



Jemena Electricity Networks (Vic) Ltd

2026-31 Electricity Distribution Price Review Regulatory Proposal

Attachment 08-02

Averaging periods



Table of contents

Overview	iii
1. Proposed averaging periods for the 2026-31 Regulatory period.....	1
1.1 Proposed return on debt averaging period	1
1.2 Return on equity averaging period.....	1

Overview

The Australian Energy Regulator's (AER) 2022 Rate of Return Instrument allows for regulated service providers, such as Jemena Electricity Networks (Vic) Ltd (**JEN**), to nominate return on debt averaging periods. It also allows for nomination of return on equity averaging period that would apply to JEN for the 2026-31 Regulatory period.

The return on debt and return on equity estimated as part of the Regulatory Proposal are placeholder estimates and will be replaced by the AER in its Final Decision for JEN using the market observations for the averaging periods selected by JEN in this attachment.

1. Proposed averaging periods for the 2026-31 Regulatory period

1.1 Proposed return on debt averaging period

The below table provides the nominated return on debt averaging periods for JEN for each year of 2026-31 Regulatory period.

Table 1–1: Return on debt averaging periods

Year	Averaging period
2026-27	████████████████████
2027-28	████████████████████
2028-29	████████████████████
2029-30	████████████████████
2030-31	████████████████████

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 2026-31 Regulatory 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 2026-31 Regulatory period
- will allow annual updating of return on debt in the Regulatory period.

1.2 Return on equity averaging period

JEN proposes the averaging period for the return on equity for the 2026-31 Regulatory period to be ██████████. This period will replace the placeholder averaging period in JEN's Regulatory 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 2026-31 Regulatory period
- finishes no later than 4 months prior to the commencement of the 2026-31 Regulatory 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 2026-31 Regulatory period.