

23 December 2024

Arek Gulbenkogl  
Australian Energy Regulator (AER)  
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

In the late evening on the 1st September and continuing until the 2<sup>nd</sup> September, Victoria experienced an extreme storm that caused widespread damage to many households, businesses and infrastructure (**September storm**). The extreme weather resulted in severe damage to our network, including fallen and damaged powerlines, power poles and transformers as a result of fallen trees and branches. This, in turn, caused widespread power outages throughout our network.

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 September storm classifies as a natural disaster event as defined in our 2021–26 final determination.

AusNet has incurred a material increase in costs in response to the September 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 September 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 \$11.4 million (\$2021, smoothed). We have considered the total impact of all our recently approved pass through amounts on customers' bills and we propose to smooth the recovery over the remaining one year of this regulatory period and the first year of the next regulatory period. In the final regulatory year from 1 July 2025 to 30 June 2026, we propose to recover approximately \$5.7 million (\$2021), representing half of the proposed pass through amount. We are therefore seeking a decision from the AER by 18 March to feed in to our 2025-26 annual pricing process.

AusNet continues to learn from and improve our operational response to extreme weather events. Our 2026-31 revenue proposal, which will be submitted to the AER by 31 January 2025, includes investment in network resilience targeted to mitigate the impact of future extreme weather events on our network and our customers

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  
GM Strategy & Regulation (Distribution)  
**AusNet Services**