

ATCO RELEASES 2025-29 GAS PLAN

27 SEPTEMBER 2023

ATCO has submitted its proposed 2025-29 Revised Access Arrangement to the Economic Regulation Authority, following a period of consultation with customers and stakeholders.

ATCO Country Chair John Ivulich said Western Australians were entitled to continue to have a safe, reliable and affordable gas network and the company's plans for the 2025 – 2029 period would support the ongoing important role of gas in Western Australia's energy mix.

"This access arrangement is like no access arrangement before for Western Australia's gas network," Mr Ivulich said.

"While previous access arrangements focused on the three core elements of safety, reliability and affordability, this access arrangement has a focus on a fourth element of sustainability and supporting Western Australia's energy transition.

"Natural gas has been used as a fuel in Australia for nearly 60 years, and it features strongly in Western Australia's current energy profile. We are confident it will be an essential energy source for years to come, as well as in our energy transition.

"We believe that enhancing and repurposing the existing infrastructure in the state can support the wider energy transition that Western Australia needs to undertake."

Mr Ivulich said customers had already been part of the significant investment in ATCO's 14,500km of pipeline supplying Perth and the regions and they expected ATCO to drive the decarbonisation of the gas network in Western Australia.

"However, this access arrangement seeks to enable the introduction of renewable gases into the mix, with the goal of supporting the decarbonisation of the network," Mr Ivulich said.

"Through our access arrangement, we're confident our proposals will drive demand for renewable gases in WA and demonstrate how our infrastructure can contribute to a lower carbon future.

"Moreover, the energy storage capacity of gas, including renewable gases, can also support the whole of energy system to meet demand when renewables are not available."

ATCO's Executive General Manager Gas Operations Russell Godsall said for the 2025-29 period, ATCO is proposing to:

- Connect a further 68,000 customers to the gas distribution network.
- Replace 290km of end-of-life pipeline – so we can continue delivering a safe and reliable network.
- Replace more than 110,000 domestic and commercial meters.

Mr Godsall said ATCO had proposed a program of \$456 million in operational expenditure and \$466 million in capital expenditure over the five-year course of the Access Arrangement.

"While Western Australians may be concerned about the cost of achieving our goals, ATCO is, and has always been, committed to keeping prices as low as possible for our customers.

“We have one of the lowest operating costs per customer connection for gas network operators in Australia, which helps keep downward pressure on prices in our energy transition.”

Mr Godsall said the forecast increase in ATCO’s annual distribution charges for the average residential customer at the start of the next Access Arrangement in 2025 will be around \$78 – or \$1.50 per week.

“We are mindful of the impact that our pricing may have on consumers, but like all Western Australian businesses, we’re also impacted by cost increases, and the effects of inflation and the regulatory rate of return represent around 63% of the proposed increase,” Mr Godsall said.

“If retailers fully pass on this increase, it represents an increase of 12% on an annual retail gas bill at the gazetted retail price.

“In Western Australia there are protections in place for small use customers through the State Government’s Household Gas Pricing policy, which sets the maximum retail price.

“ATCO will continue to work with social services, financial counsellors and retailers to better understand how we can soften the burden of the increase for customers facing financial hardship.”

ENDS

Note: In order to provide certainty for ATCO, gas retailers and customers, ATCO engages with the independent Economic Regulation Authority in a review and approval process to produce a formal document, known as an Access Arrangement, which outlines the terms and conditions that govern how access to the pipeline will be made available to third parties, including gas retailers, as part of the National Gas Access (WA) (Part 3) Regulations 2009.

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