

13 February 2019

Mr Sebastian Roberts
General Manager - Transmission & Gas
Australian Energy Regulator
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VIA EMAIL: JGNremittal2015-20@aer.gov.au

Dear Sebastian

**RESPONSE TO AER DRAFT DECISION FOR JEMENA GAS NETWORKS 2015-20
ACCESS (REMITTAL) AND ADJUSTMENT DETERMINATION DRAFT DECISION**

We welcome the Australian Energy Regulator's (**AER**) draft decision on the remittal of the 2015-20 Access Arrangement for Jemena Gas Networks (**JGN**) and the draft decision covering the adjustment determination (collectively, **Draft Decisions**).

We support the AER's Draft Decisions to accept our remittal proposal which has received support from key customer advocacy groups, JGN's Customer Council, the Consumer Challenge Panel (**CCP**) 10.

Our proposal and the AER's Draft Decisions are in the long term interests of consumers as they:

- Provide for resolution of the remittal matters in full, thereby providing clarity to customers regarding their current and future prices.
- Implement a simple and expedited process that enhances certainty, and minimises administrative cost.
- Enable customers to benefit from JGN's acceptance of the AER's approach to the cost of debt and changes to the market expansion capex.
- Facilitate revenues of \$169M to be returned to customers in the next access arrangement period.
- Promote pricing stability since customers avoid year on year price volatility and maintain smooth annual tariff variations.

We look forward to continuing our open and collaborative discussions with the AER and stakeholders. Please do not hesitate to contact our General Manager Regulation, Usman Saadat on 02 9867 7483 should you need any further clarification or information.

Yours sincerely



Shaun Reardon
Executive General Manager, Customer & Markets
Jemena Limited