

May 2024

Statement of reasons: Jemena Gas Networks' Annual Tariff Variation

On 15 April 2024, Jemena Gas Networks applied to the AER for variation of its gas reference tariffs for the period 1 July 2024 to 30 June 2025.

The AER has reviewed Jemena Gas Networks' application in line with its 2020–25 access arrangement, in particular the principles and formulae set out in section 3 and Schedule 3 of the access arrangement.

The distribution tariff increases are driven by inflation (4.05%), the annual update to the regulated rate of return (6.15%), and adjustments for accounted for gas (13.41%). This is partially offset by Jemena Gas Networks' one-off return of overcharged revenue caused by a modelling error in the 2023–24 period (-8.16%).

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

Having considered Jemena Gas Networks' tariff variation proposal, the AER approves these tariffs for commencement from 1 July 2024.

As a result of our decision, we expect the distribution component of the typical bill for Jemena Gas Networks' customers to be on average \$60.45 to \$87.82 higher for households and small businesses from 1 July 2024.