



# **Jemena Gas Networks (NSW) Ltd**

## **2025-30 Access Arrangement Proposal**

Attachment 7.10

Averaging Period Proposal



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## Overview

The Rate of Return Instrument allows for the regulated service providers, such as Jemena Gas Networks (NSW) Ltd (JGN), to nominate return on debt averaging periods. It also allows for nomination of return on equity averaging period that would apply to JGN for the 2025-30 Access Arrangement (AA) period.

The return on debt and equity estimated as part of the AA Proposal are placeholder estimates and will be replaced by the Australian Energy Regulator (AER) in its Final Decision for JGN using the market observations for the averaging periods selected by JGN in this attachment.

# 1. Proposed averaging periods for the 2025-30 AA period

## 1.1 Proposed return on debt averaging period

The below table provides the nominated return on debt averaging periods for JGN for each year of 2025-30 AA period.

**Table 1–1: Return on debt averaging periods**

Year	Averaging period
2025-26	
2026-27	
2027-28	
2028-29	
2029-30	

These nominated averaging periods satisfy the conditions specified in the clause 24 of the Rate of Return Instrument as they:

- are of 10 or more consecutive business days, up to a maximum of 12 months
- start no earlier than 17 months prior to the commencement of a regulatory year
- finish no later than 5 months prior to the commencement of a regulatory year
- are specified for each regulatory year within the 2025-30 AA period
- do not overlap for each different regulatory year
- are nominated both:
  - prior to the start of the return on debt averaging period, and
  - no later than the lodgement date of the regulatory proposal for the 2025-30 AA period
- will allow annual updating of return on debt in the AA period.

## 1.2 Return on equity averaging period

JGN proposes the averaging period for the return on equity for the 2025-30 AA period to be all consecutive business days starting [REDACTED]. This period will replace the placeholder averaging period in JGN's AA proposal. This period satisfies the conditions of clause 8 of the Rate of Return Instrument as it:

- covers a period of 20 or more business days up to a maximum of 60 business days
- starts no earlier than 8 months prior to the commencement of the 2025-30 AA period
- finishes no later than 4 months prior to the commencement of the 2025-30 AA period, and
- is nominated both:

- prior to the start of the risk free rate averaging period, and
- no later than the date of lodgement of the regulatory proposal for the 2025-30 AA period.