



Jemena Gas Networks (NSW) Ltd
ABN 87 003 004 322

22 May 2014

Mr Peter Adams
Acting General Manager—Wholesale Markets
Australian Energy Regulator
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By email: AERInquiry@aer.gov.au

Dear Mr Adams

AGL default RoLR cost recovery application

Thank you for the opportunity to comment on AGL's default RoLR cost recovery application.

We understand that the total amount that AGL seeks to recover from the four nominated distributors, including Jemena Gas Networks (**JGN**), is of the order of \$49,800 and that AGL has proposed that the amount be shared equally between the distributors.

Subject to the AER verifying the amount that AGL seeks to recover and that the total amount to be recovered from the four nominated distributors will be of the order of \$49,800 or less, JGN would support the AER making a RoLR cost recovery scheme distributor payment determination (NERL section 167(1)) that provides for the amount it approves to be passed on in equal shares to the four nominated distributors. At the same time we note that there may be other equally valid ways of sharing the amount. We note also that, by virtue of that determination, JGN's access arrangement will be taken to be amended so that the payment JGN makes is taken to be an approved cost pass through allowing JGN to vary its reference tariffs (NERL section 167(4)).

Yours sincerely

A handwritten signature in black ink, appearing to read "R. McMillan".

Robert McMillan
General Manager Regulation