

**Attachment 14**  
**Table of Regulatory Decisions at time of Sale**

See attached

WACC comparison

	EIG 1994	AlintaGas 1997	IPART Determination AGL 1997 (1)	Victorian Transmission AAI 1997 (2)	Price Waterhouse Report	Epic Energy Acquisition Model	Epic Energy Access Arrangement (3)	Draft Decision
<b>Parameters</b>								
Nominal risk free rate	10.50%	6.05%	7.80%	8.00%	6.70%	7.00%	6.40%	5.96%
Real risk free rate								3.40%
Market risk premium	6.60%	6.00%	7.00%	6.50%	0.80%	7.00%	6.50%	6.00%
Debt margin			1.20%	0.75%	0.80%	1.50%	1.20%	1.20%
Asset beta					0.61	0.61	0.58	0.60
Debt beta							0.12	0.20
Capital structure: debt to total assets	80%	80%	50%	60%	50%	50%	55%	60%
Corporate (statutory) tax rate	20%	20%	50%	40%	50%	50%	45%	40%
Value of imputation credits (GAMMA)	33.00%	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%	31.40%
Expected Inflation			34.00%	25.00%	0.00%	0.00%	44.00%	50.00%
Equity beta			3.00%	3.00%	3.00%	3.00%	2.50%	2.48%
Standard delevering formula								
Monkhouse delevering formula	0.80	0.80	0.74	0.95	1.00	1.00	1.15	1.19
Cost of debt	10.40%	9.30%	9.00%	8.75%	7.50%	8.50%	7.60%	7.16%
Cost of equity	15.78%	10.85%	12.98%	14.18%	13.20%	14.00%	13.88%	13.12%
<b>WACC</b>								
Post-tax nominal			8.33%	8.33%	9.00%	9.72%	8.00%	7.22%
Post-tax real			5.17%	5.18%	5.83%	6.53%	5.37%	4.62%
Pre-tax nominal	13.03%	10.83%	13.01%	13.02%	14.06%	15.19%	10.52%	10.52%
Pre-tax real			9.72%	9.73%	10.74%	11.83%	8.59%	7.85%

Notes

(1) IPART Final Decision for AGL Gas Networks Limited, July 1997. Referenced in Epic Energy Acquisition Model. Table above shows WACC calculation for midpoints of IPART ranges of parameters. Acquisition Model similarly shows midpoints of IPART ranges but sets the value of imputation credits at zero, expected inflation at 2.50%, and the equity beta at 0.70.

(2) Access Arrangement Information submitted by Energy Projects Division of Victorian Department of Treasury and Finance in November 1997. Referenced in Epic Energy Acquisition Model. Acquisition Model inputs are correct, but the WACC outputs (after tax nominal, pre-tax nominal, after tax real, pre-tax real) are incorrect. The Acquisition Model recalculation of the Victorian WACC outputs does not take into account the value of imputation credits.

(3) Brattle Group WACC calculation. Brattle examined alternative parameter values and recommended use of a pre-tax real WACC of 8.50% in reference tariff determination.

