

May 2024

Statement of reasons: Australian Gas Networks' (South Australia) Annual Tariff Variation

On 18 April 2024, Australian Gas Networks (South Australia) applied to the AER for variation of its gas reference tariffs for the period 1 July 2024 to 30 June 2025.

The AER has reviewed Australian Gas Networks' (South Australia) application in line with its 2021–26 access arrangement, in particular the principles and formulae set out in Section 4 and Annexure E of the access arrangement.

The distribution tariff increases are driven by inflation (4.05%) and the annual update to the regulated rate of return (3.07%).

While the pricing movements vary for different tariff categories, the AER finds that such changes are consistent with the mechanisms set in the access arrangement.

Having considered Australian Gas Networks' (South Australia) tariff variation proposal, the AER approves these tariffs for commencement from 1 July 2024.

As a result of our decision, we expect the distribution component of the typical bill for Australian Gas Networks' (South Australia) customers to be on average \$44.54 higher for households and \$526.99 for small businesses from 1 July 2024.