

May 2022

Statement of reasons: Australian Gas Networks (SA)

Annual Gas Tariff Variation

On 20 April 2022, Australian Gas Networks (SA) (**AGN**) applied to the AER for variation of its gas reference tariffs for the period 1 July 2022 to 30 June 2023. A revised submission with minor editorial correction labels was provided on 26 April 2022.

The AER has reviewed AGN's application in line with its 2021–26 access arrangement and is satisfied the tariff variation proposal complies with the access arrangement.

The distribution network tariff increases are driven by the updated price path (X factor) from the 2021–26 access arrangement to account for the return on debt update (an increase of 1.10%), and the 3.50% increase in the CPI in the year to December 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 July 2022.

As a result of our decision, we expect the distribution network component of the typical bill for AGN's customers to be \$22.96 higher for households in 2022–23.