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Media Release

Australian Gas Networks set to reduce natural gas network charges by 11%, lowering household gas bills

Approximately 650,000 households and small businesses connected to Australian Gas Networks' (AGN) natural gas network in Victoria and Albury will receive significant reductions in their bills from 1 January 2018 due to a proposed 11% cut in network charges.

The future gas price benefits for Victoria and Albury were outlined today when AGN released its Draft Plan setting out its pricing proposal for its natural gas distribution networks for the five year period from 2018 onwards.

AGN Chief Operating Officer, Mr Andrew Staniford said: "AGN is required to submit its pricing proposal to the Australian Energy Regulator (AER) on 1 January 2017, for its review and ultimate approval.

Releasing the Draft Plan is a new initiative for AGN, and a first for a gas distributor in Australia.

"We consider it an important part of our stakeholder engagement program to ensure that anyone connected to our natural gas network has an opportunity to contribute to our business plan," Mr Staniford said.

"We are seeking submissions and feedback from interested parties by Tuesday 16 August 2016. These comments will be taken into account as we finalise our plan to submit to the AER at the end of the year."

Mr Staniford said "AGN's Draft Plan provides for an 11% cut to gas distribution charges in real terms from 1 January 2018.

"Natural gas is already relatively cheap in Victoria and Albury relative to other fuels. However, AGN is conscious that the cost of living, including utility bills, is a major concern for many people," he said.

"We have a role to play in addressing the affordability challenge.

"With network charges making up about one third of the average residential bill of customers in Victoria and Albury, the reduction in our network charges will take the pressure off household and small business gas bills."

Mr Staniford said the price drop would improve the affordability of natural gas, with lower network prices providing a real incentive for households to choose gas for cooking, hot water and heating.

"Further, natural gas can also be used for outdoor kitchens, barbeques and patio heating. You can even install a natural gas powered air conditioner," he said."

"Gas charges per unit of energy consumed become cheaper as you install more gas appliances in your home."

"One smart and cost-effective strategy to make your household budget go further is to choose gas."

Mr Staniford said households and small businesses switching to gas was also good for the environment.

He said by burning gas directly in a home, carbon emissions can be reduced by up to 85% compared to using electricity generated from coal.

"The improved affordability of gas combined with its environmental advantages make natural gas a compelling proposition for every resident of Victoria and Albury where gas is available," Mr Staniford said.

AGN's Draft Plan can be viewed online at <http://stakeholders.agnl.com.au/have-your-say/>.

Submissions in relation to AGN's Draft Plan close Tuesday 16 August and you can provide your feedback on AGN's Draft Plan through the following options:

- *Online* – visit <http://stakeholders.agnl.com.au/have-your-say/> to lodge your feedback online;
- *Email* – send your feedback to haveyoursay@agnl.com.au;
- *Post* – send your submission to:

Craig de Laine (General Manager Regulation)
Australian Gas Networks
Level 6, 400 King William St
ADELAIDE SA 5000
- *In Person* – feel free to contact us at haveyoursay@agnl.com.au to arrange a time to discuss your feedback in person.

Background

Australian Gas Networks owns natural gas distribution networks in Victoria, Albury, South Australia, Queensland, New South Wales and the Northern Territory which deliver this environmentally friendly fuel to more than 1.2 million Australian customers.

For further information contact

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