



Jemena Gas Network (JGN) 2015–2020 remittal Proposal

Customers have told us that they expect us to deliver a safe, secure and reliable gas supply affordably. Our proposal therefore seeks to expeditiously resolve all remittal matters to deliver an outcome that is in the long term interests of consumers.



\$165
since 2015

Reduction in typical annual residential network bill



5.4%
in real terms

A further expected reduction in July 2019

We have developed this proposal in collaboration with consumer groups, JGN’s Customer Council, the Consumer Challenge Panel (CCP) 10, and the Australian Energy Regulator (AER). We believe our proposal demonstrates our commitment to: (i) providing affordable, safe and reliable gas services; and (ii) invest to meet customer growth and support the NSW economy.

Simple, certain and timely

JGN adopts majority of the AER’s 2015 Final Decision and the proposal resolves remaining remittal matters

Price stability

This proposal, in combination with a JGN-led rule change, avoids year-on-year price volatility for our customers

Key elements of the proposal include:

- Acceptance of the AER’s revised capital expenditure allowance required to deliver growth in NSW gas customer connections.
- Acceptance of the AER’s methodology to calculate the cost of debt.
- JGN’s estimate of revenues to be returned to customers, being the difference between what we recovered under enforceable undertakings and revenues under the remittal proposal.



\$93m

Capital cost of connections

AER additional allowance of \$21M still avoids \$93M in capex



\$107m

Cost of debt

Proposal avoids \$107M in network costs



\$169m

Revenue to be returned to customers

Puts downwards pressure on JGN prices in the next period