

14 May 2026

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Dear Ben

## **Re: Cost pass through application – January 2026 bushfires**

The January 2026 bushfires caused significant damage to parts of the AusNet distribution network. In total, more than 240,000 hectares of land were affected by the fires, with close to 900 kilometres of power lines and approximately 10,000 customers impacted.

AusNet implemented a coordinated emergency response to the Longwood and Walwa fires, involving a large number of personnel, including operational leaders, asset inspectors, field crews, logistics and administrative staff.

The emergency restoration works undertaken included:

- inspection and assessment of bushfire-affected network assets;
- clearance of hazardous vegetation and site preparation to enable safe access; and
- repair and replacement of damaged distribution network assets.

In addition, mobile generators were deployed at Ruffy, Highlands and Corryong throughout January and February to supply local communities with ongoing electricity supply where it was not safe or practicable to immediately restore network connections.

The bushfire event has resulted in a material increase in costs to AusNet of approximately \$41 million. These costs are subject to the cost pass through provisions of the National Electricity Rules (**NER**) and the Australian Energy Regulator's (**AER**) Final Decision on AusNet distribution determination 2021-26, as a natural disaster pass through event. Accordingly, AusNet submits with this letter, its application for the pass through of these costs.

In managing the impacts of the bushfires on our network and customers, AusNet has responded efficiently, prudently, and sought to minimise the magnitude of the eligible pass through amount, to the extent possible. This includes implementing a range of operational improvements identified in the Post Incident Review of the February 2024 storms and the Victorian Government's Network Outage Review, to strengthen command, coordination and delivery during major events and mitigate their effects on our customers and network. We have also accounted for future cost savings attributable to our bushfire response activities, such as avoided asset replacement and vegetation management costs.

The total pass through revenue sought is \$16.1 million (\$nominal, smoothed). AusNet is proposing that the positive pass through amount be recovered in 2027-28. We have considered customer price impacts and are satisfied that the average bill impacts of the proposed recovery profile are modest and will not create undue price volatility for our customers.

Recovery of the costs incurred to restore the network following the bushfires will increase bills by an average of approximately \$19 or 1.8% (\$nominal) per customer in 2027-28 (around \$11 per residential customer and \$59 per small business customer). Accounting for this recovery, bills for customers connected to AusNet's distribution network are still expected to be broadly in line with 2025-26 prices in 2027-28.

We submit with this letter our written statement and pass through application in respect of the increase in costs in accordance with the provisions of Clause 6.6.1 of the National Electricity Rules, for review and determination by the AER.

Please contact [REDACTED], Regulatory Economist, at [REDACTED] if the AER would like to discuss any aspect of this cost pass through application. We would also be pleased to provide any further information that may assist the AER in making its determination.

# AusNet

Sincerely,



Rob Ball  
Manager, Regulation (Distribution)  
**AusNet**