

May 2022

Statement of reasons: Jemena Gas Networks

Annual Gas Tariff Variation

On 14 April 2022, Jemena Gas Networks (**Jemena**) applied to the AER for variation of its gas reference tariffs for the period 1 July 2022 to 30 June 2023. A revised submission was provided on 29 April 2022 in response to an information request.

The AER has reviewed Jemena's application in line with its 2020–25 access arrangement and is satisfied the tariff variation proposal complies with the access arrangement.

The distribution network tariff decreases are driven by the updated price path (X factor) from the 2020–25 access arrangement (a decrease of 1.39%) and the 3.50% increase in the CPI in the year to December 2021, and adjustments for unaccounted for gas (a decrease of 5.42%).

While the pricing movements vary for different tariff categories and regions, the AER finds that such changes are compliant with the mechanisms set in the access arrangement.

Having considered Jemena's tariff variation proposal and finding it compliant, the AER approves these tariffs for commencement from 1 July 2022.

As a result of our decision, we expect the distribution network component of the typical bill for Jemena's residential customers on (volume tariffs) to be \$5.37 lower for households for 2022–23.