



16 September 2014

Jemena Gas Networks
(NSW) Ltd
ABN 87 003 004 322

Via email

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Copied to: chrisd@ewon.com.au

Dear Ms Petre

Jemena Gas Networks 2015-20 Access Arrangement Proposal – EWON submission

I am writing in response to EWON's submission on Jemena Gas Networks' (JGN) 2015-20 Access Arrangement Proposal (**proposal**), which was submitted to the Australian Energy Regulator (**AER**) on 30 June 2014.

Jemena is committed to ensuring natural gas continues to be a safe, reliable and affordable fuel for cooking, heating and hot water in NSW. We are very pleased that EWON supports key aspects of the proposal including:

- the price path that seeks to minimise the impact of rising wholesale gas prices on end-use customers, particularly residential customers
- improving pressure levels in certain areas of the network that currently have relatively low pressure to provide the same service levels, regardless of customers' location
- keeping the fixed charge low for residential and small business customers to give them more control over their bills, and to provide incentives for customers to connect to gas supply
- providing assistance to vulnerable customers struggling to pay energy bills.

We note EWON's concern that JGN may have limited control over retail tariff structures. We are hopeful that the tariff structures that retailers offer customers in the future will better reflect the customers' willingness to control their energy bills given:

- the engagement we will continue to undertake with retailers around the development of JGN's tariffs and the Tariff Structures Statement (**TSS**) – which provides accessible insights into our objectives and the key market considerations in setting JGN's network tariff classes, structures and levels

- our efforts to provide clear and accessible information to customers to make it easier for them to understand and manage their gas bills, and to find a better retail market offer
- the reduction in our charges for special meter reads to reduce barriers to customer switching and make it easier for customers to take up a competitive retail market offer that suits their needs
- continued improvements in the competitive retail gas market.

We consider that all industry partners have a role in improving the efficient and effective delivery of customer assistance to ensure customers are informed to stay connected to energy services. We are committed to providing more assistance to vulnerable customers struggling to pay energy bills, including assisting vulnerable customers to reduce their energy consumption by using gas more efficiently and to help vulnerable customers access funds through a No Interest Loan Scheme (**NILS**) to replace old their gas appliances with new, more efficient models.

To make such initiatives as valuable as possible, it is important for us to draw on the experiences of those industry partners that have expertise in this area.

In particular, we welcome EWON's guidance on the development and delivery of assistance to vulnerable customers, including the NILS we have included in our proposal.

We are committed to continuing and improving the effectiveness of our customer, stakeholder and community engagement. We would welcome continued dialogue with EWON, including through its role as an observer at the JGN Customer Council. It is important that this dialogue occur both through the course of the AER's current review as well as in the future, to help us build a strong foundation and communicate developments as they occur.

If you would like to discuss these matters further please feel free to contact me on 03 8873 7401.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'E. Chain', is positioned above the printed name.

Erin Chain
General Manager Customer Service
Jemena Limited