



825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006

ergon.com.au

27 March 2015

Mr Sebastian Roberts
General Manager
Network Opex and Coordination
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601
Email: Jemena2014GAAR@aer.gov.au

Dear Mr Roberts

SUPPLEMENTARY SUBMISSION ON THE PROPOSED ACCESS ARRANGEMENT FOR GAS DISTRIBUTION NETWORK OPERATED BY JEMENA GAS NETWORKS (NSW) – 2015-2020

We refer to our submissions previously provided to the AER on 13 February 2015 regarding the NSW and ACT determinations underway, including the proposed access arrangement for the gas distribution network operated by Jemena Gas Networks (NSW).

Further to the above-mentioned submissions, Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider (DNSP) in Queensland, welcomes the opportunity to provide a supplementary submission to the Australian Energy Regulator (AER) on the above-mentioned proposed access arrangements for 2015-2020.

Ergon Energy is interested in the determinations for NSW and the ACT given the coincidence of timing with our own regulatory determination process and indications from the AER that it intends to apply similar assessment and benchmarking techniques in Queensland. Our submission outlines our concerns in relation to a number of common areas, such as the AER's calculation of the allowed rate of return and its use of benchmarking.

In addition to our submission, we have provided a number of expert reports supporting our concerns, including various updates to the expert reports provided under cover of our submission of 13 February 2015. Several of these reports have been jointly commissioned with other network service providers.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact Graeme Finlayson on (07) 4432 8669 or 0418 763 602.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McLeod', written over a white background.

Ian McLeod
CHIEF EXECUTIVE