

# **Jemena Gas Networks (NSW) Ltd – Initial response to the draft decision**

**Appendix 5.4**

**Credit Rating**

19 March 2010



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In this appendix JGN provides detail on the analytical approach used to test the volatility of revenues for a sample of gas and electricity businesses. The table below shows:

- annual revenues for our sample electricity and gas businesses, and our calculated mean and standard deviation of these revenues.
- annual revenue growth for our sample electricity and gas businesses, and our calculated mean and standard deviation of these revenue growths.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Standard deviation	Mean
<b>Revenue (\$ nominal, millions)</b>												
<b>Electricity</b>												
Energy Australia						2,366.00	2,613.70	2,697.30	2,932.40	3,190.40	314.46	2,759.96
UED						381.00	367.00	370.00	379.44	370.49	6.23	373.59
SPAusnet						353.30	376.71	384.93	417.42	437.80	33.56	394.03
Citipower / Powercor					700.18	795.67	730.97	767.95	773.39		37.86	753.63
ETSA												
Electranet						163.87	170.37	179.05	186.82	230.49	26.28	186.12
All						4,060	4,259	4,399	4,689	4,229	83.68	893.47
<b>Gas</b>												
JGN	299.71	303.56	294.31	309.45	326.11	327.58	314.26	323.87	342.69	352.39	18.73	319.39
Multinet						144.00	147.00	148.00	158.17	172.95	11.85	154.02
SPAusnet						134.90	131.72	146.41	147.47	171.40	15.60	146.38
Envestra - all						303.45	334.38	330.90	341.50	382.00	28.30	338.45
Envestra - Victoria and NSW						142.76	148.61	145.80	148.50	166.10	9.12	150.35
Envestra - South Australia						118.41	141.52	138.00	141.20	155.80	13.40	138.99
Envestra - Queensland						42.27	44.26	47.10	51.80	60.10	7.11	49.11
All						910	927	949	990	1,079	14.87	185.24

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Standard deviation	Mean
<b>Revenue growth (%)</b>												
<b>Electricity</b>												
Energy Australia						-0.29%	10.47%	3.20%	8.72%	8.80%	4.54%	6.18%
UED						7.63%	-3.67%	0.82%	2.55%	-2.36%	4.46%	0.99%
SPAusnet						5.91%	6.62%	2.18%	8.44%	4.88%	2.31%	5.61%
Citipower / Powercor					7.39%	13.64%	-8.13%	5.06%	0.71%		8.11%	3.73%
ETSA							2.96%	5.96%	5.80%		1.68%	4.91%
Electranet						4.68%	3.97%	5.10%	4.34%	23.38%	8.44%	8.29%
All						6.31%	2.04%	3.72%	5.09%	8.68%	4.93%	4.95%
<b>Gas</b>												
JGN	-5.03%	1.28%	-3.05%	5.15%	5.38%	0.45%	-4.07%	3.06%	5.81%	2.83%	4.02%	1.18%
Multinet						0.70%	2.08%	0.68%	6.87%	9.34%	3.95%	3.94%
SPAusnet						10.66%	-2.36%	11.15%	0.72%	16.22%	7.78%	7.28%
Envestra - Victoria and NSW						0.53%	4.09%	-1.89%	1.85%	11.85%	5.25%	3.29%
Envestra - South Australia						0.27%	19.51%	-2.48%	2.32%	10.34%	8.94%	5.99%
Envestra - Queensland						7.91%	4.71%	6.41%	9.98%	16.02%	4.37%	9.01%
All						3.42%	4.00%	2.82%	4.59%	11.10%	5.72%	5.11%