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Contact Officer: David Monk
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29 April 2026

Matthew Serpell
Electricity Regulation Manager
Jemena Electricity Networks (Vic) Ltd
Level 16, 567 Collins St
MELBOURNE VIC 3000

By email: [REDACTED]

Dear Matthew,

Re: AER Determination – Jemena service standard event cost pass through applications

I am writing to advise you of the Australian Energy Regulator's (AER's) assessment of Jemena's following cost pass through applications:

- *Unlocking CER benefits through flexible trading rule change*
- AEMO's Market Interface Technology Enhancements
- *Accelerating smart meter deployment rule change*
- Victorian Emergency Backstop Mechanism 2 Ministerial Order.

In accordance with clause 6.6.1(d) of the National Electricity Rules (NER), the AER has determined that positive change events have occurred for Jemena in relation to each of the above service standard events, and that Jemena may recover incremental revenue from network users in the 2026–27 regulatory year, as follows:

- *Unlocking CER benefits through flexible trading rule change* – \$1.41 million
- AEMO's Market Interface Technology Enhancements – \$0.67 million
- *Accelerating smart meter deployment rule change* – \$0.16 million
- Victorian Emergency Backstop Mechanism 2 Ministerial Order – \$0.74 million.

The approved pass through amounts are estimated to result in a combined incremental increase in residential bills of about \$4 (nominal) and small business bills of about \$13 in 2026–27.

Details of the AER's assessment against the relevant factors in the NER are set out in the following attachments. If you have any queries in relation to this matter, please contact David Monk at [REDACTED]

Yours sincerely

Ben Stonehouse
Acting General Manager
Network Expenditure

Sent by email on: 29.04.2026

Attachment A: Reasons for determination

1. Occurrence of service standard events

This determination is in respect of four service standard events under clause 6.6.1(a1)(2) of the NER. Under the NER, a service standard pass through event is defined as a legislative or administrative act or decision that:¹

(a) has the effect of:

- (i) substantially varying, during the course of a regulatory control period, the manner in which a Transmission Network Service Provider is required to provide a prescribed transmission service, or a Distribution Network Service Provider is required to provide a direct control service; or
- (ii) imposing, removing or varying, during the course of a regulatory control period, minimum service standards applicable to prescribed transmission services or direct control services; or
- (iii) altering, during the course of a regulatory control period, the nature or scope of the prescribed transmission services or direct control services, provided by the service provider; and

(b) materially increases or decreases the costs to the service provider of providing those services.

The service standard events covered in this determination are:

- the Australian Energy Market Commission's (AEMC's) *Unlocking CER benefits through flexible trading (FTA)* rule change, made on 15 August 2024
- the Australian Energy Market Operator's (AEMO's) Market Interface Technology Enhancements (MITE), publicly announced on 11 July 2024
- the *Accelerating smart meter deployment (ASMD)* rule change, made on 28 November 2024; and
- Victorian Emergency Backstop Mechanism 2 (VEBM2) Ministerial Order, gazetted on 8 October 2025.

We are satisfied that the above-mentioned events meet the definition of a service standard pass through event and were not a consequence of any act or omission of Jemena.

2. Positive change event

We are satisfied that the events meet the definition of a 'positive change event' in the NER, as they result in Jemena incurring materially² higher costs in providing direct control services, as demonstrated in the following tables (**Table 1.1, 1.2, 1.3 and 1.4**).

¹ Cl. 6.6.1(a1)(2) and as defined in Chapter 10 of the NER (Glossary)

² As defined in Chapter 10 of the NER (Glossary).

Table 1.1: Materiality assessment (\$million, 2020–21) - FTA

Costs	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Approved pass through opex	-	-	-	0.11	0.93	1.04
Approved pass through capex	-	-	-	0.57	12.08	12.65
Total costs	-	-	-	0.68	13.01	13.69
AER approved unsmoothed revenues	249.81	252.06	257.67	266.62	273.51	1299.68
Materiality (%)	-	-	-	0.26%	4.76%	n/a

Source: AER analysis

Note: includes alternative control service costs for materiality assessment purposes

Table 1.2: Materiality assessment (\$million, 2020–21) - MITE

Costs	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Approved pass through opex	-	-	-	0.33	0.13	0.46
Approved pass through capex	-	-	-	0.38	4.27	4.65
Total costs	-	-	-	0.71	4.40	5.11
AER approved unsmoothed revenues	249.81	252.06	257.67	266.62	273.51	1299.68
Materiality (%)	-	-	-	0.27%	1.61%	n/a

Source: AER analysis

Table 1.3: Materiality assessment (\$million, 2020–21) - ASMD

Costs	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Approved pass through opex	-	-	-	-	0.03	0.03
Approved pass through capex	-	-	-	0.41	14.45	14.86
Total costs	-	-	-	0.41	14.49	14.90
AER approved unsmoothed revenues	249.81	252.06	257.67	266.62	273.51	1299.68
Materiality (%)	-	-	-	0.15%	5.30%	n/a

Source: AER analysis

Note: includes alternative control service costs for materiality assessment purposes

Table 1.4: Materiality assessment (\$million, 2020–21) – VEBM 2

Costs	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Approved pass through opex	-	-	-	0.02	0.46	0.48
Approved pass through capex	-	-	-	0.50	15.03	15.53
Total costs	-	-	-	0.52	15.49	16.01
AER approved unsmoothed revenues	249.81	252.06	257.67	266.62	273.51	1299.68
Materiality (%)	-	-	-	0.20%	5.66%	n/a

Source: AER analysis

3. Timing of Jemena’s applications

The dates of the relevant events are as follows:

- 15 August 2024, being the date the AEMC made the FTA rule change.

- 11 July 2024, being the date AEMO publicly announced its intention, plan, and investment commitment to implement the MITE initiatives.
- 28 November 2024, being the date the AEMC made its final determination for the ASMD rule.
- 8 October 2025, being the date the VEBM2 Order was gazetted.

Under the NER, a DNSP must submit an application within 90 business days of a relevant positive change event or seek an extension within that timeframe.

For the FTA rule change and MITE events, Jemena sought an extension on 23 September 2024. The AER granted an extension until 15 November 2025 to allow Jemena to fully assess the extent, timing, and costs associated with the rule changes and to develop robust and comprehensive cost estimates. Jemena submitted its applications on 31 October 2025 for the FTA rule change, and 3 November 2025 for MITE.

For the ASMD rule change event, Jemena sought an extension on 3 April 2025. The AER granted an extension until 7 April 2026. Jemena submitted its application on 3 November 2025.

For the VEBM2 event, no extension was required. Jemena submitted its application on 5 November 2025.

4. Assessment of the pass through amounts

In assessing Jemena's pass through applications, the NER requires the AER to consider a number of factors³ to determine whether the proposed level of costs is prudent and efficient.

We reviewed the cost estimates and cost build-up models for each cost-pass through submitted by Jemena, along with the accompanying cost pass through documentation including the cost build-up model and the updated post-tax revenue model (PTRM), among others. To further assist our review, we sought additional information from Jemena, which Jemena provided.

In each case, our assessment found that:

- the proposed pass through amounts reflect only the incremental costs incurred as a consequence of the service standard events.
- Jemena's decisions and actions in responding to the service standard events were likely to be efficient, and the scope of works undertaken appears reasonable in the circumstances.
- Jemena had not taken any action which had increased the magnitude of the pass through amount, or failed to take action that could reasonably have been taken to reduce the magnitude of the pass through amount.

The need for, and scope of, these investments is established by the relevant rule changes and regulatory requirements. We consider that the forecasts likely reflect the efficient costs of system and process changes, consistent with the capabilities and requirements under the FTA, MITE, ASMD and VEBM2 changes.

³ Cl. 6.6.1(j) of the NER.

5. Approved pass through amount

Our determination is to approve total incremental costs as follows:

- FTA: \$1.15 million (nominal) in operating expenditure and \$13.51 million (nominal) in capital expenditure
- MITE: \$0.50 million (nominal) in operating expenditure and \$5.13 million (nominal) in capital expenditure
- ASMD: \$0.04 million (nominal) in operating expenditure and \$2.85 million (nominal) in capital expenditure, and
- VEEM2: \$0.53 million (nominal) in operating expenditure and \$17.14 million (nominal) in capital expenditure

The incremental revenue associated with these costs for each event (the approved pass through amount) is detailed in the following tables (Table 2.1, 2.2, 2.3 and 2.4).

Table 2.1: AER approved incremental revenue – FTA (\$million, nominal)

\$million (nominal)	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Return on capital	-	0.01	0.01	0.01	0.04	0.06
Return of capital (regulatory depreciation)	-	0.00	0.00	0.00	0.12	0.13
Operating expenditure	-	-	-	0.12	1.03	1.15
Revenue adjustments	-	-	-	-	-	-
Net tax allowance	-	-0.00	-0.00	-0.00	-0.00	-0.01
Incremental annual revenue requirement (unsmoothed)	-	0.01	0.01	0.13	1.18	1.32

Note: Numbers may not add due to rounding.

Table 2.2: AER approved incremental revenue – MITE (\$million, nominal)

\$million (nominal)	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Return on capital	-	0.00	0.00	0.00	0.02	0.03
Return of capital (regulatory depreciation)	-	0.00	0.00	0.00	0.08	0.08
Operating expenditure	-	-	-	0.36	0.14	0.50
Revenue adjustments	-	-	-	-	-	-
Net tax allowance	-	-0.00	-0.00	-0.00	-0.00	-0.00
Incremental annual revenue requirement (unsmoothed)	-	0.00	0.00	0.36	0.25	0.61

Note: Numbers may not add due to rounding.

Table 2.3: AER approved incremental revenue – ASMD (\$million, nominal)

\$million (nominal)	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Return on capital	-	0.00	0.00	0.00	0.02	0.03
Return of capital (regulatory depreciation)	-	0.00	0.00	0.00	0.08	0.08
Operating expenditure	-	-	-	-	0.04	0.04
Revenue adjustments	-	-	-	-	-	-
Net tax allowance	-	-0.00	-0.00	-0.00	-0.00	-0.00
Incremental annual revenue requirement (unsmoothed)	-	0.00	0.00	0.00	0.14	0.15

Note: Numbers may not add due to rounding.

Table 2.4: AER approved incremental revenue – VEBM2 (\$million, nominal)

\$million (nominal)	2021–22	2022–23	2023–24	2024–25	2025–26	Total
Return on capital	-	0.01	0.01	0.01	0.04	0.06
Return of capital (regulatory depreciation)	-	0.00	0.00	0.00	0.11	0.12
Operating expenditure	-	-	-	0.02	0.51	0.53
Revenue adjustments	-	-	-	-	-	-
Net tax allowance	-	-0.00	-0.00	-0.00	-0.00	-0.02
Incremental annual revenue requirement (unsmoothed)	-	0.01	0.01	0.03	0.65	0.69

Note: Numbers may not add due to rounding.

6. Timing of cost pass through recovery

Jemena proposed to recover the incremental revenue arising from its four cost pass through applications in 2026–27, the first year of the next regulatory control period (2026–31).

After adjusting the incremental revenue from the cost pass throughs for time value of money, our determination is to approve positive pass through amounts of \$2.98 million to be recovered in 2026–27.⁴ This is consistent with the approach taken for all Victorian network service providers.

Our determination is to approve a positive pass through amount for each event as follows and to be recovered in 2026–27:

- AEMC's *Unlocking CER benefits through flexible trading* rule change – \$1.41 million
- AEMO's Market Interface Technology Enhancements – \$0.67 million
- Accelerating smart meter deployment rule change – \$0.16 million
- Victorian Emergency Backstop Mechanism 2 Ministerial Order – \$0.74 million.

⁴ These amounts will be recovered through the 'C-Factor' in Jemena's revenue cap control mechanism formulae.

The following table summarises the estimated bill impacts for each event:

#	Event	Residential bill impact (\$nominal)	Small business bill impact (\$nominal)	Recovery year
1.	Unlocking CER benefits through flexible trading rule change (FTA)	\$2	\$6	2026–27
2.	Market Interface Technology Enhancements (MITE)	\$1	\$3	2026–27
3.	Accelerating smart meter deployment rule change (ASMD)	\$0	\$1	2026–27
4.	Victorian Emergency Backstop Mechanism 2 Ministerial Order (VEBM2)	\$1	\$3	2026–27
5.	Total	\$4	\$13	2026–27

7. Submissions

We received two submissions from David Prins, Mark Henley and Robyn Robinson (members of the AER’s Consumer Challenge Panel, sub-panel CCP32) and Jennifer Brownie on behalf of the consumer advocacy group Queensland Electricity Users Network (QEUN), in response to the public consultation on the cost pass through applications. While the submissions did not specifically oppose Jemena’s applications relating to these events, both raised broader concerns about consumer impacts, engagement, and consistency across the cost pass through and revenue determination frameworks.

The submissions highlighted that cost pass through applications can impose material costs on consumers through electricity bills, but can receive limited and inconsistent stakeholder engagement compared to broader regulatory processes. They also raised concerns about insufficient consumer scrutiny, cumulative bill impacts, and potential substitution of insurance with cost pass through claims, and suggested businesses and the AER strengthen and review engagement approaches for these applications.⁵

We acknowledge the concerns and suggestions raised in these submissions, and note that we are actively considering these issues in continuing to develop the cost pass through assessment function, processes and framework.

⁵ [David Prins, Mark Henley, Robyn Robinson - Submission to the AER - Cost pass through applications - 23 Jan 2026](#) ; [QEUN - Submission on network cost pass through applications, 27 January 2026](#).

Attachment B: Requirements for determining a positive change event has occurred

#	Requirement of the NER	Our consideration			
		FTA	MITE	ASMD	VEBM 2
1.	Is the pass through event a regulatory change event, service standard event, tax change event, or retailer insolvency event? ⁶	Yes. We consider the AEMC's flexible trading arrangements (FTA) rule change to be a service standard event.	Yes. We consider the AEMO's Market Interface Technology Enhancements (MITE) to be a service standard event.	Yes. We consider the Accelerating smart meter deployment (ASMD) rule change to be a service standard event.	Yes. We consider the Victorian Emergency Backstop Mechanism 2 Ministerial Order (VEBM2) rule change to be a service standard event.
2.	Does the pass through relate to any other event specified in Jemena's 2021–26 distribution determination as a pass through event for that determination? ⁷	No.	No.	No.	No.
3.	Was the pass through event a consequence of acts or omissions of Jemena?	No. There is no evidence that Jemena's acts or omissions materially contributed to the costs of the event.	No. There is no evidence that Jemena's acts or omissions materially contributed to the costs of the event.	No. There is no evidence that Jemena's acts or omissions materially contributed to the costs of the event.	No. There is no evidence that Jemena's acts or omissions materially contributed to the costs of the event.
4.	Did the pass through event entail Jemena incurring materially higher costs in providing direct control services than it would have incurred but for the event? ⁸	Yes. The additional costs incurred by Jemena as a result of the event were material. The estimated total costs of responding to the event in 2025–26 is \$13.01 million (\$2020–21), representing 4.76% of Jemena's approved unsmoothed revenue of \$273.51 million for that year.	Yes. The additional costs incurred by Jemena as a result of the event were material. The estimated total costs of responding to the event in 2025–26 is \$4.40 million (\$2020–21), representing 1.61% of Jemena's approved unsmoothed revenue of	Yes. The additional costs incurred by Jemena as a result of the event were material. The estimated total costs of responding to the event in 2025–26 is \$14.49 million (\$2020–21), representing 5.30% of Jemena's approved unsmoothed revenue of \$273.51 million for that	Yes. The additional costs incurred by Jemena as a result of the event were material. The estimated total costs of responding to the event in 2025–26 is \$15.49 million (\$2020–21), representing 5.66% of Jemena's approved unsmoothed revenue of

⁶ NER, cl. 6.6.1(a1)(1) through 6.6.1(a1)(4); and chapter 10.

⁷ NER, cl. 6.6.1(a1)(5).

⁸ That is, does it meet the definition of a "positive change event" as defined in chapter 10 of the Rules.

#	Requirement of the NER	Our consideration			
		FTA	MITE	ASMD	VEBM 2
			\$273.51 million for that year.	year. For this event, Jemena is only seeking to recover standard control costs through the pass through mechanism; however, materiality is assessed based on direct control costs (both standard control and alternative control costs).	\$273.51 million for that year.
5.	What is the date on which the positive change event occurred? ⁹	15 August 2024, being the date the AEMC made the FTA rule change.	11 July 2024, being the date the AEMO publicly announced its intention, plan, and investment commitment to implement the MITE initiatives.	28 November 2024, being the date the AEMC made its final determination for the ASMD rule.	8 October 2025, being the date when the VEBM2 Order was gazetted.
6.	Did Jemena submit a written statement within 90 business days of the positive change event occurring? ¹⁰	Yes. Following an extension request on 23 September 2024, the AER granted Jemena an extension until 15 November 2025 to allow it to fully assess the extent, timing, and costs associated with the rule change. Jemena submitted its application on 31 October 2025.	Yes. Following an extension request on 23 September 2024, the AER granted Jemena an extension until 15 November 2025 to allow it to generate a robust and comprehensive cost estimate. Jemena submitted its application on 3 November 2025.	Yes. Following an extension request on 3 April 2025, the AER granted Jemena an extension until 7 April 2026 to allow it to generate a robust and comprehensive cost estimate. Jemena submitted its application on 3 November 2025.	Yes. Jemena submitted its application within 90 business days, on 5 November 2025.
7.	Did Jemena specify details of the positive change event, including the date on which the event	Yes. Jemena's application (written statement) included details of the positive change	Yes. Jemena's application (written statement) included details of the	Yes. Jemena's application (written statement) included details of the	Yes. Jemena's application (written statement) included details of the

⁹ NER, cl. 6.6.1(c)(2).

¹⁰ NER, cl. 6.6.1(c).

#	Requirement of the NER	Our consideration			
		FTA	MITE	ASMD	VEBM 2
	occurred, in its written statement? ¹¹	event, including the date on which the event occurred.	positive change event, including the date on which the event occurred.	positive change event, including the date on which the event occurred.	positive change event, including the date on which the event occurred.
8.	Did Jemena specify in its written statement the eligible pass through amount, the proposed positive pass through amount, and the amounts proposed to be recovered from customers in each regulatory year? ¹²	Yes. Jemena's application specified \$14.8 million (\$2025) as the eligible pass through amount and proposed a positive pass through amount of \$1.2 million (nominal), to be recovered in 2026–27, the first year of the next regulatory control period.	Yes. Jemena's application specified \$5.5 million (\$2025) as the eligible pass through amount and proposed a positive pass through amount of \$0.6 million (nominal), to be recovered in 2026–27, the first year of the next regulatory control period.	Yes. Jemena's application specified \$16.6 million (\$2025) as the eligible pass through amount and proposed a positive pass through amount of \$0.13 million (nominal), to be recovered in 2026–27, the first year of the next regulatory control period.	Yes. Jemena's application specified \$17.3 million (\$2025) as the eligible pass through amount and proposed a positive pass through amount of \$0.6 million (nominal), to be recovered in 2026–27, the first year of the next regulatory control period.
9.	Did Jemena specify in its written statement evidence of the actual and likely increase in costs that occurred solely as a consequence of the positive change event? ¹³	Yes. Jemena's pass through application set out the costs incurred as a result of the event, as well as how it calculated its proposed pass through amount. ¹⁴	Yes. Jemena's pass through application set out the costs incurred as a result of the event, as well as how it calculated its proposed pass through amount. ¹⁵	Yes. Jemena's pass through application set out the costs incurred as a result of the event, as well as how it calculated its proposed pass through amount. ¹⁶	Yes. Jemena's pass through application set out the costs incurred as a result of the event, as well as how it calculated its proposed pass through amount. ¹⁷
10.	Is the pass through amount, in whole or in part, in respect of expenditure for a restricted asset? ¹⁸	No.	No.	No.	No.

¹¹ NER, cl. 6.6.1(c)(1) and 6.6.1(c)(2).

¹² NER, cl. 6.6.1(c)(3), 6.6.1(c)(4), and 6.6.1(c)(5).

¹³ NER, cl. 6.6.1(c)(6).

¹⁴ [Jemena – Flexible trading arrangements \(FTA\) cost pass through application – 4 November 2025 | Australian Energy Regulator \(AER\)](#)

¹⁵ [Jemena – Market interface technology enhancement \(MITE\) cost pass through application - 3 November 2025 | Australian Energy Regulator \(AER\)](#)

¹⁶ [Jemena – Accelerating smart meter deployment \(ASMD\) cost pass through application - 12 November 2025 | Australian Energy Regulator \(AER\)](#)

¹⁷ [Jemena – Emergency Backstop Mechanism2 \(VEBM2\) cost pass through application - 5 November 2025 | Australian Energy Regulator \(AER\)](#)

¹⁸ NER, cl. 6.6.1(c1) and (d2).

Attachment C: Relevant factors under cl. 6.6.1(j) of the NER

#	Requirement of the NER	Our consideration			
		FTA	MITE	ASMD	VEBM 2
1.	We must take into account the matters and proposals set out in Jemena’s written statement. ¹⁹	This decision sets out how we have considered the matters and proposals in Jemena’s FTA pass through application (written statement).	This decision sets out how we have considered the matters and proposals in Jemena’s MITE pass through application (written statement).	This decision sets out how we have considered the matters and proposals in Jemena’s ASMD pass through application (written statement).	This decision sets out how we have considered the matters and proposals in Jemena’s VEBM2 pass through application (written statement).
2.	We must take into account the increase in costs in providing direct control services resulting from the pass through event. ²⁰	We are satisfied that the expenses incurred, and to be incurred, by Jemena in providing direct control services in response to the FTA event are incremental to its existing costs.	We are satisfied that the expenses incurred, and to be incurred, by Jemena in providing direct control services in response to the MITE event are incremental to its existing costs.	We are satisfied that the expenses incurred, and to be incurred, by Jemena in providing direct control services in response to the ASMD event are incremental to its existing costs.	We are satisfied that the expenses incurred, and to be incurred, by Jemena in providing direct control services in response to the VEBM2 event are incremental to its existing costs.
3.	We must take into account the efficiency of Jemena’s decisions and actions in relation to the risk of the event. ²¹	We are satisfied the decisions and actions taken in responding to the FTA event were efficient, and the scope of works undertaken is reasonable in the circumstances. There does not appear to be any action that Jemena has failed to take to reduce the magnitude of the cost, or that it took or omitted to take which has materially increased the magnitude of the costs.	We are satisfied the decisions and actions taken in responding to the MITE event were efficient, and the scope of works undertaken is reasonable in the circumstances. There does not appear to be any action that Jemena has failed to take to reduce the magnitude of the cost, or that it took or omitted to take which has materially increased the magnitude of the costs.	We are satisfied the decisions and actions taken in responding to the ASMD event were efficient, and the scope of works undertaken is reasonable in the circumstances. There does not appear to be any action that Jemena has failed to take to reduce the magnitude of the cost, or that it took or omitted to take which has materially increased the magnitude of the costs.	We are satisfied the decisions and actions taken in responding to the VEBM2 event were efficient, and the scope of works undertaken is reasonable in the circumstances. There does not appear to be any action that Jemena has failed to take to reduce the magnitude of the cost, or that it took or omitted to take which has materially increased the magnitude of the costs.

¹⁹ NER, cl. 6.6.1(j)(1).

²⁰ NER, cl. 6.6.1(j)(2).

²¹ NER, cl. 6.6.1(j)(3).

#	Requirement of the NER	Our consideration			
		FTA	MITE	ASMD	VEBM 2
4.	We must take into account the time cost of money. ²²	We have had regard to the time cost of money in calculating the recovery of the pass through amount in 2026–27.	We have had regard to the time cost of money in calculating the recovery of the pass through amount in 2026–27.	We have had regard to the time cost of money in calculating the recovery of the pass through amount in 2026–27.	We have had regard to the time cost of money in calculating the recovery of the pass through amount in 2026–27.
5.	We must take into account the need to ensure that the pass through amount reflects only costs incurred solely as a consequence of the event. ²³	We are satisfied that the costs included in our approved pass through amount were solely incurred as a result of the FTA event. Jemena has taken an appropriate approach to identify FTA related costs and exclude non-incremental costs from its application.	We are satisfied that the costs included in our approved pass through amount were solely incurred as a result of the MITE event. Jemena has taken an appropriate approach to identify MITE related costs and exclude non-incremental costs from its application.	We are satisfied that the costs included in our approved pass through amount were solely incurred as a result of the ASMD event. Jemena has taken an appropriate approach to identify ASMD related costs and exclude non-incremental costs from its application.	We are satisfied that the costs included in our approved pass through amount were solely incurred as a result of the VEBM2 event. Jemena has taken an appropriate approach to identify VEBM2 related costs and exclude non-incremental costs from its application.
6.	We must take into account whether the costs of the event have already been factored into Jemena’s annual revenue requirement for the current regulatory control period or will be factored into annual revenue for the next regulatory control period. ²⁴	We do not consider that the costs Jemena is proposing to recover have been included in its annual revenue requirement for either the current or the following regulatory control periods.	We do not consider that the costs Jemena is proposing to recover have been included in its annual revenue requirement for either the current or the following regulatory control periods.	We do not consider that the costs Jemena is proposing to recover have been included in its annual revenue requirement for either the current or the following regulatory control periods.	We do not consider that the costs Jemena is proposing to recover have been included in its annual revenue requirement for either the current or the following regulatory control periods.

²² NER, cl. 6.6.1(j)(4).

²³ NER, cl. 6.6.1(j)(5).

²⁴ NER, cl. 6.6.1(j)(7).

#	Requirement of the NER	Our consideration			
		FTA	MITE	ASMD	VEBM 2
7.	We must take into account the extent to which Jemena's costs have already been funded by previous pass through determinations. ²⁵	We do not consider that any of the proposed costs have been the subject of a previous pass through determination.	We do not consider that any of the proposed costs have been the subject of a previous pass through determination.	We do not consider that any of the proposed costs have been the subject of a previous pass through determination.	We do not consider that any of the proposed costs have been the subject of a previous pass through determination.

²⁵ NER, cl. 6.6.1(j)(7A).