

4 May 2018



Chris Pattas
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Dear Mr Pattas

Jemena Gas Networks – Tariff Variation Notice for 2018-19 Reference Tariffs

In accordance with Jemena Gas Network's (**JGN's**) enforceable undertaking for 2018-19 (**2018 EU**) for the NSW gas network, JGN advises that it proposes to vary Reference Tariffs effective from 1 July 2018.

The attached variation notice:

- sets out JGN's proposed reference tariffs for the 2018-19 financial year
- demonstrates how these proposed 2018-19 reference tariffs comply with the 2018 EU.

Consistent with the 2018 EU, JGN's submission adjusts JGN's haulage reference tariff and meter data service revenues by both CPI and an average 5.40 per cent reduction to JGN's reference tariffs, in real dollar terms.

Please find attached the JGN:

- tariff variation notice for 2018-19 reference tariffs
- verification of JGN's statement of gas quantity inputs used in the tariff variation formula
- proposed reference tariff model
- revised reference tariff schedule.

Confidential information

JGN has highlighted confidential information in the tariff variation notice. **Attachment 1** to this letter details the relevant sections of the tariff variation notice that JGN considers to be commercial-in-confidence and the basis of the claims. The claims are made and justified in accordance with the AER's confidentiality guideline.

Should you wish to clarify any aspect of the proposed variations you can contact Christopher Stewart, Senior Regulatory Adviser on (02) 9867 7290.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Usman', with a horizontal line extending from the end of the signature.

Usman Saadat
General Manager - Regulation

Attachment 1 - Jemena Gas Networks (NSW) Ltd, 2018-19 Tariff Variation Notice

Claims for commercial-in-confidence

The following table sets out specific sections of JGN's tariff variation notice that JGN claims to be commercial-in-confidence and the basis of the claim. JGN has applied the rationale for claiming information as commercial-in-confidence as set out in the AER's confidentiality guideline.

Title, page & paragraph number of document containing confidential information	Description of confidential information	Topic the confidential information relates to (e.g. capex, opex, WACC etc.)	Identify the recognised confidentiality category that the information falls within	Provide a brief explanation of why the information falls into the selected category. If information falls within 'other', please provide further details on why the information should be treated as confidential	Specify reasons supporting how and why detriment may be caused from disclosing the identified information	Provide any reasons supporting why the identified detriment is not outweighed by the public benefit (especially public benefits such as the effect on the long term interests of consumers)
Attachment A: Reference tariff model Attachment C: Core verification of JGN gas quantity statement (Attachment 2 to Core verification letter)	Individual consumption data	Consumption levels	Market sensitive cost inputs/ personal information	The reference tariff model contains a number of tariffs classes that contain less than 3 customers and would therefore disclose individual customers' consumption levels.	This is private information relating to individual customer consumption levels.	This is private information relating to individual customer consumption levels.