

19 March 2015



Via email

Sebastian Roberts
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Dear Sebastian

JGN 2015-20 access arrangement – Consumer Challenge Panel

I am writing to extend an invitation to the Consumer Challenge Panel (**CCP**) sub-panel assigned to the JGN 2015-20 access arrangement (**AA**) to receive an overview presentation of the JGN revised AA proposal we lodged with the AER on 27 February 2015.

We are very pleased that our revised AA proposal is able to offer network price reductions of up to 40% for residential and small business customers over the 5 year period from 1 July 2015, while also maintaining a stable price path for large customers. We would appreciate an opportunity to discuss our revised AA proposal with the CCP at a convenient time.

Clarification of statement in revised proposal

I would also like to take this opportunity to clarify the basis for a statement in our revised AA proposal. Based on our notes and recollection from the AER's public forum of 8 December 2014, our revised proposal indicated that Mr David Prins had stated that the AER had "leant on the CCP for customer insights as part of the JGN review" (JGN response to the draft decision, page xvi).

David contacted me on Tuesday indicating that he does not recall making this statement at the public forum, stating it was not something he would have said, and that none of the CCP members present at the forum whom he has checked with recalled that being said. That being the case, we withdraw this statement from our revised proposal, and apologise for any inconvenience caused.

I also briefly discussed with David our substantive concerns with the draft decision in this area, specifically, that the draft decision:

- could have more clearly explained how our engagement informed the draft decision positions

- did not benefit from direct AER engagement with our customer base, to help ensure the draft decision better promoted the long-term interests of customers relative to JGN's proposal.

I am happy to discuss these concerns with you at a convenient time, if this would be helpful to inform the final decision.

Please feel free to contact me on (03) 8544 9053 or at robert.mcmillan@jemena.com.au if you would like to discuss these issues further and/or to arrange a time for a CCP presentation.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'R. McMillan', with a long horizontal flourish extending to the right.

Robert McMillan
General Manager Regulation
Jemena Limited