

18 May 2017



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Dear Mr Pattas

### **Jemena Gas Networks – Tariff Variation Notice for 2017-18 Reference Tariffs**

In accordance with Jemena Gas Network's (**JGN's**) proffered enforceable undertaking for 2017-18 (**2017 EU**) for the NSW gas network, JGN advises that it proposes to vary Reference Tariffs effective from 1 July 2017.

The attached variation notice:

- sets out JGN's proposed reference tariffs for the 2017-18 financial year
- demonstrates how these proposed 2017-18 reference tariffs comply with the 2017 EU
- is subject to the AER accepting the 2017 EU.

Consistent with the 2017 EU, JGN's submission adjusts JGN's haulage reference tariff and meter data service revenues by both CPI and an average seven per cent reduction to JGN's reference tariffs, in real dollar terms.

Please find attached the JGN:

- tariff variation notice for 2017-18 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 dark ink, appearing to read 'Usman', with a long horizontal stroke extending to the right.

Usman Saadat  
General Manager - Regulation

## Attachment 1 - Jemena Gas Networks (NSW) Ltd RY2015 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 consultation materials available at the time of submission.

JGN has provided reasons detailing how and why disclosure of the information would cause detriment to the business. JGN understands that this confidential information being available to the AER to perform its functions under the rules provides a public benefit, and has assessed that in all identified cases JGN's confidentiality reasons, together with the benefits already realised through the AER's confidential use of this data, are not outweighed by any additional public benefit to disclosure of the information.

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.