



**MEDIA RELEASE**

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## **HIGH COURT DECISION ON MOOMBA TO SYDNEY PIPELINE**

APA Group (“APA”) welcomes the decision of the High Court of Australia handed down today in relation to the regulatory value of APA’s Moomba to Sydney Pipeline (“MSP”).

In 2003, the ACCC made a decision under the National Gas Code that the value of the MSP should be set at \$545.4 million. On appeal to the Australian Competition Tribunal by APA, the Tribunal determined that the ACCC’s decision to utilise a novel method for calculating the ICB was unreasonable and substituted a value of \$834 million. The ACCC sought judicial review of the Tribunal’s decision in the Full Court of the Federal Court, which concluded that the ACCC’s decision should not have been varied by the Tribunal. APA appealed to the High Court. The High Court today unanimously allowed APA’s appeal and held that the Tribunal was correct in its construction and application of the Code.

APA Managing Director Mick McCormack said that while tariffs on the MSP are set by negotiation rather than under the National Gas Code, he was pleased that there was now greater clarity as to the operation of the Code.

“Given the significance of regulatory decisions on future investments in transmission infrastructure to deliver Australia’s long term energy needs, it is welcome to have clarity regarding such an important aspect of regulatory tariff setting.

“We look forward to finalising this long running matter, and continuing to focus on our objective of contributing to the development of essential energy transmission infrastructure for Australia, including the eastern gas grid. Clarification of the extent of regulatory discretion under the Code, and confirmation that regulatory decisions must be reasonable, can only assist in achieving this goal.”

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**About APA Group (APA)**

APA Group, comprised of Australian Pipeline Trust and APT Investment Trust, is the major ASX-listed energy transmission company in Australia with interests in more than 10,000 kms of natural gas pipeline infrastructure, over 2,300 kms of gas distribution networks in south east Queensland, Coal Seam Gas processing plants, gas fired power stations, gas storage facilities and two high voltage direct current interconnector systems. APA’s interests also extend to the provision of management and operations services to gas distribution and transmission company Envestra (which owns 19,100 km of natural gas distribution networks and 1,029 km of natural gas transmission pipelines), a 17.2 percent stake in Envestra and a one-third interest in the SEAGas pipeline. The Group has a varied and quality customer base including AGL Energy, Cooper Eromanga Basin Producers, Xstrata, Newmont, CS Energy, BHP Billiton, Zinifex, Incitec Pivot, Origin, RioTinto, Nickel West, Synergy and Verve Energy.