

ASX Announcement

28 January 2022

Transmission Revenue Reset 2022-27 AER Final Decision

The Australian Energy Regulator (AER) published the Final Decision on AusNet’s 2022-27 Transmission Revenue Proposal today. The following table summarises the AER’s Final Decision relative to the Draft Decision made in June 2021.

	Draft Decision (\$M)	Final Decision (\$M)	% Increase
Total Revenue	2,838	2,877	1%
Total Capital Expenditure (real \$2022)	752	817	9%
Total Operating Expenditure (real \$2022)	1,319	1,387	5%

AusNet welcomes the Final Decision, which provides certainty both to investors through predictable, inflation-adjusted cash flows out to March 2027, and to Victorian transmission customers through stable prices.

Importantly, the AER has approved AusNet’s capital and operating expenditure forecasts in full, which are 9% and 5% higher, respectively, than the Draft Decision. The Final Decision funds several key replacement and refurbishment projects at major terminal stations, which are necessary to maintain the safety, performance and reliability of the Victorian transmission network and support the renewable energy transition. The increase in capital expenditure in the Final Decision accounts for several significant announcements that occurred after lodgement of AusNet’s Initial Proposal in October 2020, such as the Victorian Government’s Renewable Energy Zone Development Plan. These developments were the focus of extensive customer and stakeholder engagement by AusNet as part of preparing its Revised Proposal submitted in September 2021.

The increase in operating expenditure in the Final Decision reflects the approval of several significant, externally driven step changes, including an uplift in AusNet's cyber security capabilities and increases in council rates.

For a full copy of the Final 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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