

November 2020

## Statement of reasons: AusNet Services Gas Distribution Annual Tariff Variation

On 16 October 2020, AusNet Services applied to the AER for variation of its reference tariffs for the period 1 January 2021 to 31 December 2021.

The AER has reviewed AusNet Services' 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 3 and 4 of Part B – Reference Tariffs and Reference Policy of this access arrangement.

At an aggregate level, the weighted average price movement primarily reflects the price path set by the 2018–22 access arrangement (a decrease of 1.66%), 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 AusNet Services' 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 AusNet Services' customers on central zone volume tariffs to be \$10.19 lower for households and \$30.06 lower for businesses for 2021. <sup>1</sup>

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<sup>1</sup> Average consumption profiles are used for these estimated cost movements, using actual volumes provided by AusNet Services in its tariff variation proposal. The average consumption profiles used are 45 GJ/year and 2 855 GJ/year.