Question and Answer

Operator

[Operator Instructions] Your first question comes from Grant Swanepoel with Craigs.

Grant Swanepoel
Craigs Investment Partners Limited, Research Division

My questions is hinge around the wholesale gas business. Can you give us some sort of idea of how many PJs are left from the Kapuni cheap gas? Excluding the 7.3 PJs in arbitration. On the arbitration, when do you expect to get an outcome on that? And I just spoke to you, [ph] in aggregate a model going forward, with the expectation of falling gas prices, are you exposed to that, as you were gaining the benefit of rising gas prices due to Kapuni in the past? And the final question on that division, the carbon tax that's dropped in terms of getting the offshore pricing involved, how much of that was a gain this year? And have you had to pass it on to customers?

Simon MacKenzie
Group Chief Executive Officer

Grant, sorry, I'm just trying to recall all your questions. But the first one being the Kapuni gas, free [ph] to say that that's all but out. So basically, you'd be wise just to say that's gone. The second question was with respect to the -- was it the prices going forward with regards to reduce -- your view on reducing prices? Or maybe that was the third one, sorry. But the -- with regards to whether there's a view of falling prices going forward, I think that's still a matter of debate. Certainly, what we see is that we have a mix coming into the market with told [ph] arrangement being quite active. So there's been a contrary view that supply/demand mix, the supply has actually been shortened up and there's still a lot of demand. So our view would be that equally, there's a probability that the pricing could be lifting up. However, our focus is very much around the balanced portfolio and maintaining a margin, recognizing those uncertainties and also flexible gas to make up a strong position in the market. With respect to the ETS, our ETS position, Shane can confirm, but we typically match those. We don't actually trade to make a gain or loss on ETS, it's really just about the pricing and how we match that. So we don't actually actively trade to take a speculative position on ETS.

Shane Sampson
Former Acting Chief Financial Officer

So that's correct. We don't look to take a position there at all. We pass it through to our customers other than the small amount of gas that we consume on our transmission network. There was about a $13 million mix down in both revenue and cost in the period, but no EBITDA impact from the lower ETS pricing.

Simon MacKenzie
Group Chief Executive Officer

With regards to the arbitration, it's set for later this year. And with regards to the gas that we have, entitlements to above the original 1,010 petajoules, we're basically working through a process of seeking to ascertain if we can negotiate a price for that gas.

Grant Swanepoel
Craigs Investment Partners Limited, Research Division

Simon, just to confirm on the aggregated side, are you mostly hedged off in terms of your contracts and your contracting?

Simon MacKenzie
Group Chief Executive Officer

Yes. We'll reasonably be well-covered with regards to our position on the gas side. Obviously, it's got a dependency on the expectation of how many customers roll off, but we're comfortable with where we sit with regards to the sell side and the buy side.

Operator

Our next question comes from Matt Henry with Goldman Sachs.

Matthew Allan Henry
Goldman Sachs JBWere Pty Ltd, Research Division

Simon and Shane, just a few quick questions. Just on the recent Commerce Commission draft electricity decision. Outside of the big picture of your appeals process. Was there anything in the detail and the application of your -- of the current inputs that you took issue with in the most recent model that may have an influence on the final decision under the current framework later in the year? The second question was just on the electricity business. It appears that you've seen a significant strengthening in earnings in the second half. When I look at the metrics, it doesn't appear that there was a notable change in volumes year-on-year in the second half and I was just wondering if you could give me some sort of color about what drove that growth? And just lastly, just a follow-up to Grant's questions. Just wondering if you can comment at all around the materiality of the roll-off of the legacy Kapuni contracts?

Simon MacKenzie
Group Chief Executive Officer

Yes. Matt, with regards to your first question on the Commerce Commission, we're obviously still working through that. We didn't receive the model until late in the evening. So guys are still working through it. I think at a high level, there's nothing that we've seen yet as fundamentally worthy of note. But it was pretty much in line with obviously the draft decision last year kind of as an outcome perspective. So I think there was no surprise that they ended up where they were. We'll obviously update if we find things that we think are a material change in the modeling characteristics. The -- I guess the perspective we have is obviously, it's still based on fundamentally flawed inputs, and so we weren't really expecting any great change given that. Where we did observe changes were the likes of some of the other companies like PowerCo [ph] for example, where they had -- they've kind of reversed and went up. It was largely due to them recognizing that they hadn't provided a whole lot of cost information that changed their position. I think the year is that we will focus on as how the commission has modeled the growth assumptions. We're also disappointed that we put a lot of time and effort into issuing what responses to what they call 6 and 53 zip notices [ph] for further and updated information. So within those, we don't think that they're actually taking into account levels of capital expenditure that we think they should be taking into account and changes in some of the costs. So those will be key issues that we go back in our submission, and obviously that submission we'll make available to the market as is normally the case. Shane might just talk quickly to the second half on electricity.

Shane Sampson
Former Acting Chief Financial Officer

Matt, in terms of the second half earnings, so that was in the 2 network businesses and it was predominantly driven out of volume. Obviously, in electricity, you get the revenue and cost increase from the jump in Transpower pricing from 1 April. But in terms of EBITDA, the big driver is the higher volumes, and I can take you through that offline in terms of the second half split but we had at -- had it called a couple months at the end of the year in electricity, which drove more volume on the electricity network. And obviously with the dry -- low lake levels in the South Island on the transmission network, we saw higher volumes moving across our network. And so those are really the 2 key drivers of stronger second half. Maybe take it up later if you want.

Simon MacKenzie
Group Chief Executive Officer

And then -- sorry, the third question was with regards to the Kapuni roll-off legacy. Here's some -- I think your question was around materiality. We have met the issue -- it's obviously gets kind of a -- I mean, to explain that, I mean, it's in the absence of a 7.3 petajoules which we, again, say is as the -- obviously we believe we have a very strong case to be successful in that. So if that was taken out of the mix, and Shane can give a rough estimate of the change.

Shane Sampson
Former Acting Chief Financial Officer

Obviously, it also partly depends on where we get with the pricing post that. But you are talking reasonably substantial in that sort of $15 million to $25 million-type range in terms of the impact it could have if we were unsuccessful in the 7.3 PJs.

Operator

Our next question comes from Greg Main from First NZ Capital.

Gregory Main
Jarden Limited, Research Division

Sorry, just clarify that last point, Shane. Did you say $15 million to $25 million impact net in PJs?

Shane Sampson
Former Acting Chief Financial Officer

Yes, Greg, from an EBITDA perspective.

Gregory Main
Jarden Limited, Research Division

Okay. I just had one question. Just with regard to capital contributions. You obviously referred it to in your technology section. Can you give us a feeling for how that was broken down between maybe technology, electricity and other?

Shane Sampson
Former Acting Chief Financial Officer

I might have come back to you with that detailed breakdown. I haven't got it just in front of me at the moment, Greg. But it's -- bulk of it is in the electricity network and then, transportation.

Gregory Main
Jarden Limited, Research Division

Right. So I mean, if you just wanted to talk through the trend that you're seeing with regard to smart meters, and actual revenue up from those, per se, is this still sort of -- I assume continuing from what your previously alluded to?

Shane Sampson
Former Acting Chief Financial Officer

Yes. So we're still seeing strong revenue growth and we saw that the base was up 50% year-over-year. So we're still seeing strong revenue growth coming out of adding the smart meters to the wall. But we also managed to extract some more revenue out of the other meter basis as well, with a little bit of an offset from the legacy meters. So running into next year, with the slowing rate, we'll be slightly below the level of revenue growth we've seen this year, but we're still targeting to get to that kind of double-digit level. And then obviously the other big impact in the metering business is we've largely depreciated those legacy meters. So that's coming off. And actually, just one of my team's just given me a quick outline of those capital contributions numbers. So just at a high level, about $25 million in electricity, $4 million in gas transportation and then $1 million or $2 million in the technology segment.

Operator

Our next question comes from Steve Hudson with Macquarie.

Stephen Hudson
Macquarie Research

Just a couple of quick questions. Firstly, on CapEx, I just wondered if you could give us some ranges of outcomes for CapEx for the next year? And if possible, fiscal year '14, assuming sort of fairly cautious or conservative outcomes on the regulatory side and perhaps some more aggressive outcomes or more positive outcomes if you like. And secondly, can you give us some idea about when you expect the High Court to pass down it's judgment regarding the Merits Review?

Simon MacKenzie
Group Chief Executive Officer

Yes. Steve, the -- I guess, probably, the area to go for from CapEx is really does come through in the electricity asset management plan. Be fair to say that we expect a bit of an increase largely due to some one-offs that are being driven out of over the next 18 months, driven out of the gas transmission business, in particular, and also the completion of the Wairau and Hobson exit points here from the electricity side. The gas increase is primarily related to relocation of pipelines in the Taranaki region, of course, those will proceed if they set under the regulatory regime. But Shane, we've obviously finalizing those but we're talking just in rough ballpark?

Shane Sampson
Former Acting Chief Financial Officer

So we'd expect to see -- if you take a little bit of a jump in CapEx over the next 2 to 3 years with the metering continuing in the kind of projects that Simon was just talking about, so getting up above the $300 million level for the next 2 or 3 years and then coming back once those major projects are through.

Simon MacKenzie
Group Chief Executive Officer

That, of course, recognizes off the back of the contract that we have entered into with Contact Energy for rolling out their smart meter. So that's another example of why there'd be a less lift in some of the capital.

Shane Sampson
Former Acting Chief Financial Officer

And then I think also, Steve, just as you noted obviously, all of the regulatory capital expenditure, if we get an appropriately fair outcome, we would need to consider that. But we're assuming we'll get an appropriate one.

Stephen Hudson
Macquarie Research

Okay, that's useful. And we can assume sort of $120 million business over those 2 to 3 years? Sort of $120 million, $180 million kind of...

Simon MacKenzie
Group Chief Executive Officer

Yes. probably, yes. Here probably up there around the $180 million to be realistic just because of the normal investment levels and gas transmission, distribution, and the transmission that's required. And with respect to your question on the High Court judgment, to be perfectly honest, we don't know how long the Merits Review decision will take to come out. Obviously, first part of it's being heard and starts 1st of September or 3rd of September. And it's expected to run for a couple of weeks. So how long it takes? We don't know. I think an important point to note outside of the Merits decision is our being granted leave to go to the Supreme Court with the decision on what we classify as the full regulatory package, i.e., the starting price adjustment should be is in the mix of the methodologies, which is the decision that was overturned by the Court of Appeal. So that's been granted with urgency, and we have an expectation that, that could be a decision released on that before the end of November, which is actually designed to coincide with the final draft decision of the starting price adjustments or to be out before that. Because if that was overturned again, then it would be probably back to the drawing board for the commission on the basis that they haven't given effect to the full regulatory package as required.

Operator

At this stage, we are showing no further questions. Please continue.

Simon MacKenzie
Group Chief Executive Officer
So if there's no further questions, we'd like to thank you for the -- for your attendance this morning. And if you have any questions going forward, if it's from the analysts, then contact Daniel Koza and for media, Sandy Hodge. So thanks again for joining us, and we look forward to updating you at the half year.