

ASX Announcement



30 September 2020

Electricity Distribution Price Review 2021-26 Draft Decision

Enclosed is an announcement made by AusNet Services which is provided for the information of AusNet Services Holdings Pty Ltd noteholders.

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The Australian Energy Regulator (**AER**) published the Draft Decision on AusNet Services' 2021-26 Electricity Distribution Price Review Proposal earlier today. The following table summarises the AER's Draft Decision by the two main services, distribution and metering, relative to AusNet Services' Proposal.

	Proposal (\$M)	Draft Decision (\$M)	% Difference
Distribution Services			
Total Revenue	3,431	3,259	-5%
Total Capital Expenditure (real 2021\$)	1,432 ¹	1,369 ²	-4%
Total Operating Expenditure (real 2021\$)	1,233	1,187 ²	-4%
Metering Services			
Total Revenue	293	297 ²	+1%

¹ As amended during the AER review process.

² Note some capital and operating costs have been reallocated by the AER from distribution to metering.

Developed by the AER, Energy Networks Australia and Energy Consumers Australia, AusNet Services is the first energy network to trial the 'New Reg' consumer engagement process. The goal of the New Reg process is to ensure consumers' preferences drive regulatory proposals and outcomes. Under the New Reg process, an independent Customer Forum was engaged to negotiate aspects of AusNet Services' regulatory proposal.

The end result of this Australian first trial was a Proposal that delivered price relief for our customer base, balanced with expenditure to improve customer experience, maintain the safety and reliability of the network and support the customer led investment in distributed generation and storage.

The AER's Draft Decision is a broad endorsement of the agreements reached with the Customer Forum and ensures price cuts and service improvements for our customers.

AusNet Services will formally respond with a Revised Proposal in early December. A Final Decision is expected by 30 April 2021.

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

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This announcement was authorised for release by the Disclosure Committee of AusNet Services Ltd.

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