

November 2021

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

On 19 October 2021, Australian Gas Networks (AGN) applied to the AER for variation of its gas reference tariffs for the period 1 January 2022 to 31 December 2022.

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 sections 3 and 4 of Part B – Reference Tariffs and Reference Tariff Policy 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 0.56%), and the 3.85% increase in the CPI in the year to June 2021.

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 tariff variation proposal and finding it compliant, the AER approves these tariffs for commencement from 1 January 2022.

As a result of our decision, we expect the network component of the typical bill for AGN customers on central zone volume tariffs to be \$19.67 higher for households and \$17.36 higher for businesses for 2022.