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Media Release

AER issues Draft Decision on Australian Gas Networks' Victorian and Albury Access Arrangement

The Australian Energy Regulator (AER) has today issued its Draft Decision on Australian Gas Networks' (AGN) Victorian and Albury Access Arrangement for its natural gas customers for the five year period commencing on 1 January 2018.

The Draft Decision is in response to AGN's Final Plan, which was submitted to the AER on 23 December 2016. In particular, the AER:

- recommends an average price cut of 6% to the distribution component of a customer's bill to apply from 1 January 2018. This will translate to an average saving of \$13 per annum for residential customers and \$35 per annum for commercial customers. Actual savings will depend on how much natural gas a consumer uses.
- recognises the significant work AGN has done with its stakeholders in developing its plans for the five year period commencing on 1 January 2018.
- allows for the completion of AGN's low pressure mains replacement program by 2022, including in the CBD.

AGN Chief Operating Officer, Mr Andrew Staniford said: "The AER's Draft Decision supports gas as a low cost, low carbon energy source for our customers in Victoria and Albury.

"We look forward to working with the AER in the lead up to its Final Decision in order to promote the long term interests of gas customers and the general public," he said.

"The six per cent price reduction from 1 January next year will increase the savings available to customers using natural gas over electricity for everyday household appliances such as hot water systems and cooking.

"Not only does natural gas continue to be an efficient and economical way for families to run their major household appliances, it has also proven to significantly help reduce their household bills when compared to electricity.

"Never has the argument been more compelling for families to switch to - or increase their use of - natural gas, as the more gas appliances you have in your home, the cheaper your gas charges (per unit of energy consumed) become.

"That means the savings a household can achieve by using natural gas for its hot water, cooking and heating instead of electricity can be even greater."

AGN and other interest groups/stakeholders have until 14 August to provide its response to the AER, with the AER's Final Decision expected in November.

The Draft Decision has been published on the AER's website, www.aer.com.au.

About Australian Gas Networks (AGN)

AGN is Australia's largest distribution company serving over 1.2 million consumers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

It owns approximately 23,500 kilometres of natural gas distribution networks and 1100 kilometres of transmission pipelines.

AGN operates natural gas networks in South Australia (mostly Adelaide), Victoria (mostly Melbourne) and Queensland (mostly Brisbane), as well as in smaller centres in New South Wales (Albury & Wagga Wagga) and the Northern Territory (Alice Springs).

Each year, it invests around \$250 million in its networks to reach new areas, improve supply and replace old gas mains.

The Access Arrangement set out the terms, conditions and tariffs for the provision of access to AGN's Victorian and Albury gas distribution networks from 1 January 2018 to 31 December 2022.

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