18	Customers			1,006	1,027	1,039	1,052	1,077
19	RT B1 - first 5 TJ's			1,784,921	1,843,046	1,881,562	1,902,645	1,960,719
20	RT B1 - > 5 TJ's < 10 TJ's			941,025	971,670	991,976	1,003,091	1,033,708
21	RT B1 - > 10 TJ's			773,273	798,455	815,141	824,274	849,434
22	<b>Tariff B2</b>							
23	Customers			5,304	5,580	5,870	6,174	6,487
24	RT B2 - first 100 GJ's			324,495	335,230	344,728	350,537	360,989
25	RT B2 - > 100 GJ's			719,585	743,390	764,452	777,333	800,511
26	<b>Tariff B3</b>							
27	Customers			518,029	533,353	548,663	566,959	585,122
28	RT B3 - first 15 GJ's			5,519,296	5,671,726	5,829,786	6,050,367	6,061,658
29	RT B3 - > 15 GJ's < 45 GJ's			3,390,204	3,483,833	3,580,921	3,541,505	3,723,348
30	RT B3 - > 45 GJ's			1,068,570	1,098,081	1,128,682	1,171,388	1,173,574
31	<b>Discounts</b>							
32	Discounted Volume			9,945,631	9,942,701	9,938,805	9,935,342	9,942,691

Tariffs		2004	2005	2006	2007	2008	2009
34	<b>Tariff A1</b>	<b>2005 Tariff Incl. GST</b>	<b>Seed Values=2005 Tariff excl. GST</b>				
35	Fixed [\$/year]	48,689.3500	44,263.0455	42,508.0780	40,822.6926	39,204.1303	37,649.7418
36	Usage 1 (<=10km) [\$/GJ*km]	0.0490	0.0445	0.0428	0.0411	0.0394	0.0379
37	Usage 2 (>10km) [\$/GJ*km]	0.0245	0.0223	0.0214	0.0205	0.0197	0.0189
38	Demand 1 (<=10km) [\$/GJ*km*year],	201.0000	182.7273	175.4824	168.5248	161.8430	155.4261
39	Demand 2 (>10km) [\$/GJ*km*year],	100.5000	91.3636	87.7412	84.2624	80.9215	77.7131
40	<b>Tariff A2 &amp; B1</b>						
41	Fixed [\$/year]	553.2800	502.9818	483.0393	463.8875	445.4950	427.8317
42	Usage 1 (Q<=5TJ/year) [\$/GJ],	5.1000	4.6364	4.4525	4.2760	4.1065	3.9436
43	Usage 2 (5<Q<=10TJ/year) [\$/GJ],	4.8500	4.4091	4.2343	4.0664	3.9052	3.7503
44	Usage 3 (Q>10TJ/year) [\$/GJ],	1.2800	1.1636	1.1175	1.0732	1.0306	0.9898
45	<b>Tariff B2</b>						
46	Fixed [\$/year]	221.3100	201.1909	193.2140	185.5533	178.1964	171.1311
47	Usage 1 (Q<=100GJ/year) [\$/GJ],	5.6400	5.1273	4.9240	4.7288	4.5413	4.3612
48	Usage 2 (Q>100GJ/year) [\$/GJ],	5.0800	4.6182	4.4351	4.2592	4.0904	3.9282
49	<b>Tariff B3</b>						
50	Fixed [\$/year]	27.6600	25.1455	24.1485	23.1910	22.2715	21.3885
51	Usage 1 (Q<=15GJ/year) [\$/GJ],	9.4600	8.6000	8.2590	7.9316	7.6171	7.3151
52	Usage 2 (15<Q<=45GJ/year) [\$/GJ],	6.6100	6.0091	5.7708	5.5420	5.3223	5.1113
53	Usage 2 (Q>45GJ/year) [\$/GJ],	4.3500	3.9545	3.7978	3.6472	3.5026	3.3637
54	<b>Discounts</b>						
55	Notional Tariff [\$/GJ]		0.3391	0.3387	0.3382	0.3378	0.3387

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Forecast Regulatory Revenue \$m			PV										2005	2006	2007	2008	2009	
57	<b>Tariff A1</b>																	
58	Customers												1.549	1.488	1.429	1.372	1.318	
59	RT A - first 10 km's												1.027	0.986	0.947	0.909	0.873	
60	RT A - > 10 km's												0.320	0.308	0.295	0.284	0.272	
61	Demand 1												0.987	0.948	0.910	0.874	0.840	
62	Demand 2												0.238	0.229	0.220	0.211	0.203	
63	<b>Total A1</b>		15.9034										4.122	3.958	3.801	3.650	3.506	
64	<b>Tariff A2 &amp; B1</b>																	
65	Customers												0.506	0.496	0.482	0.469	0.461	
66	RT B1 - first 5 TJ's												8.276	8.206	8.046	7.813	7.732	
67	RT B1 - > 5 TJ's < 10 TJ's												4.149	4.114	4.034	3.917	3.877	
68	RT B1 - > 10 TJ's												0.900	0.892	0.875	0.850	0.841	
69	<b>Total B1</b>		55.7635										13.830	13.709	13.436	13.049	12.911	
70	<b>Tariff B2</b>																	
71	Customers												1.067	1.078	1.089	1.100	1.110	
72	RT B2 - first 100 GJ's												1.664	1.651	1.630	1.592	1.574	
73	RT B2 - > 100 GJ's												3.323	3.297	3.256	3.180	3.145	
74	<b>Total B2</b>		24.7632										6.054	6.026	5.975	5.872	5.829	
75	<b>Tariff B3</b>																	
76	Customers												13.026	12.880	12.724	12.627	12.515	
77	RT B3 - first 15 GJ's												47.466	46.843	46.239	46.086	44.342	
78	RT B3 - > 15 GJ's < 45 GJ's												20.372	20.105	19.846	18.849	19.031	
79	RT B3 - > 45 GJ's												4.226	4.170	4.117	4.103	3.948	
80	<b>Total B3</b>		344.3620										85.090	83.997	82.925	81.665	79.835	
81	<b>Discounts</b>																	
82	Discounted Revenue		13.9852										3.372	3.368	3.361	3.356	3.368	
83	<b>Total Regulatory Revenue</b>																	
84	<b>Total Forecast Regulatory Revenue</b>		454.7773										112.468	111.058	109.499	107.592	105.448	
<b>Net Cash Flow and IRR Calculations</b>																		
<b>Year ending 31 December</b>													2004	2005	2006	2007	2008	2009
87	<b>Inflation</b>																	
88	Inflation												2.55%	2.55%	2.55%	2.55%	2.55%	
89	Inflation Factor											1.00	1.03	1.05	1.08	1.11	1.13	
90	<b>WACC</b>																	
91	Nominal Pre-tax WACC		9.22%										9.22%	9.22%	9.22%	9.22%	9.22%	
92	Real Pre-tax WACC		6.50%										6.50%	6.50%	6.50%	6.50%	6.50%	
93	<b>Discounting</b>																	
94	Nominal Annual Discounting Factor												1.00	1.09	1.19	1.30	1.42	
95	Real Annual Discounting Factor												1.00	1.06	1.13	1.21	1.29	
96	<b>Real Net Cash Flow (Credit Foncia)</b>			PV														
97	Revenue		454.78										112.5	111.1	109.5	107.6	105.4	
98	Capex		109.95										27.1	24.2	22.5	29.5	29.6	
99	Opex		161.43										40.3	39.3	38.5	38.0	37.7	
100	Operational Income		183.40										45.1	47.6	48.5	40.0	38.1	
101	Asset Opening Value												-	-	-	-	-	
102	Asset Residual Value												-	-	-	-	653.1	
103	Opening Working Capital												-	-	-	-	-	
104	Variation & Closing Working Capital			PV	Sum	Last							-	-0.0	0.0	-0.0	-0.1	
105	Net Cash Flow												-664.7	45.1	47.6	48.5	39.9	
106	Discounted Cash Flow												-664.7	42.3	41.9	40.1	31.0	
107	Accumulated Discounted Cash Flow												-664.7	-622.3	-580.4	-540.3	-509.2	
108	IRR (Real WACC)		6.50%															
109	<b>Nominal Net Cash Flow</b>																	
110	Net Cash Flow												-664.7	46.2	50.0	52.3	44.2	
111	Discounted Cash Flow												-664.7	42.3	41.9	40.1	31.0	
112	Accumulated Discounted Cash Flow												-664.7	-622.3	-580.4	-540.3	-509.2	
113	IRR (Nominal WACC)		9.22%															

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3														FORECAST				
Year ending 31 December								1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Days								365	366	365	365	365	366	365	365	365	366	365
6	Real Pre-tax WACC			6.50%									6.50%	6.50%	6.50%	6.50%	6.50%	
7	<b>Initial Investment</b>																	
8	Opening Value												533.700	516.234	498.767	481.301	463.834	
9	Depreciation												17.467	17.467	17.467	17.467	17.467	
10	Closing Value											533.700	516.234	498.767	481.301	463.834	446.368	
11	<b>CAPEX</b>																	
12	Opening Value												124.685	144.223	159.404	171.722	189.947	
13	CAPEX												27.091	24.155	22.528	29.535	29.602	
14	Depreciation												7.553	8.974	10.210	11.309	12.828	
15	Closing Value											124.685	144.223	159.404	171.722	189.947	206.722	
16	<b>Fixed Asset Account</b>																	
17	Opening Value												658.386	660.456	658.171	653.023	653.781	
18	CAPEX												27.091	24.155	22.528	29.535	29.602	
19	Depreciation												25.020	26.440	27.677	28.776	30.294	
20	Closing Value											658.386	660.456	658.171	653.023	653.781	653.089	
Year ending 31 December								1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
22	<b>Expenses</b>																	
23	OPEX												40.266	39.340	38.467	38.046	37.697	
24	CAPEX												27.091	24.155	22.528	29.535	29.602	
25	Total Expenses												67.357	63.495	60.995	67.580	67.299	
26	<b>Cost of Service Excluding Working Capital</b>																	
27	OPEX												40.266	39.340	38.467	38.046	37.697	
28	Initial Asset Depreciation												17.467	17.467	17.467	17.467	17.467	
29	CAPEX Depreciation												7.553	8.974	10.210	11.309	12.828	
30	Return on CAPEX												8.103	9.373	10.360	11.160	12.345	
31	Return on Initial Assets												34.686	33.550	32.415	31.280	30.145	
32	Cost of Service Excluding Return on WC												108.075	108.704	108.919	109.262	110.481	
33	<b>Working Capital</b>																	
		Days	Base for Calculation															
34	Receivables	20.0	Rev (excl WC Allowance)											5.922	5.956	5.968	5.971	6.054
35	Inventory	7.0	Total Expenses											1.292	1.218	1.170	1.293	1.291
36	Prepayments	15.0	Total Expenses											2.768	2.609	2.507	2.770	2.766
37	Creditors	- 20.0	Total Expenses											- 3.691	- 3.479	- 3.342	- 3.693	- 3.688
38	Working Capital											6.291	6.291	6.304	6.302	6.340	6.423	
39	<b>Return on Working Capital</b>																	
40	Return on Working Capital												0.409	0.410	0.410	0.412	0.417	
41	<b>Cost of Service</b>																	
			PV															
42	OPEX		\$161.430										40.266	39.340	38.467	38.046	37.697	
43	Initial Asset Depreciation		\$72.587										17.467	17.467	17.467	17.467	17.467	
44	CAPEX Depreciation		\$41.611										7.553	8.974	10.210	11.309	12.828	
45	Return on Working Capital		\$1.709										0.409	0.410	0.410	0.412	0.417	
46	Return on CAPEX		\$42.136										8.103	9.373	10.360	11.160	12.345	
47	Return on Initial Assets		\$135.304										34.686	33.550	32.415	31.280	30.145	
48	Cost of Service		\$454.777										108.484	109.114	109.328	109.674	110.899	
49	<b>Regulatory Revenue</b>																	
			PV															
50	Asset Opening Value		\$658.386									658.386	-	-	-	-	-	
51	Asset Closing Value		-\$476.698										-	-	-	-	- 653.089	
52	Opening Working Capital		\$6.291									6.291	-	-	-	-	-	
53	Variation & Closing Working Capital		-\$4.582									-	0.013	- 0.002	0.038	0.083	- 6.423	
54	OPEX		\$161.430										40.266	39.340	38.467	38.046	37.697	
55	CAPEX		\$109.950										27.091	24.155	22.528	29.535	29.602	
56	Total Regulatory Revenue		\$454.777									664.677	67.370	63.493	61.033	67.663	- 592.212	
57	CoS less RR		-															

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Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
3								ACTUAL						FORECAST				
Year ending 31 December	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009							
5	<b>Fixed Asset Account</b>																	
6	Opening Value		632.461	641.120	638.730	643.688	649.905	658.386	660.456	658.171	653.023	653.781						
7	CAPEX & FRC		28.825	18.880	26.964	28.936	31.871	27.091	24.155	22.528	29.535	29.602						
8	Depreciation		20.166	21.270	22.007	22.719	23.390	25.020	26.440	27.677	28.776	30.294						
9	Closing Value		632.461	641.120	638.730	643.688	649.905	658.386	660.456	658.171	653.023	653.781	653.089					
10	Check	OK	-	-	-	-	-	-	-	-	-	-	-					
11	<b>Initial Investment</b>																	
12	Opening Value + Over Depreciation 1		632.4611	613.9125	595.3638	576.8151	558.2665	533.7002	516.2337	498.7671	481.3006	463.8341						
13	Depreciation		18.5487	18.5487	18.5487	18.5487	18.5487	17.4665	17.4665	17.4665	17.4665	17.4665						
14	Closing Value		632.4611	613.9125	595.3638	576.8151	558.2665	533.7002	516.2337	498.7671	481.3006	463.8341	446.3676					
15																		
16	<b>CAPEX</b>																	
17	Opening Value - Over Depreciation 1		-	27.2076	43.3663	66.8726	91.6380	124.6854	144.2228	159.4042	171.7221	189.9473						
18	CAPEX excluding FRC		28.8249	18.8804	26.9643	28.9361	31.8711	27.0906	24.1550	22.5280	29.5347	29.6021						
19	Depreciation		1.6173	2.7217	3.4580	4.1706	4.8414	7.5532	8.9737	10.2101	11.3095	12.8277						
20	Closing Value		-	27.2076	43.3663	66.8726	91.6380	124.2228	159.4042	171.7221	189.9473	206.7217						
Project Year	0	1	2	3	4	5	6	7	8	9	10							
Year ending 31 December	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009							
23	<b>Opening Value</b>																	
24	High Pressure Mains		175.96	175.62	175.75	173.99	172.20	170.39	169.34	168.46	167.57	166.59						
25	Medium Pressure Mains		208.94	210.30	209.25	209.25	208.93	208.04	208.26	208.11	207.93	208.59						
26	Medium / Low Pressure Mains		113.52	112.80	111.20	108.41	105.53	102.69	101.48	100.13	98.69	97.60						
27	Low Pressure Mains		32.81	31.75	30.65	29.50	28.30	27.05	26.05	25.05	24.04	23.04						
28	Regulators		11.47	11.23	10.97	10.55	10.11	9.67	9.30	8.93	8.55	8.19						
29	Secondary Gate Stations		2.33	2.25	2.14	2.03	1.91	1.79	1.71	1.62	1.53	1.45						
30	Buildings		2.05	1.96	1.93	1.83	1.73	1.63	1.55	1.47	1.39	1.32						
31	Meter and Services Pipes		62.32	70.85	75.65	89.28	105.36	116.12	121.65	124.28	125.23	130.30						
32	Equipment & Vehicles		17.78	15.26	11.21	6.68	2.06	-2.89	-2.53	-2.19	-1.86	-1.45						
33	Information Technology		-	3.56	4.23	4.61	4.96	5.95	8.05	9.06	9.03	9.59						
34	FRC		-	-	-	1.82	3.07	12.20	9.76	7.32	4.88	2.44						
35	Land		5.28	5.54	5.74	5.74	5.74	5.74	5.84	5.93	6.02	6.12						
36	Total		632.46	641.12	638.73	643.69	649.90	658.39	660.46	658.17	653.02	653.78						
Year ending 31 December	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009							
38	<b>CAPEX + Initial FRC</b>																	
39	High Pressure Mains		1.36	1.87	-	-	-	0.66	0.83	0.83	0.74	3.32						
40	Medium Pressure Mains		5.59	3.27	4.38	4.10	3.56	4.75	4.47	4.52	5.43	4.80						
41	Medium / Low Pressure Mains		2.16	1.28	0.08	-	0.04	1.69	1.57	1.51	1.88	1.82						
42	Low Pressure Mains		-	-	-	-	-	-	-	-	-	-						
43	Regulators		0.18	0.17	0.01	-	0.01	0.08	0.07	0.07	0.09	0.09						
44	Secondary Gate Stations		0.02	0.01	-	-	-	0.01	0.01	0.01	0.01	0.01						
45	Buildings		-	0.06	-	-	-	0.01	0.01	0.01	0.01	0.01						
46	Meter and Services Pipes		14.45	11.08	20.28	23.07	18.07	16.15	13.90	12.78	17.41	16.81						
47	Equipment & Vehicles		1.23	0.26	0.01	0.18	0.08	0.36	0.35	0.33	0.40	0.40						
48	Information Technology		3.56	0.67	0.38	0.35	0.99	3.30	2.85	2.39	3.46	2.23						
49	FRC		-	-	1.82	1.24	9.14	-	-	-	-	-						
50	Land		0.27	0.20	-	-	-	0.09	0.09	0.09	0.11	0.11						
51	Total		28.82	18.88	26.96	28.94	31.87	27.09	24.16	22.53	29.53	29.60						

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>53</b>	<b>Depreciation</b>		<b>Start+Total</b>	<b>Total D</b>	<b>Delta</b>												
54	High Pressure Mains	185.57	17.39	168.18			1.70	1.74	1.77	1.79	1.81	1.70	1.71	1.72	1.72	1.73	
55	Medium Pressure Mains	253.82	45.29	208.53			4.24	4.32	4.38	4.42	4.44	4.54	4.62	4.70	4.77	4.86	
56	Medium / Low Pressure Mains	125.53	29.11	96.42			2.87	2.88	2.88	2.88	2.88	2.89	2.92	2.95	2.97	3.00	
57	Low Pressure Mains	32.81	10.77	22.04			1.06	1.10	1.15	1.20	1.25	1.00	1.00	1.00	1.00	1.00	
58	Regulators	12.23	4.41	7.83			0.42	0.43	0.44	0.44	0.45	0.44	0.44	0.45	0.45	0.45	
59	Secondary Gate Stations	2.41	1.04	1.36			0.11	0.12	0.12	0.12	0.12	0.09	0.09	0.09	0.10	0.10	
60	Buildings	2.18	0.95	1.24			0.09	0.09	0.10	0.10	0.10	0.09	0.09	0.09	0.09	0.09	
61	Meter and Services Pipes	226.31	92.23	134.09			5.92	6.29	6.64	6.98	7.31	10.62	11.27	11.82	12.33	13.03	
62	Equipment & Vehicles	21.38	22.43	-1.05			3.75	4.31	4.54	4.79	5.03	-	0.00	-	-	-	
63	Information Technology	20.17	11.94	8.23			-	-	-	-	-	1.19	1.85	2.42	2.90	3.59	
64	FRC	12.20	12.20	-			-	-	-	-	-	2.44	2.44	2.44	2.44	2.44	
65	Land	6.23	-	6.23			-	-	-	-	-	-	-	-	-	-	
66	Total	900.85	247.76	653.09			20.17	21.27	22.01	22.72	23.39	25.02	26.44	27.68	28.78	30.29	
67	Check		OK	-													
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>69</b>	<b>Closing Value</b>																
70	High Pressure Mains	175.96	175.62	175.75	173.99	172.20	170.39	169.34	168.46	167.57	166.59	168.18					
71	Medium Pressure Mains	208.94	210.30	209.25	209.25	208.93	208.04	208.26	208.11	207.93	208.59	208.53					
72	Medium / Low Pressure Mains	113.52	112.80	111.20	108.41	105.53	102.69	101.48	100.13	98.69	97.60	96.42					
73	Low Pressure Mains	32.81	31.75	30.65	29.50	28.30	27.05	26.05	25.05	24.04	23.04	22.04					
74	Regulators	11.47	11.23	10.97	10.55	10.11	9.67	9.30	8.93	8.55	8.19	7.83					
75	Secondary Gate Stations	2.33	2.25	2.14	2.03	1.91	1.79	1.71	1.62	1.53	1.45	1.36					
76	Buildings	2.05	1.96	1.93	1.83	1.73	1.63	1.55	1.47	1.39	1.32	1.24					
77	Meter and Services Pipes	62.32	70.85	75.65	89.28	105.36	116.12	121.65	124.28	125.23	130.30	134.09					
78	Equipment & Vehicles	17.78	15.26	11.21	6.68	2.06	-2.89	-2.53	-2.19	-1.86	-1.45	-1.05					
79	Information Technology	-	3.56	4.23	4.61	4.96	5.95	8.05	9.06	9.03	9.59	8.23					
80	FRC	-	-	-	1.82	3.07	12.20	9.76	7.32	4.88	2.44	-					
81	Land	5.28	5.54	5.74	5.74	5.74	5.74	5.84	5.93	6.02	6.12	6.23					
82	Total	632.46	641.12	638.73	643.69	649.90	658.39	660.46	658.17	653.02	653.78	653.09					

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4	<b>Total CAPEX</b>																
5	Opening Value							-	27.208	43.366	66.873	91.638	124.685	144.223	159.404	171.722	189.947
6	CAPEX							28.825	18.880	26.964	28.936	31.871	27.091	24.155	22.528	29.535	29.602
7	Depreciation							1.617	2.722	3.458	4.171	4.841	7.553	8.974	10.210	11.309	12.828
8	Closing Value						-	27.208	43.366	66.873	91.638	118.668	144.223	159.404	171.722	189.947	206.722
9	Capex Closing Value Check	OK															
10								Actual Capex & Approved Depreciation					Forecast				
Project Year							0	1	2	3	4	5	6	7	8	9	10
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
13	<b>CAPEX Opening Value</b>																
14	High Pressure Mains							-	1.3	3.1	2.9	2.8	2.6	3.2	4.0	4.8	5.5
15	Medium Pressure Mains							-	5.4	8.4	12.5	16.2	19.4	23.8	27.8	31.8	36.7
16	Medium / Low Pressure Mains							-	2.2	3.4	3.5	3.5	3.5	5.2	6.6	8.0	9.8
17	Low Pressure Mains							-	-0.0	-0.1	-0.2	-0.4	-	-	-	-	-
18	Regulators							-	0.1	0.3	0.2	0.2	0.1	0.2	0.3	0.3	0.4
19	Secondary Gate Stations							-	0.0	0.0	-0.0	-0.0	-	0.0	0.0	0.0	0.0
20	Buildings							-	-0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1
21	Meter and Services Pipes							-	13.8	24.0	42.9	64.3	80.4	93.1	102.8	110.9	123.2
22	Equipment & Vehicles							-	0.5	-0.5	-1.9	-3.5	-	0.4	0.7	1.0	1.4
23	Information Technology							-	3.6	4.2	4.6	5.0	5.9	8.1	9.1	9.0	9.6
24	FRC							-	-	-	1.8	3.1	12.2	9.8	7.3	4.9	2.4
25	Land							-	0.3	0.5	0.5	0.5	0.5	0.6	0.7	0.7	0.8
26	Total							-	27.2	43.4	66.9	91.6	124.7	144.2	159.4	171.7	189.9
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
28	<b>CAPEX Life</b>																
29	High Pressure Mains	120.0							1.36	1.87	-	-	0.66	0.83	0.83	0.74	3.32
30	Medium Pressure Mains	60.0							5.59	3.27	4.38	4.10	4.75	4.47	4.52	5.43	4.80
31	Medium / Low Pressure Mains	60.0							2.16	1.28	0.08	-	1.69	1.57	1.51	1.88	1.82
32	Low Pressure Mains	60.0							-	-	-	-	-	-	-	-	-
33	Regulators	40.0							0.18	0.17	0.01	-	0.08	0.07	0.07	0.09	0.09
34	Secondary Gate Stations	40.0							0.02	0.01	-	-	0.01	0.01	0.01	0.01	0.01
35	Buildings	40.0							-	0.06	-	-	0.01	0.01	0.01	0.01	0.01
36	Meter and Services Pipes	25.0							14.45	11.08	20.28	23.07	16.15	13.90	12.78	17.41	16.81
37	Equipment & Vehicles	10.0							1.23	0.26	0.01	0.18	0.36	0.35	0.33	0.40	0.40
38	Information Technology	5.0							3.56	0.67	0.38	0.35	3.30	2.85	2.39	3.46	2.23
39	FRC	5.0							-	-	1.82	1.24	-	-	-	-	-
40	Land	-							0.27	0.20	-	-	0.09	0.09	0.09	0.11	0.11
41	Total								28.82	18.88	26.96	28.94	27.09	24.16	22.53	29.53	29.60

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Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
43	<b>CAPEX Depreciation</b>		<b>Total</b>	<b>Total D</b>	<b>Delta</b>												
44	High Pressure Mains	9.62	0.82	8.80			0.07	0.10	0.13	0.15	0.17	0.03	0.03	0.04	0.05	0.05	
45	Medium Pressure Mains	44.87	4.07	40.80			0.19	0.27	0.33	0.37	0.39	0.35	0.43	0.50	0.58	0.67	
46	Medium / Low Pressure Mains	12.01	0.58	11.43			0.00	0.00	0.00	0.00	0.00	0.06	0.09	0.11	0.14	0.17	
47	Low Pressure Mains	-	0.59	-0.59			0.02	0.07	0.12	0.16	0.21	-	-	-	-	-	
48	Regulators	0.76	0.30	0.46			0.03	0.04	0.05	0.06	0.06	0.01	0.01	0.01	0.01	0.02	
49	Secondary Gate Stations	0.08	0.08	-0.00			0.01	0.02	0.02	0.02	0.02	-	0.00	0.00	0.00	0.00	
50	Buildings	0.13	0.05	0.08			0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	
51	Meter and Services Pipes	163.99	29.90	134.09			0.60	0.97	1.32	1.66	1.99	3.48	4.12	4.68	5.19	5.89	
52	Equipment & Vehicles	3.59	7.14	-3.54			0.69	1.25	1.48	1.73	1.97	-	0.00	-	-	-	
53	Information Technology	20.17	11.94	8.23			-	-	-	-	-	1.19	1.85	2.42	2.90	3.59	
54	FRC	12.20	12.20	-			-	-	-	-	-	2.44	2.44	2.44	2.44	2.44	
55	Land	0.95	-	0.95			-	-	-	-	-	-	-	-	-	-	
56	<b>Total</b>	<b>268.39</b>	<b>67.68</b>	<b>200.70</b>			<b>1.62</b>	<b>2.72</b>	<b>3.46</b>	<b>4.17</b>	<b>4.84</b>	<b>7.55</b>	<b>8.97</b>	<b>10.21</b>	<b>11.31</b>	<b>12.83</b>	
57	<b>Check</b>		<b>OK</b>	<b>-0.0</b>													
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
59	<b>CAPEX Closing Value</b>																
60	High Pressure Mains						-	1.30	3.07	2.95	2.79	2.62	3.25	4.04	4.83	5.53	8.80
61	Medium Pressure Mains						-	5.40	8.40	12.45	16.18	19.35	23.76	27.80	31.82	36.67	40.80
62	Medium / Low Pressure Mains						-	2.16	3.43	3.51	3.51	3.54	5.17	6.65	8.04	9.78	11.43
63	Low Pressure Mains						-	-0.02	-0.09	-0.21	-0.38	-0.59	-	-	-	-	-
64	Regulators						-	0.15	0.28	0.24	0.19	0.13	0.20	0.26	0.32	0.39	0.46
65	Secondary Gate Stations						-	0.02	0.01	-0.01	-0.02	-0.04	0.01	0.01	0.02	0.03	0.04
66	Buildings						-	-0.00	0.06	0.05	0.04	0.03	0.04	0.05	0.06	0.07	0.08
67	Meter and Services Pipes						-	13.85	23.96	42.92	64.32	80.40	93.07	102.85	110.94	123.16	134.09
68	Equipment & Vehicles						-	0.53	-0.45	-1.93	-3.49	-5.38	0.36	0.71	1.03	1.44	1.84
69	Information Technology						-	3.56	4.23	4.61	4.96	5.95	8.05	9.06	9.03	9.59	8.23
70	FRC						-	-	-	1.82	3.07	12.20	9.76	7.32	4.88	2.44	-
71	Land						-	0.27	0.47	0.47	0.47	0.47	0.56	0.65	0.74	0.85	0.95
72	<b>Total</b>						-	<b>27.21</b>	<b>43.37</b>	<b>66.87</b>	<b>91.64</b>	<b>118.67</b>	<b>144.22</b>	<b>159.40</b>	<b>171.72</b>	<b>189.95</b>	<b>206.72</b>
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
74	<b>Approved CAPEX Depreciation</b>																
75	High Pressure Mains							0.07	0.10	0.13	0.15	0.17					
76	Medium Pressure Mains							0.19	0.27	0.33	0.37	0.39					
77	Medium / Low Pressure Mains							0.00	0.00	0.00	0.00	0.00					
78	Low Pressure Mains							0.02	0.07	0.12	0.16	0.21					
79	Regulators							0.03	0.04	0.05	0.06	0.06					
80	Secondary Gate Stations							0.01	0.02	0.02	0.02	0.02					
81	Buildings							0.00	0.00	0.01	0.01	0.01					
82	Meter and Services Pipes							0.60	0.97	1.32	1.66	1.99					
83	Equipment & Vehicles							0.69	1.25	1.48	1.73	1.97					
84	Information Technology							-	-	-	-	-					
85	FRC							-	-	-	-	-					
86	Land							-	-	-	-	-					
87	<b>Total</b>							<b>1.62</b>	<b>2.72</b>	<b>3.46</b>	<b>4.17</b>	<b>4.84</b>					



**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
88	Actual Capex & Approved Depreciation								Forecast									
Project Year	0	1	2	3	4	5	6	7	8	9	10							
Year ending 31 December	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009							
<b>High Pressure Mains</b>																		
92	Opening Capex Value		-	1.30	3.07	2.95	2.79	2.62	3.25	4.04	4.83	5.53						
93	Capex		1.36	1.87	-	-	0.66	0.83	0.83	0.74	3.32							
94	Capex Depreciation		0.07	0.10	0.13	0.15	0.17	0.03	0.03	0.04	0.05	0.05						
95	Closing Capex Value		-	1.30	3.07	2.95	2.79	2.62	3.25	4.04	4.83	5.53	8.80					
<b>Depreciation</b>																		
96	Approved1 + Calc2 Depreciation		0.07	0.10	0.13	0.15	0.17	0.03	0.03	0.03	0.03	0.03						
98	Depreciation 2								-	0.01	0.01	0.02	0.03					
99	Total Capex Depreciation		0.07	0.10	0.13	0.15	0.17	0.03	0.03	0.04	0.05	0.05						
100			Correction to the Initial AOV6															
101		Life = 120.0	CAPEX										0.66	0.83	0.83	0.74	3.32	
102	Depreciation 2	Year											6	7	8	9	10	
103	D 6	6											-	0.01	0.01	0.01	0.01	
104	D 7	7											-	-	0.01	0.01	0.01	
105	D 8	8											-	-	-	0.01	0.01	
106	D 9	9											-	-	-	-	0.01	
107	D 10	10											-	-	-	-	-	
108	Total Depreciation 2												-	0.01	0.01	0.02	0.03	
<b>Medium Pressure Mains</b>																		
112	Opening Capex Value		-	5.40	8.40	12.45	16.18	19.35	23.76	27.80	31.82	36.67						
113	Capex		5.59	3.27	4.38	4.10	3.56	4.75	4.47	4.52	5.43	4.80						
114	Capex Depreciation		0.19	0.27	0.33	0.37	0.39	0.35	0.43	0.50	0.58	0.67						
115	Closing Capex Value		-	5.40	8.40	12.45	16.18	19.35	23.76	27.80	31.82	36.67	40.80					
<b>Depreciation</b>																		
117	Approved1 + Calc2 Depreciation		0.19	0.27	0.33	0.37	0.39	0.35	0.35	0.35	0.35	0.35						
118	Depreciation 2								-	0.08	0.15	0.23	0.32					
119	Total Capex Depreciation		0.19	0.27	0.33	0.37	0.39	0.35	0.43	0.50	0.58	0.67						
120			Correction to the Initial AOV6															
121		Life = 60.0	CAPEX										4.75	4.47	4.52	5.43	4.80	
122	Depreciation 2	Year											6	7	8	9	10	
123	D 6	6											-	0.08	0.08	0.08	0.08	
124	D 7	7											-	-	0.07	0.07	0.07	
125	D 8	8											-	-	-	0.08	0.08	
126	D 9	9											-	-	-	-	0.09	
127	D 10	10											-	-	-	-	-	
128	Total Depreciation 2												-	0.08	0.15	0.23	0.32	

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Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Project Year							0	1	2	3	4	5	6	7	8	9	10
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Medium / Low Pressure Mains</b>																	
132	Opening Capex Value							-	2.16	3.43	3.51	3.51	3.54	5.17	6.65	8.04	9.78
133	Capex						2.16	1.28	0.08	-	0.04	1.69	1.57	1.51	1.88	1.82	
134	Capex Depreciation						0.00	0.00	0.00	0.00	0.00	0.06	0.09	0.11	0.14	0.17	
135	Closing Capex Value						-	2.16	3.43	3.51	3.51	3.54	5.17	6.65	8.04	9.78	11.43
136	<b>Depreciation</b>																
137	Approved1 + Calc2 Depreciation						0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.06	0.06	0.06	0.06
138	Depreciation 2												-	0.03	0.05	0.08	0.11
139	Total Capex Depreciation						0.00	0.00	0.00	0.00	0.00	0.06	0.09	0.11	0.14	0.17	
140																	
141			Life =	60.0													
142	<b>Depreciation 2</b>																
			Year														
143	D 6		6										6	7	8	9	10
144	D 7		7										-	0.03	0.03	0.03	0.03
145	D 8		8										-	-	0.03	0.03	0.03
146	D 9		9										-	-	-	-	0.03
147	D 10		10										-	-	-	-	-
148	Total Depreciation 2												-	0.03	0.05	0.08	0.11
<b>Low Pressure Mains</b>																	
152	Opening Capex Value							-	-0.02	-0.09	-0.21	-0.38	-	-	-	-	-
153	Capex							-	-	-	-	-	-	-	-	-	-
154	Capex Depreciation						0.02	0.07	0.12	0.16	0.21	-	-	-	-	-	-
155	Closing Capex Value						-	-0.02	-0.09	-0.21	-0.38	-0.59	-	-	-	-	-
156	<b>Depreciation</b>																
157	Approved1 + Calc2 Depreciation						0.02	0.07	0.12	0.16	0.21	-0.59	-	-	-	-	-
158	Depreciation 2												-	-	-	-	-
159	Total Capex Depreciation						0.02	0.07	0.12	0.16	0.21	-	-	-	-	-	-
160																	
161			Life =	60.0													
162	<b>Depreciation 2</b>																
			Year														
163	D 6		6										6	7	8	9	10
164	D 7		7										-	-	-	-	-
165	D 8		8										-	-	-	-	-
166	D 9		9										-	-	-	-	-
167	D 10		10										-	-	-	-	-
168	Total Depreciation 2												-	-	-	-	-

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Project Year							0	1	2	3	4	5	6	7	8	9	10
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Regulators</b>																	
172	Opening Capex Value							-	0.15	0.28	0.24	0.19	0.13	0.20	0.26	0.32	0.39
173	Capex							0.18	0.17	0.01	-	0.01	0.08	0.07	0.07	0.09	0.09
174	Capex Depreciation							0.03	0.04	0.05	0.06	0.06	0.01	0.01	0.01	0.01	0.02
175	Closing Capex Value						-	0.15	0.28	0.24	0.19	0.13	0.20	0.26	0.32	0.39	0.46
176	<b>Depreciation</b>																
177	Approved1 + Calc2 Depreciation							0.03	0.04	0.05	0.06	0.06	0.01	0.01	0.01	0.01	0.01
178	Depreciation 2												-	0.00	0.00	0.01	0.01
179	Total Capex Depreciation							0.03	0.04	0.05	0.06	0.06	0.01	0.01	0.01	0.01	0.02
180																	
181		Life =	40.0														
182	<b>Depreciation 2</b>	Year											0.08	0.07	0.07	0.09	0.09
183	D 6	6											6	7	8	9	10
184	D 7	7											-	-	0.00	0.00	0.00
185	D 8	8											-	-	-	0.00	0.00
186	D 9	9											-	-	-	-	0.00
187	D 10	10											-	-	-	-	-
188	Total Depreciation 2												-	0.00	0.00	0.01	0.01
<b>Secondary Meter Stations</b>																	
192	Opening Capex Value							-	0.02	0.01	-0.01	-0.02	-	0.01	0.01	0.02	0.03
193	Capex							0.02	0.01	-	-	-	0.01	0.01	0.01	0.01	0.01
194	Capex Depreciation							0.01	0.02	0.02	0.02	0.02	-	0.00	0.00	0.00	0.00
195	Closing Capex Value						-	0.02	0.01	-0.01	-0.02	-0.04	0.01	0.01	0.02	0.03	0.04
196	<b>Depreciation</b>																
197	Approved1 + Calc2 Depreciation							0.01	0.02	0.02	0.02	0.02	-0.04	-	-	-	-
198	Depreciation 2												-	0.00	0.00	0.00	0.00
199	Total Capex Depreciation							0.01	0.02	0.02	0.02	0.02	-	0.00	0.00	0.00	0.00
200																	
201		Life =	40.0														
202	<b>Depreciation 2</b>	Year											0.01	0.01	0.01	0.01	0.01
203	D 6	6											6	7	8	9	10
204	D 7	7											-	-	0.00	0.00	0.00
205	D 8	8											-	-	-	0.00	0.00
206	D 9	9											-	-	-	-	0.00
207	D 10	10											-	-	-	-	-
208	Total Depreciation 2												-	0.00	0.00	0.00	0.00

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Project Year							0	1	2	3	4	5	6	7	8	9	10
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Buildings</b>																	
212	Opening Capex Value							-	-0.00	0.06	0.05	0.04	0.03	0.04	0.05	0.06	0.07
213	Capex							-	0.06	-	-	-	0.01	0.01	0.01	0.01	0.01
214	Capex Depreciation							0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
215	Closing Capex Value						-	-0.00	0.06	0.05	0.04	0.03	0.04	0.05	0.06	0.07	0.08
216	<b>Depreciation</b>																
217	Approved1 + Calc2 Depreciation							0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
218	Depreciation 2												-	0.00	0.00	0.00	0.00
219	Total Capex Depreciation							0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
220																	
221			Life =	40.0													
222	<b>Depreciation 2</b>																
223	D 6		6										6	7	8	9	10
224	D 7		7										-	-	0.00	0.00	0.00
225	D 8		8										-	-	-	0.00	0.00
226	D 9		9										-	-	-	-	0.00
227	D 10		10										-	-	-	-	-
228	Total Depreciation 2												-	0.00	0.00	0.00	0.00
229																	
230																	
231																	
232	Opening Capex Value						0	1	2	3	4	5	6	7	8	9	10
233	Capex							14.45	11.08	20.28	23.07	18.07	16.15	13.90	12.78	17.41	16.81
234	Capex Depreciation							0.60	0.97	1.32	1.66	1.99	3.48	4.12	4.68	5.19	5.89
235	Closing Capex Value						-	13.85	23.96	42.92	64.32	80.40	93.07	102.85	110.94	123.16	134.09
236	<b>Depreciation</b>																
237	Approved1 + Calc2 Depreciation							0.60	0.97	1.32	1.66	1.99	3.48	3.48	3.48	3.48	3.48
238	Depreciation 2												-	0.65	1.20	1.71	2.41
239	Total Capex Depreciation							0.60	0.97	1.32	1.66	1.99	3.48	4.12	4.68	5.19	5.89
240																	
241			Life =	25.0													
242	<b>Depreciation 2</b>																
243	D 6		6										6	7	8	9	10
244	D 7		7										-	0.65	0.65	0.65	0.65
245	D 8		8										-	-	0.56	0.56	0.56
246	D 9		9										-	-	-	0.51	0.51
247	D 10		10										-	-	-	-	0.70
248	Total Depreciation 2												-	0.65	1.20	1.71	2.41

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Project Year							0	1	2	3	4	5	6	7	8	9	10
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Equipment &amp; Vehicles</b>																	
252	Opening Capex Value							-	0.53	-0.45	-1.93	-3.49		0.36	0.71	1.03	1.44
253	Capex						1.23	0.26	0.01	0.18	0.08		0.36	0.35	0.33	0.40	0.40
254	Capex Depreciation						0.69	1.25	1.48	1.73	1.97			0.00			
255	Closing Capex Value						-	0.53	-0.45	-1.93	-3.49	-5.38	0.36	0.71	1.03	1.44	1.84
256	<b>Depreciation</b>																
257	Approved1 + Calc2 Depreciation						0.69	1.25	1.48	1.73	1.97		-5.38	0.00			
258	Depreciation 2																
259	Total Capex Depreciation						0.69	1.25	1.48	1.73	1.97		0.00				
260																	
261		Life =	10.0														
262	<b>Depreciation 2</b>																
		Year															
263	D 6	6											0.36	0.35	0.33	0.40	0.40
264	D 7	7															
265	D 8	8															
266	D 9	9															
267	D 10	10															
268	Total Depreciation 2																
269																	
270																	
271																	
272	Opening Capex Value							-	3.56	4.23	4.61	4.96	5.95	8.05	9.06	9.03	9.59
273	Capex							3.56	0.67	0.38	0.35	0.99	3.30	2.85	2.39	3.46	2.23
274	Capex Depreciation												1.19	1.85	2.42	2.90	3.59
275	Closing Capex Value							-	3.56	4.23	4.61	4.96	5.95	8.05	9.06	9.03	9.59
276	<b>Depreciation</b>																
277	Approved1 + Calc2 Depreciation												1.19	1.19	1.19	1.19	1.19
278	Depreciation 2													0.66	1.23	1.71	2.40
279	Total Capex Depreciation												1.19	1.85	2.42	2.90	3.59
280																	
281		Life =	5.0														
282	<b>Depreciation 2</b>																
		Year															
283	D 6	6												0.66	0.66	0.66	0.66
284	D 7	7													0.57	0.57	0.57
285	D 8	8														0.48	0.48
286	D 9	9															0.69
287	D 10	10															
288	Total Depreciation 2													0.66	1.23	1.71	2.40

**Draft Decision for AGN's Second Access Arrangement**

Ref 2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Project Year	0	1	2	3	4	5	6	7	8	9	10					
Year ending 31 December	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009					
<b>FRC</b>																
292	Opening Capex Value															
293	Capex															
294	Capex Depreciation															
295	Closing Capex Value															
296	<b>Depreciation</b>															
297	Approved1 + Calc2 Depreciation															
298	Depreciation 2															
299	Total Capex Depreciation															
300																
301		Life = 5.0														
302	<b>Depreciation 2</b>															
303	D 6	6														
304	D 7	7														
305	D 8	8														
306	D 9	9														
307	D 10	10														
308	Total Depreciation 2															
309																
310																
311																
312	Opening Capex Value															
313	Capex															
314	Capex Depreciation															
315	Closing Capex Value															
316	<b>Depreciation</b>															
317	Approved1 + Calc2 Depreciation															
318	Depreciation 2															
319	Total Capex Depreciation															
320																
321		Life = -														
322	<b>Depreciation 2</b>															
323	D 6	6														
324	D 7	7														
325	D 8	8														
326	D 9	9														
327	D 10	10														
328	Total Depreciation 2															

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Year ending 31 December</b>							<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
4	<b>Initial Asset Account</b>																
5	Opening Value						632.461	613.912	595.364	576.815	558.266	533.700	516.234	498.767	481.301	463.834	
6	Depreciation						18.549	18.549	18.549	18.549	18.549	17.467	17.467	17.467	17.467	17.467	
7	Closing Value						632.461	613.912	595.364	576.815	558.266	533.700	516.234	498.767	481.301	463.834	446.368
8	<b>Closing Value Check</b>		<b>OK</b>				-	-	-	-	-	-	-	-	-	-	-
<b>Project Year</b>							<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>Year ending 31 December</b>							<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
11	<b>Initial Asset 2005 Opening Value Correction for Over Depreciation 1</b>																
12	High Pressure Mains												-				
13	Medium Pressure Mains												-				
14	Medium / Low Pressure Mains												-				
15	Low Pressure Mains												-0.6				
16	Regulators												-				
17	Secondary Gate Stations												-0.0				
18	Buildings												-				
19	Meter and Services Pipes												-				
20	Equipment & Vehicles												-5.4				
21	Information Technology												-				
22	FRC												-				
23	Land												-				
24	<b>Total</b>												-6.0				
<b>Year ending 31 December</b>							<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
26	<b>Initial Asset Opening Value</b>		<b>Asset Life as at 31/12/2004</b>														
27	High Pressure Mains		100				175.96	174.32	172.68	171.04	169.41	167.77	166.09	164.41	162.73	161.06	
28	Medium Pressure Mains		45				208.94	204.89	200.84	196.79	192.74	188.69	184.50	180.31	176.11	171.92	
29	Medium / Low Pressure Mains		35				113.52	110.64	107.77	104.90	102.02	99.15	96.32	93.48	90.65	87.82	
30	Low Pressure Mains		27				32.81	31.77	30.74	29.71	28.67	27.05	26.05	25.05	24.04	23.04	
31	Regulators		22				11.47	11.08	10.70	10.31	9.92	9.54	9.10	8.67	8.23	7.80	
32	Secondary Gate Stations		19				2.33	2.23	2.13	2.03	1.94	1.79	1.70	1.61	1.51	1.42	
33	Buildings		18				2.05	1.96	1.87	1.78	1.69	1.60	1.51	1.42	1.33	1.25	
34	Meter and Services Pipes		5				62.32	57.00	51.68	46.36	41.04	35.72	28.58	21.43	14.29	7.14	
35	Equipment & Vehicles		0				17.78	14.73	11.67	8.61	5.55	-2.89	-2.89	-2.89	-2.89	-2.89	
36	Information Technology		0				-	-	-	-	-	-	-	-	-	-	
37	FRC						-	-	-	-	-	-	-	-	-	-	
38	Land						5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	
39	<b>Total</b>						632.46	613.91	595.36	576.82	558.27	533.70	516.23	498.77	481.30	463.83	

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
41	<b>Initial Asset Depreciation</b>		<b>Start</b>	<b>Total D</b>	<b>Delta</b>												
42	High Pressure Mains	176.0	16.6	159.4		1.64	1.64	1.64	1.64	1.64	1.64	1.68	1.68	1.68	1.68	1.68	
43	Medium Pressure Mains	208.9	41.2	167.7		4.05	4.05	4.05	4.05	4.05	4.05	4.19	4.19	4.19	4.19	4.19	
44	Medium / Low Pressure Mains	113.5	28.5	85.0		2.87	2.87	2.87	2.87	2.87	2.87	2.83	2.83	2.83	2.83	2.83	
45	Low Pressure Mains	32.8	10.2	22.6		1.03	1.03	1.03	1.03	1.03	1.03	1.00	1.00	1.00	1.00	1.00	
46	Regulators	11.5	4.1	7.4		0.39	0.39	0.39	0.39	0.39	0.39	0.43	0.43	0.43	0.43	0.43	
47	Secondary Gate Stations	2.3	1.0	1.4		0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.09	0.09	0.09	0.09	
48	Buildings	2.1	0.9	1.2		0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	
49	Meter and Services Pipes	62.3	62.3	-		5.32	5.32	5.32	5.32	5.32	5.32	7.14	7.14	7.14	7.14	7.14	
50	Equipment & Vehicles	17.8	15.3	2.5		3.06	3.06	3.06	3.06	3.06	3.06	-	-	-	-	-	
51	Information Technology	-	-	-		-	-	-	-	-	-	-	-	-	-	-	
52	FRC	-	-	-		-	-	-	-	-	-	-	-	-	-	-	
53	Land	5.3	-	5.3		-	-	-	-	-	-	-	-	-	-	-	
54	<b>Total</b>	<b>632.5</b>	<b>180.1</b>	<b>452.4</b>		<b>18.55</b>	<b>18.55</b>	<b>18.55</b>	<b>18.55</b>	<b>18.55</b>	<b>18.55</b>	<b>17.47</b>	<b>17.47</b>	<b>17.47</b>	<b>17.47</b>	<b>17.47</b>	
55	<b>Check</b>		<b>OK</b>	<b>0.0</b>													
Year ending 31 December							1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
57	<b>Initial Asset Closing Value</b>																
58	High Pressure Mains			175.96	174.32	172.68	171.04	169.41	167.77	166.09	164.41	162.73	161.06	159.38			
59	Medium Pressure Mains			208.94	204.89	200.84	196.79	192.74	188.69	184.50	180.31	176.11	171.92	167.73			
60	Medium / Low Pressure Mains			113.52	110.64	107.77	104.90	102.02	99.15	96.32	93.48	90.65	87.82	84.99			
61	Low Pressure Mains			32.81	31.77	30.74	29.71	28.67	27.64	26.05	25.05	24.04	23.04	22.04			
62	Regulators			11.47	11.08	10.70	10.31	9.92	9.54	9.10	8.67	8.23	7.80	7.37			
63	Secondary Gate Stations			2.33	2.23	2.13	2.03	1.94	1.84	1.70	1.61	1.51	1.42	1.32			
64	Buildings			2.05	1.96	1.87	1.78	1.69	1.60	1.51	1.42	1.33	1.25	1.16			
65	Meter and Services Pipes			62.32	57.00	51.68	46.36	41.04	35.72	28.58	21.43	14.29	7.14	-			
66	Equipment & Vehicles			17.78	14.73	11.67	8.61	5.55	2.49	-2.89	-2.89	-2.89	-2.89	-2.89			
67	Information Technology			-	-	-	-	-	-	-	-	-	-	-			
68	FRC			-	-	-	-	-	-	-	-	-	-	-			
69	Land			5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28			
70	<b>Total</b>			<b>632.46</b>	<b>613.91</b>	<b>595.36</b>	<b>576.82</b>	<b>558.27</b>	<b>539.72</b>	<b>516.23</b>	<b>498.77</b>	<b>481.30</b>	<b>463.83</b>	<b>446.37</b>			



**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4
3		Determination of the Weighted Average Cost of Capital (WACC)	ERA
4			DD 2
5			31-Jan-05
6		Nominal Risk Free Rate (Rfn)	5.34%
7		Real Risk Free Rate (Rfr)	2.72%
8		Inflation Rate (I)	2.55%
9		Debt Proportion (D)	60.00%
10		Equity Proportion (E)	40.00%
11		Cost of Debt; Debt Risk Premium (Drp)	1.00%
12		Cost of Debt; Debt Issuing Cost (Dic)	0.125%
13		Cost of Debt; Risk Margin (Rm)	1.125%
14		Australian Market Risk Premium (Rp)	6.00%
15		Debt Beta (Bd)	0.19
16		Equity Beta (Be)	1.00
17		Asset Beta (Ba)	0.51
18		Corporate Tax Rate (T)	30.00%
19		Franking Credit (g)	50.00%
20		Debt	
21		Nominal Pre Tax Cost of Debt (DPn)	6.47%
22		Real Pre Tax Cost of Debt (DPr)	3.82%
23		Equity	
24		Nominal Pre Tax Cost of Equity (EPn)	13.34%
25		Real Pre Tax Cost of Equity (EPr)	10.52%
26		Nominal After Tax Cost of Equity (EAn)	11.34%
27		Real After Tax Cost of Equity (EAR)	8.57%
28		WACC; Pre-tax Officer (Market Practise or Forward Transformation)	
29		Nominal Pre Tax WACC (WPn)	9.22%
30		Real Pre Tax WACC (WPr)	6.50%
31		WACC; After-tax Officer	
32		Nominal After Tax WACC (WAn)	6.45%
33		Real After Tax WACC (WAr)	3.80%

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
3	<b>Consumer Price Index</b>															
4	December 1999 CPI															124.1
5	June 2003 CPI															141.3
6	December 2004 CPI															146.5

**FD1 Long term Inflation**

8	<b>FD1 Inflation (Mid Year)</b>							<b>FORECAST</b>			<b>FORECAST</b>		
9	FD1 Long Term Inflation		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
10	FD1 Inflation Factor to 31/12/99		1.00	1.01	1.04	1.06	1.09	1.12					

**Initial Investment**

	Economic Life	Remaining 31/12/1998	Rem Life 31-Dec-99	Value	Rem Life 31-Dec-04	Value
15	<b>FD1 Model, Initial Assets [m\$]</b>					
16	High Pressure Mains	120.0	106	105.0	149.053	175.956
17	Medium Pressure Mains	60.0	51	50.0	176.997	208.945
18	Medium / Low Pressure Mains	60.0	41	40.0	96.159	113.515
19	Low Pressure Mains	60.0	33	32.0	27.792	32.808
20	Regulators	40.0	28	27.0	9.716	11.470
21	Secondary Gate Stations	40.0	25	24.0	1.972	2.328
22	Buildings	40.0	24	23.0	1.740	2.054
23	Meter and Services Pipes	25.0	11	10.0	52.795	62.325
24	Equipment & Vehicles	10.0	6	5.0	15.064	17.783
25	Information Technology	5.0	6	5.0	-	-
26	FRC	5.0	-	-	-	-
27	Land	-	0	-	4.470	5.277
28	<b>Total</b>				<b>535.757</b>	<b>632.461</b>

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Year ending 31 December								1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>FD1 Approved Initial Asset Depreciation</b>																	
32	<b>FD1 Initial Asset Depreciation [k\$OD @ 2.5%]</b>							<b>Forecast 1</b>									
33	HP main							1,405	1,440	1,476	1,513	1,550					
34	MP main							3,474	3,561	3,650	3,741	3,834					
35	MLP main							2,464	2,526	2,589	2,654	2,720					
36	LP main							886	908	931	954	978					
37	Regulators							332	340	349	357	366					
38	Gate stations							84	86	88	91	93					
39	Buildings							78	79	81	83	86					
40	Meters							4,563	4,677	4,794	4,914	5,037					
41	Equipment and vehicles (including SCADA)							2,622	2,688	2,755	2,824	2,895					
42	Information Technology							-	-	-	-	-					
43	FRC							-	-	-	-	-					
44	Land							-	-	-	-	-					
45	Total FD1 Initial Asset Depreciation							15,908	16,305	16,713	17,131	17,559					
46	<b>FD1 Initial Asset Depreciation [m\$ as at 31/12/04]</b>							<b>Forecast 1</b>									
47	HP main							1.638	1.638	1.638	1.638	1.638					
48	MP main							4.050	4.050	4.050	4.050	4.050					
49	MLP main							2.873	2.873	2.873	2.873	2.873					
50	LP main							1.033	1.033	1.033	1.033	1.033					
51	Regulators							0.387	0.387	0.387	0.387	0.387					
52	Gate stations							0.098	0.098	0.098	0.098	0.098					
53	Buildings							0.090	0.090	0.090	0.090	0.090					
54	Meters							5.321	5.321	5.321	5.321	5.321					
55	Equipment and vehicles (including SCADA)							3.058	3.058	3.058	3.058	3.058					
56	Information Technology							-	-	-	-	-					
57	FRC							-	-	-	-	-					
58	Land							-	-	-	-	-					
59	Total FD1 Initial Asset Depreciation							18.549	18.549	18.549	18.549	18.549					
60																	

## Draft Decision for AGN's Second Access Arrangement

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Year ending 31 December								1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>FD1 Approved Capex Depreciation</b>																	
63	<b>FD1 Capex Depreciation [k\$OD]</b>							<b>Forecast 1</b>									
64	HP main							57	86	115	141	165					
65	MP main	0.5						164	235	297	339	371					
66	MLP main							1	2	2	2	3					
67	LP main							21	62	106	152	203					
68	Regulators							28	35	44	52	57					
69	Gate stations							8	16	16	16	17					
70	Buildings							1	4	7	10	13					
71	Meters							512	851	1,191	1,537	1,886					
72	Equipment and vehicles (including SCADA)							595	1,101	1,338	1,602	1,869					
73	Information Technology							-	-	-	-	-					
74	FRC							-	-	-	-	-					
75	Land							-	-	-	-	-					
76	Total FD1 Capex Depreciation							1,387	2,393	3,116	3,852	4,583					
77	<b>FD1 Capex Depreciation [m\$ as at 31/12/04]</b>							<b>Forecast 1</b>									
78	HP main							0.067	0.098	0.128	0.153	0.174					
79	MP main							0.191	0.268	0.330	0.367	0.392					
80	MLP main							0.001	0.002	0.003	0.003	0.003					
81	LP main							0.024	0.070	0.117	0.165	0.214					
82	Regulators							0.033	0.040	0.049	0.056	0.060					
83	Gate stations							0.009	0.018	0.018	0.018	0.018					
84	Buildings							0.002	0.005	0.007	0.010	0.013					
85	Meters							0.597	0.968	1.322	1.664	1.992					
86	Equipment and vehicles (including SCADA)							0.693	1.252	1.485	1.734	1.975					
87	Information Technology							-	-	-	-	-					
88	FRC							-	-	-	-	-					
89	Land							-	-	-	-	-					
90	Total FD1 Capex Depreciation							1.617	2.722	3.458	4.171	4.841					

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Year ending 31 December	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009							
<b>Inflation</b>																		
5	<b>June Inflation</b>							<b>ACTUAL</b>					<b>FORECAST</b>					
6	June CPI	122.3	126.2	133.8	137.6	141.3	144.8						148.5	152.3	156.2	160.1	164.2	
7	June Inflation		3.19%	6.02%	2.84%	2.69%	2.48%						2.55%	2.55%	2.55%	2.55%	2.55%	
8	<b>December Inflation</b>							<b>ACTUAL</b>					<b>FORECAST</b>					
9	December CPI	124.1	131.3	135.4	139.5	142.8	146.5						150.2	154.1	158.0	162.0	166.2	
10	December Inflation		5.80%	3.12%	3.03%	2.37%	2.59%						2.55%	2.55%	2.55%	2.55%	2.55%	
<b>Prudent Discounts</b>																		
<b>Discounted Customers</b>																		
13	Discounted Revenue [k\$ 31/12/2004]												3,372,351	3,367,643	3,361,382	3,355,816	3,367,627	
14	Discounted Volume [GJ per annum]												9,945,631	9,942,701	9,938,805	9,935,342	9,942,691	
15	Discounted Notional Tariff [\$ per GJ]												0.33908	0.33871	0.33821	0.33777	0.33870	
<b>Cost</b>																		
17	<b>Modelled OPEX [m\$ as at 31/12/04]</b>																	
18	Network												22.435	21.607	20.730	20.306	19.957	
19	Corporate												6.532	6.532	6.532	6.532	6.532	
20	IT												5.080	5.080	5.080	5.080	5.080	
21	UAFG												2.784	2.685	2.685	2.685	2.685	
22	Marketing												1.348	1.348	1.348	1.348	1.348	
23	FRC												1.348	1.348	1.348	1.348	1.348	
24	Regulatory Cost												0.739	0.741	0.744	0.748	0.748	
25	Total												40.266	39.340	38.467	38.046	37.697	
26	<b>Modelled CAPEX [m\$ as at 31/12/04]</b>																	
					<b>Actual 1</b>						<b>Forecast 2</b>							
27	High Pressure Mains	1.364	1.875	-	-	-	-	0.657	0.829	0.829	0.744	3.318						
28	Medium Pressure Mains	5.591	3.270	4.382	4.096	3.559	4.755	4.470	4.521	5.426	4.804							
29	Medium / Low Pressure Mains	2.157	1.276	0.085	-	0.035	1.686	1.566	1.505	1.883	1.820							
30	Low Pressure Mains	-	-	-	-	-	-	-	-	-	-							
31	Regulators	0.183	0.168	0.015	-	0.006	0.075	0.074	0.069	0.085	0.085							
32	Secondary Gate Stations	0.024	0.013	-	-	-	0.008	0.007	0.007	0.009	0.009							
33	Buildings	-	0.064	-	-	-	0.013	0.013	0.012	0.015	0.015							
34	Meter and Services Pipes	14.446	11.083	20.279	23.067	18.067	16.151	13.901	12.776	17.405	16.815							
35	Equipment & Vehicles	1.228	0.263	0.005	0.180	0.078	0.356	0.349	0.327	0.403	0.403							
36	Information Technology	3.563	0.670	0.378	0.348	0.987	3.296	2.852	2.394	3.456	2.227							
37	FRC	-	-	1.821	1.244	9.139	-	-	-	-	-							
38	Land	0.268	0.199	-	-	-	0.095	0.093	0.087	0.107	0.107							
39	Total	28.825	18.880	26.964	28.936	31.871	27.091	24.155	22.528	29.535	29.602							

**Draft Decision for AGN's Second Access Arrangement**

Ref	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Modelled Volume & Customer #																	
Year ending 31 December																	
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009					
42	<b>A1</b>																
43	A1 Customers							35	35	35	35	35					
44	A1 - Band 1							23,054,000	23,054,000	23,054,000	23,054,000	23,054,000					
45	A1 - Band 2							14,390,000	14,390,000	14,390,000	14,390,000	14,390,000					
46	A1 - Demand 1							5,402	5,402	5,402	5,402	5,402					
47	A1 - Demand 2							2,608	2,608	2,608	2,608	2,608					
48	<b>A2 &amp; B1</b>																
49	A2&B1 Customers							1,006	1,027	1,039	1,052	1,077					
50	A2&B1 - Band 1							1,784,921	1,843,046	1,881,562	1,902,645	1,960,719					
51	A2&B1 - Band 2							941,025	971,670	991,976	1,003,091	1,033,708					
52	A2&B1 - Band 3							773,273	798,455	815,141	824,274	849,434					
53	<b>B2</b>																
54	Modelled B2 Customers							5,304	5,580	5,870	6,174	6,487					
55	B2 - Band 1							324,495	335,230	344,728	350,537	360,989					
56	B2 - Band 2							719,585	743,390	764,452	777,333	800,511					
57	<b>B3</b>																
58	Modelled B3 Customers							518,029	533,353	548,663	566,959	585,122					
59	B3 - Band 1							5,519,296	5,671,726	5,829,786	6,050,367	6,061,658					
60	B3 - Band 2							3,390,204	3,483,833	3,580,921	3,541,505	3,723,348					
61	B3 - Band 3							1,068,570	1,098,081	1,128,682	1,171,388	1,173,574					
62	<b>Discounts</b>																
63	Volume							9,945,631	9,942,701	9,938,805	9,935,342	9,942,691					
64	<b>Working Capital</b>																
		Days	Base for Calculation														
65	Receivables	20.0	Rev (excl WC Allowance)														
66	Inventory	7.0	Total Expenses														
67	Prepayments	15.0	Total Expenses														
68	Creditors	- 20.0	Total Expenses														