



---

# 2022 Gas Distribution Annual Tariff Submission

1 January 2022

mission**zero**



### **Disclaimer**

This template is for generating internal and external document belonging to AusNet and may or may not contain all available information on the subject matter this document purports to address.

The information contained in this document is subject to review and AusNet may amend this document at any time. Amendments will be indicated in the Amendment Table, but AusNet does not undertake to keep this document up to date.

To the maximum extent permitted by law, AusNet makes no representation or warranty (express or implied) as to the accuracy, reliability, or completeness of the information contained in this document, or its suitability for any intended purpose. AusNet (which, for the purposes of this disclaimer, includes all of its related bodies corporate, its officers, employees, contractors, agents and consultants, and those of its related bodies corporate) shall have no liability for any loss or damage (be it direct or indirect, including liability by reason of negligence or negligent misstatement) for any statements, opinions, information or matter (expressed or implied) arising out of, contained in, or derived from, or for any omissions from, the information in this document.

### **Contact**

This document is the responsibility of the Strategy and Regulation Department. Please contact the indicated owner of the document with any inquiries.

Network Pricing Team

AusNet

Level 31, 2 Southbank Boulevard

Melbourne Victoria 3006

Ph: (03) 9695 6000

**Table of Contents**

<b>1</b>	<b>Introduction .....</b>	<b>4</b>
1.1	About AusNet .....	4
1.2	Structure of this document.....	5
1.3	Compliance checklist .....	5
<b>2</b>	<b>Regulatory arrangements.....</b>	<b>9</b>
2.1	Tariff control formula .....	9
2.2	Rebalancing control formula.....	10
2.3	Stand alone and avoidable costs .....	11
2.4	Adjustments to ancillary reference tariffs .....	12
2.5	Tariff principles .....	13
2.6	Derivation of distribution tariffs .....	13
2.7	Pricing zones .....	14
2.8	Future network tariffs .....	15
<b>3</b>	<b>Distribution tariffs and ancillary reference services .....</b>	<b>16</b>
3.1	Distribution tariffs.....	16
3.2	Ancillary reference services.....	18
<b>4</b>	<b>Allocation of charges between fixed and variable components .....</b>	<b>19</b>
4.1	Standing charge – Fixed.....	19
4.2	Peak and off peak energy charge – Variable .....	19
4.3	MHQ – Variable.....	19
4.4	Operations and maintenance charge.....	19
<b>5</b>	<b>Impact of distribution tariff variations .....</b>	<b>20</b>
5.1	Price changes in distribution tariffs.....	20
<b>6</b>	<b>Attachments .....</b>	<b>24</b>
6.1	Distribution Use of System tariffs .....	25
6.2	Ancillary reference tariffs.....	28
6.3	AusNet Gas Services Distribution Area .....	29

# 1 Introduction

Under Part B of the Access Arrangement by AusNet Gas Services Pty Ltd (**AusNet**) for the Distribution System, AusNet proposed the publication of this Annual Tariff Report. The report is published each year in order to enable distribution customers to understand the basis for the tariff policies adopted by AusNet and to communicate changes in tariffs.

Customers receive a bill for gas that contains the following elements:

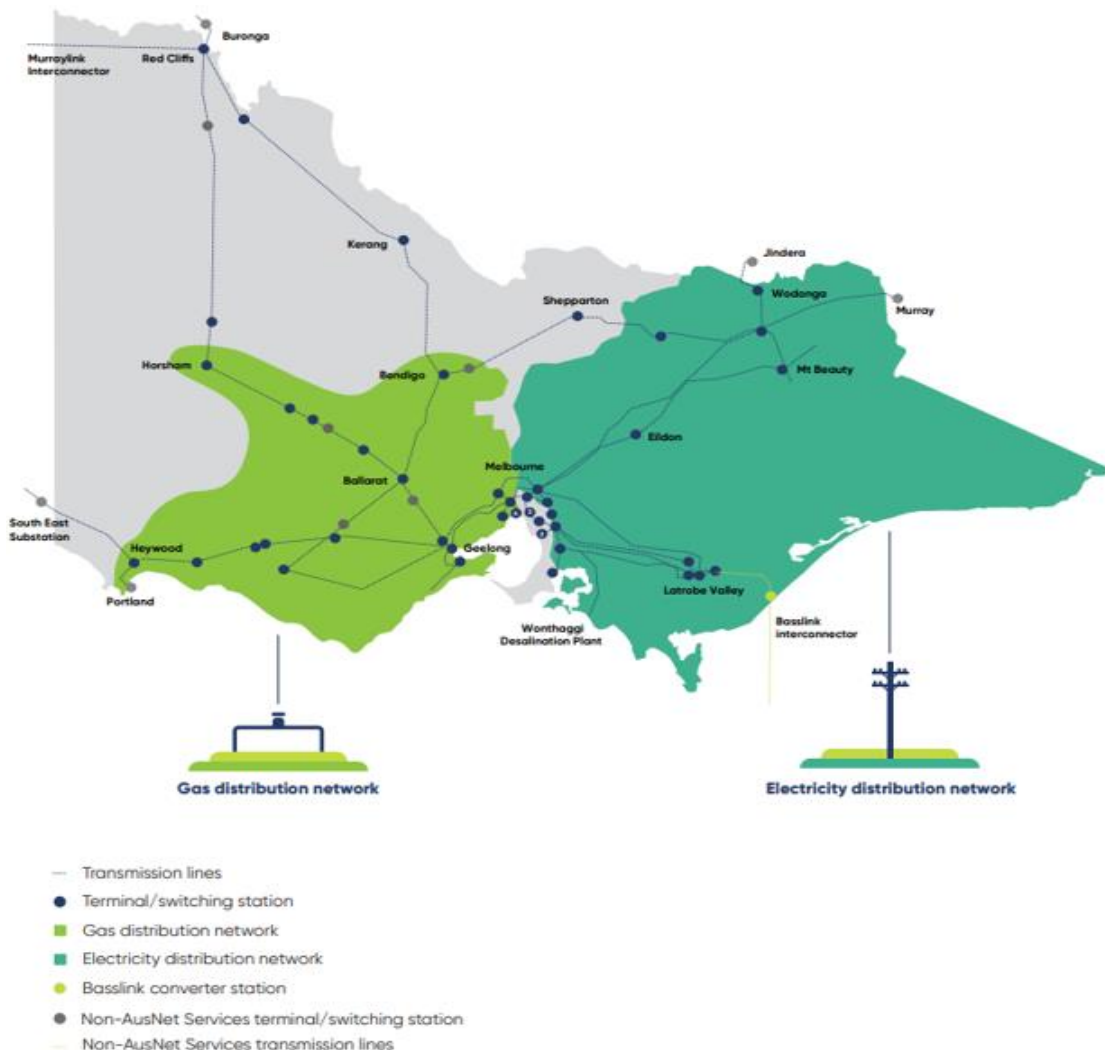
- Gas distribution charges
- Gas transmission charges
- Energy charges
- Retail charges

This report addresses only the distribution component of a customer’s gas bill.

## 1.1 About AusNet

AusNet manages a Victorian gas distribution network, supplying natural gas to over 752,000 residential and business customers in western Melbourne, central and western Victoria, through our network of underground gas pipelines. AusNet’s gas distribution area is shown in Figure 1.1 below.

Figure 1.1: AusNet’s Gas and Electricity regions



## 1.2 Structure of this document

The structure of this document is outlined below and has been structured to address the requirements of the current Access Arrangement.

- Chapter 1 – Introduction
- Chapter 2 – Regulatory arrangements
- Chapter 3 – Distribution tariffs and ancillary reference services
- Chapter 4 – Allocation of charges between fixed and variable components
- Chapter 5 – Impact of distribution tariff variations
- Chapter 6 – Attachments

## 1.3 Compliance checklist

Table 1-1 sets out the relevant requirements from the current Access Arrangement and where AusNet has demonstrated compliance within this document.

Table 1-1: Compliance with the Access Arrangement

Clause	Requirement	Relevant section
1.1 (d)	Distribution Area The Haulage Reference Tariffs apply to the Distribution System within the Service Provider’s Distribution Area. The Distribution Area is divided into two zones as detailed in clause 9.	Section 2.7
2.2 (a)	From January 2019 the Service Provider will make annual adjustments to the Ancillary Reference Tariffs in accordance with the formulae below. For the avoidance of doubt, Ancillary Reference Tariffs are not adjusted in accordance with the Tariff Control Formula or rebalancing control formula in clause 3.	Section 2.4 and Attachment A
3 (c)	Whenever the Service Provider proposes to vary, withdraw or introduce any new Haulage Reference Tariff, it will ensure that the proposed charge will be compliant with the relevant Tariff Control Formula set out in clause 3.1 and with the relevant rebalancing control formulae in clause 3.6 to the reasonable satisfaction of the Regulator, and it will comply with the procedures set out in clause 4.	Section 2
3.2	(a) Where the Service Provider is proposing to introduce new Haulage Reference Tariffs and/or new Haulage Reference Tariff Components the $q_{t-2}^{ij}$ term in clause 3.1 will be interpreted in relation to:  (1) the reasonable estimates of the quantities that would have been distributed, in relevant units, if the Haulage Reference Tariff Components had existed in Calendar Year $t-2$ as provided by the Service Provider, in accordance with clause 1.3(i); and  (2) the Haulage Reference Tariff Components of the parent Haulage Reference Tariff in Calendar Year $t-2$ as provided by the Service Provider in accordance with clause 1.3(i).  (b) Where the Service Provider has introduced new Haulage Reference Tariffs and/or new Haulage Reference Tariff Components in Calendar Year $t-1$ , the $p_{t-1}^{ij}$ term in clause 3.1 will be interpreted in relation to the reasonable estimates of the Quantities that would have been distributed, in relevant units, if the Haulage	Section 2.8.1

	Reference Tariff Components had existed in Calendar Year $t-2$ , as provided by the Service Provider in accordance with clause 1.3(i).	
3.3	<p>(a) Where the Service Provider is proposing to withdraw a Haulage Reference Tariff and to reassign only one other Haulage Reference Tariff to the Distribution Supply Point to which the Haulage Reference Tariff to be withdrawn applied, the <math>p_t^{ij}</math> in clause 3.1 for the Haulage Reference Tariff that is proposed to be withdrawn will be interpreted in relation to the Haulage Reference Tariff Components of the Haulage Reference Tariff which will be reassigned to that Distribution Supply Point in Calendar Year <math>t</math>, in accordance with information submitted under clause 1.4.</p> <p>(b) Where the Service Provider is proposing to withdraw a Haulage Reference Tariff and to reassign more than one other Haulage Reference Tariff to the Distribution Supply Point to which the Haulage Reference Tariff to be withdrawn applied:</p> <p>(1) the <math>p_t^{ij}</math> in clause 3.1 for the Haulage Reference Tariff that is proposed to be withdrawn will be interpreted separately in relation to the Haulage Reference Tariff Components of each of the Haulage Reference Tariffs which will be reassigned to those Distribution Supply Points in Calendar Year <math>t</math>, in accordance with information submitted under clause 1.4; and</p> <p>(2) the <math>q_{t-2}^{ij}</math> term in clause 3.1 for the Haulage Reference Tariff that is proposed to be withdrawn in Calendar Year <math>t</math> will be the actual Quantities, in relevant units, of each Haulage Reference Tariff Component that were distributed under the parent Haulage Reference Tariff at those Distribution Supply Points to which the same Haulage Reference Tariff has been assigned in Calendar Year <math>t</math>, in accordance with information submitted under clause 1.4; and</p> <p>(3) the <math>q_{t-2}^{ij}</math> term in clause 3.1 for the Haulage Reference Tariff that has been withdrawn in Calendar Year <math>t-1</math>, will be the actual quantities, in relevant units, of each Haulage Reference Tariff Component that were distributed under the parent Haulage Reference Tariff at those Distribution Supply Points to which the same Haulage Reference Tariff has been assigned in Calendar Year <math>t-1</math>, in accordance with information submitted under clause 1.4.</p>	Section 2.8.2
3.5 (a)	<p>The Service Provider will maintain Haulage Reference Tariffs between:</p> <p>(1) an upper limit of the cost to bypass the network; and</p> <p>(2) a lower limit of the marginal cost of supply.</p>	Section 2.3
3.5 (b)	In undertaking any rebalancing, the Service Provider will ensure that the proposed Haulage Reference Tariffs comply with the relevant Rebalancing Control Formula as set out in this clause 3.5.	Section 2.2
4.1 (a)	The Service Provider will, at least 50 Business Days prior to the commencement of the next Calendar Year, submit proposed Haulage Reference Tariffs to apply from the start of the next Calendar Year for verification of compliance by the Regulator, in accordance with clauses 4.2(a), (b), (c) and (d).	Proposal submitted on 19 October 2021
4.1 (b)	The Service Provider will ensure its proposed Haulage Reference Tariffs or proposed changes to Haulage Reference Tariffs submitted under clause 4.1(a) comply with the Tariff Control Formula and rebalancing control formulae in clause 3.	Section 2 and Attachment A
4.2	(a) The Regulator will provide the Service Provider with written notice of whether or not it has verified the Haulage Reference Tariffs proposed by the Service Provider and submitted under clause 4.1(a) as compliant with the Tariff Control Formula and the rebalancing control formula. If the Regulator declines to verify the proposed	Noted

	<p>Haulage Reference Tariffs as compliant, the Regulator must provide a written statement of reasons for that decision.</p> <p>(b) The proposed Haulage Reference Tariffs will be deemed to have been verified as compliant in writing by the Regulator by the end of 30 Business Days from the date on which the Regulator received the Service Provider's notification under clause 4.1(a) unless the Regulator has notified the Service Provider in writing that it has declined to verify the proposed Haulage Reference Tariffs as compliant. The Regulator may require an extension of a specified duration. The Regulator will notify the Service Provider of the extension and its duration within 30 Business Days of receiving a notification from the Service Provider.</p> <p>(c) If the Regulator issues a written notice to the Service Provider that it has declined to verify proposed Haulage Reference Tariffs and/or Haulage Reference Tariff Components (including but not limited to any new Haulage Reference Tariff and/or any new Haulage Reference Tariff Component) as compliant for a Calendar Year <math>t</math>, then:</p> <p>(1) if the relevant left-hand side of the price control formula set out in clause 3.1 is <math>&gt;1</math> then the Haulage Reference Tariffs applying in Calendar Year <math>t-1</math> are scaled up by the relevant left-hand side of the price control formula set out in clause 3.1; or</p> <p>(2) if the relevant left-hand side of the price control formula set out in clause 3.1 is <math>&lt;1</math> then the Haulage Reference Tariffs applying in Calendar Year <math>t-1</math> are scaled down by the relevant left-hand side of the price control formula set out in clause 3.1.</p> <p>(d) If the Regulator has notified the Service Provider in writing that it has declined to verify as compliant the withdrawal of any existing Haulage Reference Tariffs and/or the withdrawal of any existing Haulage Reference Tariff Components proposed for Calendar Year <math>t</math>, then:</p> <p>(1) if the relevant left-hand side of the price control formula set out in clause 3.1 is <math>&gt;1</math> then the Haulage Reference Tariffs applying in Calendar Year <math>t-1</math> are scaled up by the relevant left-hand side of the price control formula set out in clause 3.1; or</p> <p>(2) if the relevant left-hand side of the price control formula set out in clause 3.1 is <math>&lt;1</math> then the Haulage Reference Tariffs applying in Calendar Year <math>t-1</math> are scaled down by the relevant left-hand side of the price control formula set out in clause 3.1.</p> <p>(e) The Service Provider may provide additional information and resubmit or revise its proposed Haulage Reference Tariffs in accordance with clause 4.1(a) if the Regulator declines to verify as compliant proposed Haulage Reference Tariffs under clause 4.2(a) provided that if, in a Calendar Year, changes to Haulage Reference Tariffs have been verified as compliant by the Regulator, the Service Provider will notify in writing all Users affected by the changes as soon as practicable.</p>	
4.3 (a)	At the same time as submitting proposed Haulage Reference Tariffs to the Regulator, the Service Provider will also provide to the Regulator, information demonstrating that the proposed Haulage Reference Tariffs are, to the extent relevant, consistent with the Tariff Control Formula and rebalancing control formula in clause 3.	Section 2 and Attachment A
4.3 (b)	In respect of the annual variations of Reference Tariffs, the Service Provider will include a statement to support the gas quantity inputs in the tariff variation formula. The statement will be independently audited or verified and the quantity input will reflect the most recent actual annual quantities available at the time of tariff variation assessment.	Attachment D

<p>4.4 (a)</p>	<p>If the Service Provider does not, at least 50 Business Days prior to the commencement of the next Calendar Year <math>t</math> submit proposed Haulage Reference Tariffs to apply from the start of the next Calendar Year <math>t</math> in accordance with clause 4.1(a) then:</p> <p>(1) where the left-hand side of the Tariff Control Formula to be applied for Calendar Year <math>t</math> is greater than one, the Haulage Reference Tariffs applying in Calendar Year <math>t-1</math> will be scaled up by the left-hand side of the Tariff Control Formula to be applied for Calendar Year <math>t</math> and will apply for Calendar Year <math>t</math> and the Haulage Reference Tariff Components applying in Calendar Year <math>t-1</math> will be scaled up and applied accordingly; and</p> <p>(2) where the left-hand side of the Tariff Control Formula to be applied for Calendar Year <math>t</math> is less than one, the Haulage Reference Tariffs applying in Calendar Year <math>t-1</math> will be scaled down by the left-hand side of the Tariff Control Formula to be applied for Calendar Year <math>t</math> and will apply for Calendar Year <math>t</math> and the Haulage Reference Tariff Components applying in Calendar Year <math>t-1</math> will be scaled down and applied accordingly, until such time as the Regulator has, or been deemed to have, verified Haulage Reference Tariffs and/or Haulage Reference Tariff Components for Calendar Year <math>t</math> as compliant in response to a submission by the Service Provider.</p>	<p>Noted</p>
----------------	---	--------------



## 2 Regulatory arrangements

AusNet’s gas revenues are regulated under the National Gas Rules and the economic regulation of gas distribution networks under these Rules is administered by the Australian Energy Regulator (**AER**). AusNet’s current Access Arrangement covers the period 1 January 2018 to 30 June 2023<sup>1</sup> and prices for each year within the regulatory period are submitted and approved by the AER.

The contents of this report apply from 1 January 2022 to 31 December 2022 and are applicable to customers in AusNet’s distribution area.

### 2.1 Tariff control formula

AusNet gas distribution tariffs are set in accordance with Clause 3.1 of Part B of the 2018–22 Access Arrangement. The tariff control formula applicable is:

Table 2-1: Tariff control formula

Tariff control formula
$(1 + \Delta CPI_t)(1 - X_t)(1 + PT_t) \geq \frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}$

where the Service Provider has *n* Haulage Reference Tariff categories, each category having up to *m* Haulage Reference Tariff Components and where:

**$\Delta CPI$**  is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t+2$  to the June quarter in Calendar Year  $t+1$ , calculated using the following method:

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t+1$  divided by the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t+2$  minus 1.

If the ABS does not, or ceases to, publish the index, then CPI will mean an index which the Regulator considers is the best available alternative index;

**$t$**  is the Calendar Year for which tariffs are being set;

**$X_t$**  is the X factor for each year of the Fifth Access Arrangement Period as determined in the Post Tax Revenue Model (**PTRM**) as approved in the full access arrangement decision, and annually revised for the Return on Debt Update calculated for the relevant year in accordance with that approved in the full access arrangement decision;

**$PT_t$**  is the cost pass through adjustment factor for Calendar Year  $t$  as calculated in accordance with clause 3.1.3;

**$n$**  is the number of different Haulage Reference Tariffs;

**$m$**  is the different components, elements or variables (“components”) comprised within a Haulage Reference Tariff;

<sup>1</sup> On 27 October 2020 the National Energy Legislation Amendment Act 2020 (Vic) (NELA Act) was enacted to change the timing of the annual Victorian electricity and gas regulatory years. The next access arrangement period is expected to commence on 1 July 2023 rather than 1 January 2023.

$p_t^{ij}$  is the proposed component  $j$  of Haulage Reference Tariff  $i$  in Calendar Year  $t$ ;

$p_{t-1}^{ij}$  is the prevailing component  $j$  of Haulage Reference Tariff  $i$  in Calendar Year  $t-1$ ;

$q_{t-2}^{ij}$  is the audited Quantity of Haulage Reference Tariff Component  $j$  of Haulage Reference Tariff  $i$  that was sold in Calendar Year  $t-2$ .

In 2022, the average price change is 1.87%. This is made up of the following components.

Table 2-2: Average price change for 2022

Price change components	Description	2022
CPI	CPI for period	3.85%
X	X factor	1.90%
PT	Pass through factor	0.00%
Average price change		1.87%

To demonstrate compliance with the tariff control formula, refer to Attachment A which accompanies this annual tariff proposal submission.

## 2.2 Rebalancing control formula

In addition to the tariff control formula which sets the annual price change, the rebalancing control formula sets the annual price movement limit allowed for individual tariffs. The rebalancing control formula applicable during this current Access Arrangement is:

Table 2-3: Rebalancing control formula

Rebalancing control formula
$(1 + \Delta CPI_t)(1 - X_t)(1 + PT_t)(1 + 0.02) \geq \frac{\sum_{i=1}^n \sum_{j=1}^m p_t^{ij} q_{t-2}^{ij}}{\sum_{i=1}^n \sum_{j=1}^m p_{t-1}^{ij} q_{t-2}^{ij}}$

where:

$\Delta CPI$  is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t_2$  to the June quarter in Calendar Year  $t_1$ , calculated using the following method:

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t-1$  divided by the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t-2$  minus 1.

If the ABS does not, or ceases to, publish the index, then CPI will mean an index which the Regulator considers is the best available alternative index;

$t$  is the Calendar Year for which tariffs are being set;

- $X_t$  is the X factor for each year of the Fifth Access Arrangement Period as determined in the PTRM as approved in the full access arrangement decision, and annually revised for the Return on Debt Update calculated for the relevant year in accordance with that approved in the full access arrangement decision;
- $PT_t$  is the cost pass through adjustment factor for Calendar Year  $t$  as calculated in accordance with clause 3.1.3;
- $n$  is the number of different Haulage Reference Tariffs;
- $m$  is the different components, elements or variables (“components”) comprised within a Haulage Reference Tariff;
- $p_t^{ij}$  is the proposed component  $j$  of Haulage Reference Tariff  $i$  in Calendar Year  $t$ ;
- $p_{t-1}^{ij}$  is the prevailing component  $j$  of Haulage Reference Tariff  $i$  in Calendar Year  $t-1$ ;
- $q_{t-2}^{ij}$  is the audited Quantity of Haulage Reference Tariff Component  $j$  of Haulage Reference Tariff  $i$  that was sold in Calendar Year  $t-2$ .

In 2022, the rebalancing control formula allowed for individual distribution tariffs is 3.91%. This is made up of the following components.

Table 2-4: Rebalancing control for 2022

Rebalancing control formula components	Description	2022
CPI	CPI for period	3.85%
X	X factor	1.90%
PT	Pass through factor	0.00%
Y	Maximum allowable tolerance	2.00%
Rebalancing control		3.91%

To demonstrate compliance with the rebalancing control formula, refer to Attachment A which accompanies this annual tariff proposal submission.

### 2.3 Stand alone and avoidable costs

Clause 3.5 (a) of Part B of the Access Arrangement sets out that the distribution tariffs prices must be set between the stand alone cost to bypass the network and the avoidable costs of supply.

The average revenue for Tariff V has been derived from the 2020 actual volumes has been impacted by the events relating to Covid-19. To allow for a like for like comparison between the average revenue, stand alone and avoidable costs, the stand alone and avoidable cost have been updated by applying 2020 actual volumes. For Tariff M and Tariff D, the stand alone and avoidable cost were not updated with 2020 actual volumes. Due to the small number of customers on these tariffs, a pre-defined average MHQ has been used to calculate the stand alone and avoidable costs, and average revenue.

Table 2-5 demonstrates how the 2022 distribution tariff prices complies with this clause.

Table 2-5: Stand alone and avoidable costs

Tariff	Stand alone cost	Avoidable cost	2022 average revenue
Tariff V – Central – Domestic	\$1,848	\$632	\$871*
Tariff V – West – Domestic	\$1,969	\$516	\$718*
Tariff V – Adjoining Central – Domestic	\$1,648	\$869	\$1,150*
Tariff V – Adjoining West – Domestic	\$2,186	\$944	\$1,235*
Tariff V – Central – Non-domestic	\$12,739	\$1,049	\$1,304*
Tariff V – West – Non-domestic	\$7,936	\$592	\$836*
Adjoining Central – Non-domestic	\$6,425	\$2,169	\$2,541*
Adjoining West – Non-domestic	\$10,256	\$3,170	\$3,731*
Tariff M – 0m from transmission assuming usage equivalent to citygate capacity of 387 GJ/hr	\$484 per MHQ	\$241 per MHQ	\$255 per MHQ
Tariff M – 825m from transmission assuming average usage equivalent to citygate capacity of 387 GJ/hr	\$498 per MHQ	\$241 per MHQ	\$255 per MHQ
Tariff M – 0m from transmission assuming largest Tariff M customers of 105 MHQ and citygate of 387 GJ/hr	\$1,786 per MHQ	\$241 per MHQ	\$255 per MHQ
Tariff D – 0m from transmission with MHQ of 387 GJ/hr	\$484 per MHQ	\$241 per MHQ	\$249 per MHQ
Tariff D – Customers above MHQ of 387 GJ/r	\$1,098 - \$361 per MHQ	\$193 - \$83 per MHQ	\$249 per MHQ

\* As stand alone cost is calculated using the cost per gigajoule of utilising ‘bottled gas’, average revenue for tariff V has been adjusted to compare to retail bill.

## 2.4 Adjustments to ancillary reference tariffs

Ancillary reference tariffs are adjusted yearly in accordance with Clause 2.2 of Part B of the 2018–22 the current Access Arrangement. The ancillary reference tariff control formula applicable is:

Table 2-6: Ancillary reference tariff control formula

Ancillary reference tariff control formula
$ART_t = ART_{t-1} * (1 + \Delta CPI_t)$

where:

$ART_t$  is the Ancillary Reference Tariff that applies in Calendar Year  $t$ ,

$ART_{t-1}$  is the Ancillary Reference Tariff that applies in Calendar Year  $t-1$ ;

$\Delta CPI$  is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t+2$  to the June quarter in Calendar Year  $t+1$ , calculated using the following method:

The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t-1$  divided by the ABS CPI All Groups, Weighted Average of Eight Capital Cities for the June quarter in Calendar Year  $t-2$  minus 1.

If the ABS does not, or ceases to, publish the index, then CPI will mean an index which the Regulator considers is the best available alternative index;

In 2022, ancillary reference tariffs will be adjusted by 3.85%. To demonstrate compliance with the ancillary reference tariff control formula, refer to Attachment A which accompanies this annual tariff proposal submission.

### 2.5 Tariff principles

Distribution tariffs should be set such that they accurately reflect the costs associated with the AusNet's distribution network as a whole. Distribution tariffs should also reflect the allocation of these costs between customer groups.

In developing and adjusting distribution tariffs, AusNet has regard to a number of broad principles including:

- **Economic efficiency** – requires that prices give correct signals for the use, operation and expansion of the distribution network.
- **Cost reflectivity** – requires that distribution tariffs accurately reflect the cost of supplying gas to customers via the distribution system.
- **Customer equity** – requires that distribution tariffs are fair and provide non-discriminatory access to the network.
- **Regulatory compliance** – decisions about AusNet's distribution tariffs need to be made within the context of various regulatory/legislative instruments as well as other relevant documents.
- **Simplicity and stability** – simplicity requires that distribution tariffs should be straightforward in application and readily understood by network users. For distribution tariffs to meet the stability criteria, they should remain stable and relatively predictable over time to permit customers to make informed investment decisions.
- **Commercial viability** – commercial viability, or financial sufficiency, requires distribution tariffs to raise adequate revenue to sustain the distribution business in the performance of its operations and obligations.

It is important to recognise that in developing and adjusting distribution tariffs, trade-offs may occur between principles where they conflict.

### 2.6 Derivation of distribution tariffs

The allocation of asset value between AusNet Central and AusNet West reflects public policy objectives to avoid regional or zonal specific rate shocks. This resulted in a Tariff V structure that included a lower average tariff for the AusNet West pricing zone.

With the delivery of gas to regional areas, two additional pricing zones were established as adjoining zones to the Central and West regions. Higher usage rates exist for regional towns where gas reticulation has been introduced to reflect the higher capital costs of the infrastructure installed and the higher costs associated with servicing these areas. The requirement to recover these higher capital and operating and maintenance costs underpins the higher rates in each of these areas.

### 2.7 Pricing zones

For Tariff V, AusNet's gas distribution tariffs are split between four pricing zones. The four pricing zones are Central, West, Adjoining Central and Adjoining West. Below outlines the postcodes that sits within each pricing zone. Through our annual review of our postcode boundaries, we have identified that postcode 3462 has no customers and have subsequently withdrawn the postcode from the West pricing zone.

#### Central

3003, 3008<sup>2</sup>, 3011, 3012, 3013, 3015, 3016, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3055<sup>3</sup>, 3058, 3059, 3060, 3061, 3062, 3063, 3064<sup>4</sup>, 3073<sup>5</sup>, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3220, 3221, 3222, 3223, 3224, 3225, 3226, 3228, 3335, 3336, 3337, 3338, 3427, 3428, 3429

#### West

3249, 3250, 3266, 3277, 3280, 3282, 3300, 3305, 3340, 3342, 3350, 3351, 3352<sup>6</sup>, 3355, 3356, 3357, 3358, 3377, 3380, 3400, 3401, 3430, 3444, 3450, 3451, 3460, 3461, 3464, 3465, 3550, 3551<sup>6</sup>, 3555, 3556

#### Adjoining Central

3227, 3331

#### Adjoining West

3241, 3260, 3284, 3352<sup>7</sup>, 3363, 3364, 3431, 3434, 3435, 3437, 3438, 3440, 3441, 3442, 3467, 3551<sup>5</sup>

<sup>2</sup> Postcode 3008 is shared between the Australian Gas Networks (Vic) Pty Ltd ACN 085 899 001, Multinet Partnership ABN 53 634 214 009 and AusNet Gas Services Pty Ltd ACN 086 015 036. As at the date of this License the distribution points supply points of AusNet Gas Services Pty Ltd ACN 086 015 036 are connected in the north side of Footscray Road, the east side of Harbour Esplanade, Docklands Drive from Footscray Road to Waterfront Way, Waterfront Way south of Docklands Drive, Doepel Way, Caravel Lane, Aquatania Way, St Mangos Lane, Rakaia Way, New Quay Promenade, Waterview Walk from Bourke Street to Collins Street, Palmyra Way, Etihad Stadium and Batmans Hill Drive.

<sup>3</sup> Postcode 3055 is shared between the Licensee and Vic Gas Distribution Pty Ltd ACN 085 899 001. The Licensee's distribution supply points are connected in Galtes Crescent, Southam Street, Morrow Street, Hopetoun Avenue, Moreland Road, Hodgins Court and Flannery Court.

<sup>4</sup> Postcode 3064 is shared between AusNet Gas Services Pty Ltd ACN 086 015 036 and Australian Gas Networks (Vic) Pty Ltd ACN 085 899 001. AusNet Gas Services assets are in Craigieburn, Roxburgh Park and Mickleham, south of the Transmission Electricity Power Line located approximately 1.5 km south of Donnybrook Road.

<sup>5</sup> Postcode 3073 is shared between Vic Gas Distribution Central and AusNet Services Central to the extent that an AusNet Services Central distribution injection point is located at Phillip Street (no AusNet Services Central distribution supply points are connected in postcode 3073).

<sup>6</sup> Postcode 3551 – All suburbs are currently supplied under West Zone with the exclusion of Huntly and Maiden Gully. Huntly and Maiden Gully is supplied under Adjoining West Zone with the exception of:

- Supply points north west of Sparrowhawk Road but south of Maiden Gully Road and north of Calder Highway;
- Supply points south of Calder Highway and east of Olympic Parade.

<sup>7</sup> Postcode 3352 is supplied under West Zone with the exception of Mount Rowan and Sulky which are supplied under Adjoining West.

**2.8 Future network tariffs**

Network tariff revenue is the primary source of revenue from which AusNet operates, maintains and augments the network. As a regulated distribution business, AusNet is required to comply with the National Energy Law, Victorian state regulations and our current approved Access Arrangement. The 2018 – 2022 Access Arrangement provides for the annual adjustment of tariffs by way of a CPI – X formula that is applied to AusNet’s tariff basket.

Table 2-7 sets out the X factor for each year of the current Access Arrangement. X factors for the future years are revised annually for the Return on Debt update calculated for the relevant year in accordance with Clause 3.1.2 of Part B of the 2018 – 2022 Access Arrangement.

Table 2-7: 2018 to 2022 X factors

Year	2018	2019	2020	2021	2022
X factor	11.59%	0.74%	1.28%	1.66%	1.90%

There are provisions within the Access Arrangement that allow for some tariff rebalancing to occur throughout the period. This enables AusNet to make any necessary adjustments to each tariff and tariff component to maintain compliance with the requirements of the Tariff Principles outlined on page 13 of this annual tariff proposal submission. AusNet will continue to monitor the appropriate balance between peak and off-peak rates and the appropriate profile of block rates to ensure that there is equity between customers and customer groups and prices reflect the costs of network operations.

**2.8.1 New tariffs**

No new tariffs will be introduced in 2022.

**2.8.2 Withdrawal of tariffs**

No tariffs will be withdrawn in 2022.

### 3 Distribution tariffs and ancillary reference services

#### 3.1 Distribution tariffs

AusNet levies distribution tariffs on customers supplied with gas within its distribution area as outlined in Schedule 2 of its Distribution Licence. Through the application of distribution tariffs, AusNet recovers:

- The costs of operating, maintaining and augmenting the distribution network;
- A return of capital (depreciation of capital expenditure); and
- A return on capital that allows the distributor to earn a rate of return determined by the AER.

In the current Access Arrangement regulatory period, the above is recovered through the below distribution tariffs.

##### 3.1.1 Tariff V

Tariff V is a volume based tariff that is applied to the majority of customers connected to the AusNet’s network.

AusNet has a separate Tariff V for domestic customers and business customers as well as different rates for each pricing zone. AusNet has different charge rates for domestic and business customers in recognition of the different impacts each makes on the network. Business customers use more gas throughout the year whereas domestic customers use a greater quantity during the peak period. As a result, domestic customers have a greater impact on peak demand and their usage drives peak capacity requirements of the network. AusNet has addressed this in the pricing structures by setting higher rates for domestic customers across all usage blocks during the peak period.

Each Tariff V has a fixed charge component as well as peak and off-peak rates and four declining usage blocks. The peak and off-peak rates are applied at different times of the year. These are applied as follows:

Table 3-1: Tariff V component time periods

Rate	Time
Peak	1 June to 30 September
Off peak	All other times

For usage blocks, Tariff V has four blocks based on a daily consumption range. Declining unit rates (\$/GJ) apply to each block. The first block attracts the highest \$/GJ charge and the last block attracts the lowest \$/GJ rate. The declining block rate structure recognises that the marginal costs of delivery decline as volumes increase. However, when a network approaches full capacity and additional load requires a major augmentation of the network marginal costs will increase and inclining blocks may be more appropriate. The blocks are:

Table 3-2: Tariff V consumption blocks

Block	Consumption range (GJ/day)
Block 1	0 – 0.1
Block 2	> 0.1 – 0.2
Block 3	> 0.2 – 1.4
Block 4	> 1.4



The annual GJ volume limit for Tariff V is 10,000 Gigajoules (**GJ**) in any 12-month period. The Maximum Hourly Quantity (**MHQ**) demand limit is 10GJ consumption in any one hour. Where an existing Tariff V customer exceeds either the volume or demand limit, they may, under the current tariff structure, be eligible to transfer to Tariff M for a minimum of one year.

### 3.1.2 Tariff D

Tariff D is a demand based tariff and applies only to large business customers connected to the AusNet's network.

Tariff D currently applies to any new (or Greenfield) customers. It is also available to any customer who previously elected to be on Tariff D and has agreed to:

- purchase a meter (that complies with the appropriate metering standard) capable of recording their MHQ;
- pay a contribution to the capital cost of their connection; and
- take or pay for a minimum MHQ of 1.15 GJ (equivalent of any annual consumption of 10,074 GJ at 100% load factor).

Annual customer charges are determined by the MHQ of gas delivered to the customer during the calendar year. The MHQ charge recovers all capital and operation and maintenance costs associated with the common use assets in the distribution system. In addition to the tariff charges, customers on Tariff D are also required to pay an Operations and Maintenance (**O&M**) charge for any dedicated distribution assets, in particular the meter and regulator set installed at the connection point.

Tariff D customers are charged per MHQ and three blocks apply. These blocks are:

Table 3-3: Tariff D MHQ blocks

Block	MHQ (GJ/hour)
Block 1	0 – 10
Block 2	> 10 – 50
Block 3	> 50

To qualify for Tariff D, a customer should be consuming either more than 10,000 GJ in any 12-month period, or the MHQ limit of 10 GJ in any hour.

### 3.1.3 Tariff M

Tariff M is a demand based tariff and applies only to large business customers connected to the AusNet's network. Annual customer charges are determined by the MHQ of gas delivered to the customer during the calendar year.

For Tariff M, the MHQ charge recovers an average O&M charge across all Tariff M customers for the dedicated assets, and capital and operation and maintenance costs associated with the entire distribution system, rather than an individually calculated charge for each customer. As the charge relates to the entire network, it is not necessary to make a separate O&M charge. This reduces administrative costs and ensures that customers can accurately assess the cost of changing tariffs prior to reassignment occurring. The nature of the reassignment process from Tariff V to Tariff M means that customers have the opportunity to request to remain on Tariff V for a period that is monitored by AusNet Gas Services Pty Ltd to ensure that consumption requirements are not exceeded.

Tariff M customers are charged per MHQ and three blocks apply. These blocks are:

Table 3-4: Tariff M MHQ blocks

Block	MHQ (GJ/hour)
-------	---------------

Block 1	0 – 10
Block 2	> 10 – 50
Block 3	> 50

To qualify for Tariff M, an existing Tariff V customer should be using either more than the Tariff V consumption limits of 10,000 GJ of gas in any 12-month period or more than MHQ limit of 10 GJ in any hour. Where a Tariff V customer's load exceeds the 10,000 GJ/year or 10GJ/hour limits they may be transferred to Tariff M.

### 3.1.4 Assignment of distribution tariffs

Information regarding the initial assignment and reassignment of the gas distribution tariffs can be found in Part B of the Access Arrangement by AusNet for the distribution system, available on the AER website at <http://www.aer.gov.au/>.

## 3.2 Ancillary reference services

The following Ancillary Reference Services are provided in relation to Distribution Supply Points at which Gas is withdrawn by or in respect of a residential customer:

- a) Meter and Gas Installation Test – on-site testing to check the accuracy of a Meter and the soundness of a Gas Installation, in order to determine whether the Meter is accurately measuring the Quantity of Gas delivered.
- b) Disconnection Service – Disconnection by the carrying out of work being:
  - removal of the Meter at a Metering Installation, or
  - the use of locks or plugs at a Metering Installation in order to prevent the withdrawal of Gas at the Distribution Supply Point.
- c) Reconnection Service – Reconnection by turning on Supply, including the removal of locks or plugs used to isolate Supply or reinstallation of a Meter if it has been removed, performance of a safety check and the lighting of appliances where necessary
- d) Special Meter Reading Service – meter reading for a DSP in addition to the scheduled meter readings that form part of the Haulage Reference Services.

Ancillary reference services are charged to recover labour and material costs and adjusted for inflation over the regulatory period.

**Billing:** Following completion of the work charges will be made to the requesting Financially Responsible Organisation on their monthly Distribution Invoice under charge code 010107 for a Non Off-Peak Meter and charge code 010108 for an Off Peak Meter.

## 4 Allocation of charges between fixed and variable components

### 4.1 Standing charge – Fixed

Tariff V is the only gas distribution tariff with a standing charge. The standing charge is a fixed charge that recovers the network unavoidable customer costs. These costs are typically connection costs, meter reading, use of system billing, and collection and other fixed costs associated with the maintenance of systems that support Full Retail Contestability.

### 4.2 Peak and off peak energy charge – Variable

For Tariff V, the variable peak and off peak energy charges recover all other non-standing charge costs associated with use of the distribution system. Typically, these costs are associated with network operations, network maintenance, attending to network outages and faults.

### 4.3 MHQ – Variable

This is the measure of the maximum amount of gas used during any one-hour period over the calendar year. Tariff charges are applied to the MHQ recorded for the calendar year in declining blocks. Once a customer's MHQ exceeds the first block the second block rate is applied to incremental MHQ until that is exceeded and the third block rate applied to the balance. When a customer records an MHQ that is greater than that in any prior month the excess amount is retrospectively applied to all prior months for that year.

### 4.4 Operations and maintenance charge

The O&M charge applied to Tariff D customers is an excluded service charge that recovers the cost of operating and maintaining mains extensions, services, metering and all other installation-related costs. O&M charges are levied on a per-month basis and apply to all Tariff D customers while they are connected to AusNet's distribution network.

## 5 Impact of distribution tariff variations

### 5.1 Price changes in distribution tariffs

The tables below shows the distribution tariff price changes from 2021 to 2022.

Table 5-1: Tariff V – Central – Domestic

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4346	0.3858	12.65%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	5.9708	6.5400	-8.70%
Peak > 0.1 – 0.2	3.5987	3.9236	-8.28%
Peak > 0.2 – 1.4	0.6257	0.6861	-8.80%
Peak > 1.4	0.5620	0.6134	-8.38%
Off peak 0 – 0.1	2.0239	2.2311	-9.29%
Off peak > 0.1 – 0.2	1.5994	1.7844	-10.37%
Off peak > 0.2 – 1.4	0.6130	0.6828	-10.22%
Off peak > 1.4	0.2174	0.2376	-8.50%

Table 5-2: Tariff V – West – Domestic

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4346	0.3858	12.65%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	3.1560	3.7231	-15.23%
Peak > 0.1 – 0.2	2.2725	2.6687	-14.85%
Peak > 0.2 – 1.4	0.7341	0.8605	-14.69%
Peak > 1.4	0.7036	0.8241	-14.62%
Off peak 0 – 0.1	0.9758	1.1676	-16.43%
Off peak > 0.1 – 0.2	0.9145	1.0991	-16.80%
Off peak > 0.2 – 1.4	0.5214	0.6218	-16.15%
Off peak > 1.4	0.1029	0.1206	-14.68%

Table 5-3: Tariff V – Adjoining Central – Domestic

	2022 (\$/day)	2021 (\$/day)	Change (%)
--	---------------	---------------	------------

Fixed charge	0.4346	0.3858	12.65%
--------------	--------	--------	--------

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	9.7783	9.9796	-2.02%
Peak > 0.1 – 0.2	7.0469	7.1813	-1.87%
Peak > 0.2 – 1.4	2.5100	2.5835	-2.84%
Peak > 1.4	2.4068	2.4602	-2.17%
Off peak 0 – 0.1	4.3792	4.6381	-5.58%
Off peak > 0.1 – 0.2	2.5396	2.6201	-3.07%
Off peak > 0.2 – 1.4	2.2098	2.3005	-3.94%
Off peak > 1.4	2.1251	2.1902	-2.97%

**Table 5-4: Tariff V – Adjoining West – Domestic**

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4346	0.3858	12.65%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	6.8521	6.9669	-1.65%
Peak > 0.1 – 0.2	5.7530	5.8393	-1.48%
Peak > 0.2 – 1.4	2.9525	3.0125	-1.99%
Peak > 1.4	2.6482	2.6823	-1.27%
Off peak 0 – 0.1	4.0662	4.2339	-3.96%
Off peak > 0.1 – 0.2	3.0752	3.1794	-3.28%
Off peak > 0.2 – 1.4	2.2019	2.2713	-3.06%
Off peak > 1.4	2.1330	2.1632	-1.40%

**Table 5-5: Tariff V – Central – Non-domestic**

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4537	0.4028	12.64%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	1.0756	1.1125	-3.32%
Peak > 0.1 – 0.2	1.0247	1.0593	-3.27%
Peak > 0.2 – 1.4	0.9221	0.9474	-2.67%
Peak > 1.4	0.7039	0.7110	-1.00%
Off peak 0 – 0.1	1.0192	1.0560	-3.48%

Off peak > 0.1 – 0.2	0.7131	0.7386	-3.45%
Off peak > 0.2 – 1.4	0.5871	0.6104	-3.82%
Off peak > 1.4	0.5692	0.5810	-2.03%

Table 5-6: Tariff V – West – Non-domestic

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4537	0.4028	12.64%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	1.6438	1.8216	-9.76%
Peak > 0.1 – 0.2	1.3854	1.5341	-9.69%
Peak > 0.2 – 1.4	0.8559	0.9406	-9.00%
Peak > 1.4	0.3209	0.3458	-7.20%
Off peak 0 – 0.1	0.7617	0.8465	-10.02%
Off peak > 0.1 – 0.2	0.6417	0.7130	-10.00%
Off peak > 0.2 – 1.4	0.3092	0.3458	-10.58%
Off peak > 1.4	0.2300	0.2553	-9.91%

Table 5-7: Tariff V – Adjoining Central – Non-domestic

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4537	0.4028	12.64%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	4.0205	4.1747	-3.69%
Peak > 0.1 – 0.2	3.8312	3.9757	-3.63%
Peak > 0.2 – 1.4	3.6217	3.5366	2.41%
Peak > 1.4	3.4207	3.3579	1.87%
Off peak 0 – 0.1	3.7008	3.7176	-0.45%
Off peak > 0.1 – 0.2	3.5526	3.5300	0.64%
Off peak > 0.2 – 1.4	3.4425	3.3582	2.51%
Off peak > 1.4	3.3584	3.1979	5.02%

Table 5-8: Tariff V – Adjoining West – Non-domestic

	2022 (\$/day)	2021 (\$/day)	Change (%)
Fixed charge	0.4537	0.4028	12.64%

Block	2022 (\$/GJ)	2021 (\$/GJ)	Change (%)
Peak 0 – 0.1	4.9613	4.9333	0.57%
Peak > 0.1 – 0.2	4.6570	4.6259	0.67%
Peak > 0.2 – 1.4	3.9999	3.8874	2.89%
Peak > 1.4	3.5160	3.3166	6.01%
Off peak 0 – 0.1	3.8141	3.7971	0.45%
Off peak > 0.1 – 0.2	3.6290	3.6161	0.36%
Off peak > 0.2 – 1.4	3.1726	3.1371	1.13%
Off peak > 1.4	3.0212	2.9534	2.30%

Table 5-9: Tariff M

Block	2022 (\$/MHQ)	2021 (\$/MHQ)	Change (%)
0 – 10	692.8097	680.0702	1.87%
>10 – 50	659.8435	647.7102	1.87%
>50	137.7767	135.2432	1.87%

Table 5-10: Tariff D

Block	2022 (\$/MHQ)	2021 (\$/MHQ)	Change (%)
0 – 10	316.0438	310.2324	1.87%
>10 – 50	300.9966	295.4618	1.87%
>50	146.1376	143.4504	1.87%

The table below summarises the change in weighted average customer charges from 2021 to 2022.

Table 5-11: Change in weighted average customer charges

Tariff	2022 (\$/customer)	2021 (\$/customer)	Change (%)
Tariff V – Central – Domestic	\$319	\$317	0.77%
Tariff V – West – Domestic	\$251	\$250	0.43%
Tariff V – Adjoining Central – Domestic	\$442	\$433	2.09%
Tariff V – Adjoining West – Domestic	\$442	\$431	2.47%
Tariff V – Central – Non-domestic	\$462	\$453	1.91%
Tariff V – West – Non-domestic	\$333	\$332	0.25%
Tariff V – Adjoining Central – Non-domestic	\$847	\$822	3.04%
Tariff V – Adjoining West – Non-domestic	\$1,295	\$1,259	2.88%
Tariff M	\$5,860	\$5,752	1.87%
Tariff D	\$6,124	\$6,012	1.87%

## 6 Attachments

Intentionally Left Blank



## 6.1 Distribution Use of System tariffs



### Distribution Use of System Tariffs

Date of Application – 1 January 2022

Excludes GST

#### Central Zone

Postcodes: 3003, 3008<sup>1</sup>, 3011, 3012, 3013, 3015, 3016, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3055<sup>2</sup>, 3058, 3059, 3060, 3061, 3062, 3063, 3064<sup>3</sup>, 3073<sup>4</sup>, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3220, 3221, 3222, 3223, 3224, 3225, 3226, 3228, 3335, 3336, 3337, 3338, 3427, 3428, 3429

#### Tariff V

##### Domestic (TNVDC)

Distribution Fixed Tariff Component		\$0.4346/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	5.9708		2.0239
> 0.1 – 0.2	3.5887		1.5894
> 0.2 – 1.4	0.6257		0.6130
> 1.4	0.5820		0.2174

##### Non-domestic (TNVNC)

Distribution Fixed Tariff Component		\$0.4537/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	1.0756		1.0192
> 0.1 – 0.2	1.0247		0.7131
> 0.2 – 1.4	0.9221		0.5871
> 1.4	0.7039		0.5682

##### Tariff M (TNMNC)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	692.8097
> 10 – 50	659.8435
> 50	137.7767

##### Tariff D (TND)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	316.0438
> 10 – 50	300.9966
> 50	146.1376

#### West Zone

Postcodes: 3249, 3250, 3266, 3277, 3280, 3282, 3300, 3305, 3340, 3342, 3350, 3351, 3352<sup>6</sup>, 3355, 3356, 3357, 3358, 3377, 3380, 3400, 3401, 3430, 3444, 3450, 3451, 3460, 3461, 3464, 3465, 3550, 3551<sup>5</sup>, 3555, 3556

#### Tariff V

##### Domestic (TNVDW)

Distribution Fixed Tariff Component		\$0.4346/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	3.1560		0.9758
> 0.1 – 0.2	2.2725		0.9145
> 0.2 – 1.4	0.7341		0.5214
> 1.4	0.7036		0.1029

##### Non-domestic (TNVNW)

Distribution Fixed Tariff Component		\$0.4537/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	1.6438		0.7617
> 0.1 – 0.2	1.3854		0.6417
> 0.2 – 1.4	0.8569		0.3092
> 1.4	0.3209		0.2300

##### Tariff M (TNMNW)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	692.8097
> 10 – 50	659.8435
> 50	137.7767

##### Tariff D (TND)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	316.0438
> 10 – 50	300.9966
> 50	146.1376



## Distribution Use of System Tariffs

Date of Application – 1 January 2022

Excludes GST

### Adjoining Central Zone

Postcodes: 3227, 3331

#### Tariff V

##### Domestic (TNVDAC)

Distribution Fixed Tariff Component		\$0.4346/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	9.7783		4.3792
> 0.1 – 0.2	7.0469		2.5396
> 0.2 – 1.4	2.5100		2.2098
> 1.4	2.4068		2.1251

##### Non-domestic (TNVNAC)

Distribution Fixed Tariff Component		\$0.4537/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	4.0205		3.7008
> 0.1 – 0.2	3.8312		3.5526
> 0.2 – 1.4	3.6217		3.4425
> 1.4	3.4207		3.3584

##### Tariff M (TNMNAC)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	692.8097
> 10 – 50	659.8435
> 50	137.7767

##### Tariff D (TND)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	316.0438
> 10 – 50	300.9966
> 50	148.1376

### Adjoining West Zone

Postcodes: 3241, 3260, 3284, 3352<sup>6</sup>, 3363, 3364, 3431, 3434, 3435, 3437, 3438, 3440, 3441, 3442, 3467, 3551<sup>5</sup>

#### Tariff V

##### Domestic (TNVDAW)

Distribution Fixed Tariff Component		\$0.4346/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	6.8521		4.0662
> 0.1 – 0.2	5.7530		3.0752
> 0.2 – 1.4	2.9525		2.2019
> 1.4	2.6482		2.1330

##### Non-domestic (TNVNAW)

Distribution Fixed Tariff Component		\$0.4537/day	
Consumption Range (GJ/day)	Distribution Volume Tariff Component		Off-peak Period (\$/GJ)
	Peak Period (\$/GJ)		
0 – 0.1	4.9613		3.8141
> 0.1 – 0.2	4.6570		3.6290
> 0.2 – 1.4	3.9999		3.1728
> 1.4	3.5160		3.0212

##### Tariff M (TNMNAW)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	692.8097
> 10 – 50	659.8435
> 50	137.7767

##### Tariff D (TND)

Annual MHQ (GJ/hr)	Distribution Demand Tariff Component (\$/MHQ)
0 – 10	316.0438
> 10 – 50	300.9966
> 50	148.1376



### Distribution Use of System Tariffs



Date of Application – 1 January 2022

Excludes GST

#### Notes

- 1 Postcode 3008 is shared between the Australian Gas Networks (Vic) Pty Ltd ACN 085 899 001, Multinet Partnership ABN 53 634 214 009, and AusNet Gas Services Pty Ltd ACN 086 015 036. As at the date of this Licence the distribution supply points of AusNet Gas Services Pty Ltd ACN 086 015 036 are connected in the north side of Footscray Road, the east side of Harbour Esplanade, Docklands Drive from Footscray Road to Waterfront Way, Waterfront Way south of Docklands Drive, Doepel Way, Caravel Lane, Aquatania Way, St Mangos Lane, Rakaia Way, New Quay Promenade, Waterview Walk from Bourke Street to Collins Street, Palmyra Way, Etihad Stadium and Batmans Hill Drive.
- 2 Postcode 3055 is shared between the Licensee and Vic Gas Distribution Pty Ltd ACN 085 899 001. The Licensee's distribution supply points are connected in Galtes Crescent, Southam Street, Morrow Street, Hopetoun Avenue, Moreland Road, Hodgins Court and Flannery Court.
- 3 Postcode 3064 is shared between AusNet Gas Services Pty Ltd ACN 086 015 036 and Australian Gas Networks (Vic) Pty Ltd ACN 085 899 001. AusNet Gas Services assets are in Craigieburn, Roxburgh Park and Mickleham, south of the Transmission Electricity Power Line located approximately 1.5 km south of Donnybrook Road.
- 4 Postcode 3073 is shared between Vic Gas Distribution Central and AusNet Services Central to the extent that an AusNet Services Central distribution injection point is located at Phillip Street (no AusNet Services Central distribution supply points are connected in postcode 3073).
- 5 Postcode 3551 - All suburbs are currently supplied under West Zone with the exclusion of Huntly and Maiden Gully. Huntly and Maiden Gully is supplied under Adjoining West Zone with the exception of:
  - Supply points north west of Sparrowhawk Road but south of Maiden Gully Road and north of Calder Highway;
  - Supply points south of Calder Highway and east of Olympic Parade.
- 6 Postcode 3352 is supplied under West Zone with the exception of Mount Rowan and Sulky which are supplied under Adjoining West.

#### Billing Parameters

Distribution tariffs are charged in accordance with the billing parameters outlined in Part A of the *Access Arrangement* by SPI Networks (Gas) Pty Ltd.

**DOMESTIC** – Domestic tariffs will be applied to premises where the predominant consumption of gas is for non-commercial or non industrial residential purposes.

**NON DOMESTIC** – Non Domestic tariffs will be applied to all premises where the predominant consumption of gas is for commercial or industrial purposes.

**TARIFF M** – A separate Operations & Maintenance (O&M) charge is not applicable to Tariff M customers.

**PEAK PERIOD** – 1 June to 30 September.

**OFF PEAK PERIOD** – All Other Times.

### 6.2 Ancillary reference tariffs



## Ancillary Reference Tariffs & Other Charges

Date of Application – 1 January 2022      Excludes GST



#### 1. AusNet Gas Services Access Arrangement, Part B, Schedule 2

Reference	Service Description	GST Exc \$	GST Inc \$
810106NH	Meter & Gas Installation Test, accuracy within Code	188.06	206.87
810101NH	Disconnection – locks & plugs at the meter installation.	62.68	68.95
810103NH	Reconnection – following insertion of locks & plugs at the meter installation.	62.68	68.95
830101NH	Special Read – final read	9.72	10.69
830102NH	Special Read – reference read	9.72	10.69
830103NH	Special Read – account investigation	9.72	10.69
830104NH	Special Read – customer transfer	9.72	10.69
830105NH	Special Read – disconnection	9.72	10.69

#### 2. AusNet Gas Services Non Reference Services charged at Recoverable Rates

Reference	Service Description	GST Exc \$	GST Inc \$
810107NH	Provision of Service Pipe (\$/m)	47.72	52.49
	Standard Hourly Labour Rate (\$/hr)	138.09	151.90
810102NH	Disconnection – meter removal		
810114NH	Disconnection – excavate & shut service tee		
810115NH	Disconnection – illegal use, excavate & shut service tee		
810103NH	Reconnection – following meter removal		
810118NH	Reconnection – following excavation & shut service tee		
820101NH	Excess Service Charge - Customer Contribution		
820112NH	Alter Meter Position (Meter Removal plus Reconnection, Single Visit)		
820103NH	Mains Extension		
820104NH	Meter Security and Protection		
820105NH	Tracing Of Fitting Lines		
820106NH	Detailed retake and test downstream of meter		
820109NH	Upgrade Service Size		
820110NH	Upgrade Meter Size		
820111NH	Remove and Consolidate Fittings		

**6.3 AusNet Gas Services Distribution Area**

