

May 2023

## Statement of reasons: Jemena Gas Networks Annual Gas Tariff Variation

On 14 April 2023, Jemena Gas Networks (**Jemena**) applied to the AER for variation of its gas reference tariffs for the period 1 July 2023 to 30 June 2024.

As a result, we expect the distribution network component of the typical bill for Jemena's residential customers on (volume tariffs) to increase by 16.12% and \$40.99 higher for households for 2023–24.

The AER has carefully reviewed Jemena's application in line with its 2020–25 access arrangement and is satisfied the tariff variation proposal complies with the access arrangement.

The distribution network tariff increases are driven by the updated price path (X factor) from the 2020–25 access arrangement (an increase of 3.49%), the 7.83% increase in the CPI in the year to December 2022, and adjustments for unaccounted for gas (an increase of 4.82%).

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

Having considered Jemena's tariff variation proposal and finding it compliant, the AER approves these tariffs for commencement from 1 July 2023.