

April 2023

## Statement of reasons: Evoenergy Annual Gas Distribution Tariff Variation

On 15 March 2023, Evoenergy applied to the AER for variation of its gas reference tariffs for the period 1 July 2023 to 30 June 2024.

The AER has reviewed Evoenergy's application in line with its 2021–26 access arrangement and is satisfied that the tariff variation proposal complies with the principles and formulae set out in section 8 of the access arrangement.

The distribution tariff increases are driven by the updated price path (X factor) from 2021–26 access arrangement to account for the return on debt update (an increase of 2.4%), and the 7.83% increase in the CPI in the year to December 2022.

While the pricing movements vary for different tariff categories, the AER finds that such changes are compliant with the mechanisms set in the access arrangement.

Having considered Evoenergy's tariff variation proposal and finding it compliant, the AER approves these tariffs for commencement from 1 July 2023.

As a result of our decision, we expect the distribution component of the typical bill for Evoenergy's customers on volume tariffs to be \$51.23 higher for households and small businesses from 1 July 2023.