

November 2020

Statement of reasons: APA VTS Gas Transmission Annual Tariff Variation

On 23 October 2020, APA group (APA) applied to the AER for variation of its reference tariffs for the Victorian Transmission System for the period 1 January 2021 to 31 December 2021.

The AER has reviewed APA'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 sections 4 and D of the access arrangement.

APA's transmission reference tariffs will increase by 1.26% to 4.03%. This increase is the minimum required for APA to continue to provide a safe and reliable service and to meet regulatory obligations. It takes into account the fact that volume decreases expected at the time of the AER's decision on the 2018–22 access arrangement have not eventuated. The AER finds that the adjustments applied, and the tariffs proposed, are compliant with the mechanisms set in the access arrangement.

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