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Gas Access Arrangement Review AER Draft Decision

The Australian Energy Regulator (AER) published the Draft Decision on AusNet Services' 2018-22 Gas Access Arrangement Review Proposal earlier today. The following table summarises the AER's Draft Decision relative to AusNet Services' initial Proposal.

	AusNet Services Proposal (\$M)	AER Draft Decision (\$M)	% Difference
Total Revenue	1,145	1,045	-8.7
Total Capital Expenditure	521	502	-3.6
Total Operating Expenditure	320	289	-9.7

The reduction in revenue from AusNet Services' proposal predominantly results from the AER adopting its preferred value of imputation credits (known as gamma) and its approach to setting expected inflation. The AER has rejected AusNet Services' proposed gas marketing program which accounts for the majority of the reduction in operating expenditure.

AusNet Services is reviewing the Draft Decision thoroughly to determine its full impact.

A Final Decision is expected by 29 November 2017.

For a full copy of the Draft Decision please refer to the AER's website, <u>www.aer.gov.au</u>.

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