

November 2020

Statement of reasons: AGN (Victoria & Albury) Gas Distribution Annual Tariff Variation

On 21 October 2020, AGN applied to the AER for variation of its reference tariffs for the Victoria & Albury network for the period 1 January 2021 to 31 December 2021.

The AER has reviewed AGN's application in line with its 2018–22 access arrangement and is satisfied that the tariff variation proposal complies with the principles and formulae set out in section 4 of the access arrangement.

At an aggregate level, the weighted average price movement primarily reflects the price path set by the 2018–22 access arrangement (an increase of 0.29%), and the 0.35% decline in the CPI in the year to June 2020.

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

Having considered AGN's proposal and finding it compliant, the AER approves these tariffs for commencement from 1 January 2021.

As a result of our decision, we expect the network component of the typical bill for AGN's customers on central zone volume tariffs to be \$0.21 lower for households and \$0.79 lower for businesses for 2021.¹

¹ Average consumption profiles are used for these estimated cost movements, using actual volumes provided by AGN in its tariff variation proposal. The average consumption profiles used are 47 GJ/year and 349 GJ/year.