

20 June 2024

Arek Gulbenkogl
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia
T: 1300 360 795
www.ausnetservices.com.au

Dear Arek

On 13 February 2024, Victoria experienced extreme weather that caused widespread damage to many households, businesses and infrastructure (**February storm**). This was the most impactful weather event in AusNet's history, causing damage to transmission towers and impacting around 25% of the distribution network. At the peak of the February storm, AusNet had 255,000 people off at the same time, around 30% of our total customer base.

This application is in respect of a nominated pass through event under clause 6.6.1(a1)(5) of the National Electricity Rules (**NER**). The February storm classifies as a natural disaster event as defined in our the 2021–26 final determination.

AusNet has incurred a material increase in costs in response to the February storm which are higher than the cost pass through threshold and therefore are subject to the cost pass through provisions of the NER. Accordingly, we submit this pass through application in respect of the increase for determination by the Australian Energy Regulator (**AER**). The material drivers of incremental costs from the February storm are include an increase in labour required for our emergency response (internal and contracted) and Guaranteed Service Level (**GSL**) payments. We have netted off expected vegetation management and asset replacement expenditure savings.

We are seeking pass through revenue of \$26.5 million (\$2021, smoothed). We have conducted network bill impact analysis to analyse options for the recovery profile of the storm pass through, assuming the VEBM pass through is recovered in full in 2025-26. We are proposing a recovery profile that keep revenue per customer in 2025-26 flat in real terms compared to 2024-25. We propose to recover the remaining revenue in the 2026-31 regulatory period.

If the AER requires any additional information on this cost pass through application, we would be happy to provide it.

Please contact me if the AER would like to discuss any aspect of this cost pass through application.

Sincerely,



Charlotte Eddy
General Manager, Regulation and Policy (Distribution)
AusNet