

Service Provider Annual reporting template

This template is to be used by a Service Provider to fulfil its annual reporting obligations to the AER.

Network:	JGN's NSW gas distribution networks
Service Provider:	Jemena Gas Networks (NSW) Ltd
Date:	15-Nov-14
Reporting year:	2013-14

Colour coding of input sheets:
Dark blue = AER headings
Yellow = Input cells
Grey - Not applicable/No inputs required

Please complete all instructions/questions on the bottom of each sheet.

Leave coloured cells blank if no information exists - PLEASE DO NOT ENTER TEXT unless specifically requested to do so.

All dollar amounts are to be unrounded, and in nominal terms.

Business address	Street no. and name	321 Ferntree Gully Road		
	Suburb	Mt Waverley		
	State	VIC	Postcode	3149
Postal address	Street no. and name	Locked Bag 7000		
	Suburb	Mt Waverley		
	State	VIC	Postcode	3149
Contact name/s	Robert McMillan			
Job Title	General Manager, Regulation			
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Gas Service Provider Annual Reporting Template



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Jemena Gas Networks (NSW) Ltd
JGN's NSW gas distribution networks
Operating expenditure
2013-14

Table 1: Operating expenditure

	AER Approved Forecast (\$) ¹	Actual (\$) ²	Difference (%)
Operating & maintenance expenditure			
Total O&M expenditure	110,944,057	112,432,362	-1.34%
Non operating & maintenance expenditure			
Administration and overheads:	22,909,519	17,009,989	25.75%
- ESF - depreciation			
- ESF - HR			
- ESF - corporate comms			
- ESF - health safety and environment			
- ESF - SP management fee			
- ESF - CEO			
- ESF - legal			
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- ESF - investment analysis			
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- ESF - energy investments			
- ESF - treasury			
- ESF - taxation			
- ESF - business services			
- ESF - internal audit and risk			
- ESF - finance improvement			
- ESF - regulatory			
- commercial group		2,368,998	
- other direct		5,439,276	
Government levies	3,398,757	3,908,299	-14.99%
Marketing	7,433,495	7,516,548	-1.12%
Unaccounted for gas			
Carbon costs	0	7,044,742	#DIV/0!
Self insurance	0	0	#DIV/0!
Debt raising	1,511,127	0	100.00%
Total	160,649,955	161,424,141	-0.48%

¹ Forecast regulatory allowance approved in the AER final decision

² Actual expenditure incurred during the regulatory year

Instructions/questions

- Complete table 1 by inserting the 'AER approved forecast' and the 'actual' expenditure for each separate operating expenditure item (\$nominal). Please insert any additional line items as required. Note that the 'AER approved forecast' reflects the amount approved for that cost category in the AER's final decision, adjusted for the impact of any decision(s) by the Australian Competition Tribunal and any cost pass-throughs. The AER's forecasts in the final decision were made in real \$2009-10 dollars, and will need to be adjusted by the actual CPI that was used for pricing purposes for the relevant year.
- If applicable, please explain any material differences (where the difference shown is greater than 5 per cent) between the 'AER approved forecast' and the 'actual' operating expenditure for each operating expenditure item.
- Does any of the operating expenditure relate to core operating and maintenance services provided by an outsourced entity? If so, please provide:
 - details of the entity providing core services and an outline of the entities relationship with JGN
 - details of the services undertaken by the outsourced entity
 - the cost of providing the service and how this cost was calculated
 - details of operating expenditure categories (consistent with the table 1) to which the outsourced expenditure relates
 - a copy of the agreement between JGN and the entity undertaking the service.
- Please provide details of any costs relating to non-reference services during the regulatory year including:
 - the amount of the total costs relating to non-reference services
 - the volumes of gas transported to customers relating to non-reference services.
- Please provide details of Jemena Asset Management's (JAM) performance in regards to the incentive provisions set out in the Asset Management Agreement during the previous contract year (April to March). Particularly:
 - details of how the risk and benefit sharing mechanism has been applied and any cost overrun or cost saving allocated between the parties including the amount
 - details of how the service performance measures have been applied and the resultant margin paid to JAM

Jemena Gas Networks (NSW) Ltd
JGN's NSW gas distribution networks
Capital Expenditure
2013-14

Table 2: Capital expenditure

	AER Approved Forecast (\$) ¹	Actual (\$) ²	Difference (%)
Market expansion	88,906,001	92,846,904	-4.43%
Pipeline		0	
Trunk Wilton-Sydney		0	
Trunk Sydney-Newcastle		0	
Transmission pipeline (Wilton-Wollongong)		0	
Meters		20,135,800	
Contract Meters		879,728	
Meter Reading Devices		4,901,618	
Tariff Meters		14,354,454	
Fixed Plant		0	
HP		7,101,457	
HP Mains		1,675,794	
HP Services		5,425,663	
MP		53,609,646	
MP Mains		20,229,657	
MP Services		45,379,990	
Country POTS		0	
Reinforcement, renewal, and replacement	54,245,137	39,449,731	27.28%
Pipeline		1,763,369	
Trunk Wilton-Sydney		0	
Trunk Sydney-Newcastle		1,763,369	
Trunk Wilton-Wollongong		0	
Meters		18,261,580	
Contract Meters		270,217	
Meter Reading Devices		987,212	
Tariff Meters		17,004,151	
Fixed Plant		2,968,304	
HP		7,440,504	
HP Mains		7,217,747	
HP Services		0	
MP		222,756	
MP Mains		8,779,906	
MP Services		3,580,792	
Country POTS		5,199,113	
Non System	34,014,772	25,765,971	24.25%
Building		3,810,722	
Computers		233,263	
Software		13,584,288	
Fixed Plant		314,330	
Furniture		0	
Land		924,548	
Leasehold Improvements		0	
Low value assets		0	
Mobile Plant		744,427	
Vehicles		6,154,394	
Stock		0	
TOTAL CAPEX	177,165,910	158,062,606	10.78%
Check		-	

¹ Forecast regulatory allowance approved in the AER final decision

² Actual expenditure incurred during the regulatory year

Instructions/questions

- Complete table 2 by inserting the 'AER approved forecast' and the 'actual' expenditure for each separate asset type (\$nominal). Please insert any additional line items as required. Note that the 'AER approved forecast' reflects the amount approved for that cost category in the AER's final decision, adjusted for the impact of any decision(s) by the Australian Competition Tribunal and any cost pass-throughs. The AER's forecasts in the final decision were made in real \$2009-10 dollars, and will need to be adjusted by the actual CPI that was used for pricing purposes for the relevant year.
- If applicable, please explain any material differences (where the difference shown is greater than 5 per cent) between the 'AER approved forecast' and the 'actual' capital expenditure for each asset type.
- Were there any capital contributions during the regulatory year? If so, please provide the value of the capital contribution(s) separately for each asset class consistent with table 2.
- Were there any asset disposals during the regulatory year? If so, please provide a description of the disposed asset(s) together with the disposal value by asset type consistent with table 2.
- Does any of the capital expenditure relate to services provided by an outsourced entity? If so, please provide:
 - details of the entity providing services and an outline of the entities relationship with JGN
 - details of the services undertaken by the outsourced entity
 - the cost of providing the service and how this cost was calculated
 - details of which capital expenditure categories (consistent with table 2) the outsourced expenditure relates to
 - a copy of the agreement between JGN and the entity undertaking the service.
- Please provide details of JAM's performance in regards to the incentive provisions set out in the Asset Management Agreement during the previous contract year (April to March). Particularly:
 - details of how the risk and benefit sharing mechanism has been applied and any cost overrun or cost saving allocated between the parties including the amount (\$nominal)
 - details of how the service performance measures have been applied and the resultant margin paid to JAM (\$nominal).

Jemena Gas Networks (NSW) Ltd
JGN's NSW gas distribution networks
Capital Contributions
2013-14

Table 2a: Capital Contributions

	Actual (\$)²
Market expansion	
Pipeline	
Trunk Wilton-Sydney	
Trunk Sydney-Newcastle	
Transmission pipeline (Wilton-Wollongong)	
Meters	
Contract Meters	
Meter Reading Devices	
Tariff Meters	
Fixed Plant	
HP	
HP Mains	
HP Services	
MP	
MP Mains	
MP Services	
Country POTS	
Reinforcement, renewal, and replacement	
Pipeline	
Trunk Wilton-Sydney	
Trunk Sydney-Newcastle	
Transmission pipeline (Wilton-Wollongong)	
Meters	
Contract Meters	
Meter Reading Devices	
Tariff Meters	
Fixed Plant	
HP	
HP Mains	
HP Services	
Mine Subsidence	
MP	
MP Mains	
MP Services	
Country POTS	
Non System	
Building	
Computers	
Software	
Fixed Plant	
Furniture	
Land	
Leasehold Improvements	
Low value assets	
Mobile Plant	
Vehicles	
Stock	
TOTAL CONTRIBUTIONS	
Check	TRUE

Instructions/questions

3. Were there any capital contributions during the regulatory year? If so, please provide the value of the capital contribution(s) separately for each asset class consistent with Table 2.

Jemena Gas Networks (NSW) Ltd
JGN's NSW gas distribution networks
Asset disposals
2013-14

Table 2b: Asset disposals

	Actual (\$)²
Market expansion	- 2,237,304
Pipeline	-
Trunk Wilton-Sydney	
Trunk Sydney-Newcastle	
Transmission pipeline (Wilton-Wollongong)	
Meters	- 127,156
Contract Meters	- 30,481
Meter Reading Devices	
Tariff Meters	- 96,675
Fixed Plant	
HP	-
HP Mains	
HP Services	
MP	- 2,110,148
MP Mains	- 49,020
MP Services	- 2,061,127
Country POTS	
Reinforcement, renewal, and replacement	- 17,360
Pipeline	-
Trunk Wilton-Sydney	
Trunk Sydney-Newcastle	
Transmission pipeline (Wilton-Wollongong)	
Meters	-17,360
Contract Meters	
Meter Reading Devices	
Tariff Meters	- 17,360
Fixed Plant	
HP	-
HP Mains	
HP Services	
Mine Subsidence	
MP	0
MP Mains	
MP Services	
Country POTS	
Non System	-99,403
Building	
Computers	
Software	
Fixed Plant	
Furniture	
Land	
Leasehold Improvements	
Low value assets	
Mobile Plant	
Vehicles	- 99,403
Stock	
TOTAL DISPOSALS	- 2,354,066
Check	TRUE

Instructions/questions

4. Were there any asset disposals during the regulatory year? If so, please provide a description of the disposed asset(s) together with the disposal value by asset type consistent with table 2.

Jemena Gas Networks (NSW) Ltd
JGN's NSW gas distribution networks
Pass through events
2013-14

Table 3: Pass through events **COMMERCIAL IN CONFIDENCE**

	Type of pass through event	Description	Date of event	Date event notified to AER	Satisfied administrative threshold?	Description of cost impact	Approved pass through amount	Date of regulatory approval
A	Unaccounted for Gas (UAG) Adjustment Event	UAG adjustment event included in 2014-15 annual tariff variation	Annual adjustment	14/04/2014	Yes			26/05/2014
B	Licence Fee Event	Licence Fee Event included in 2014-15 annual tariff variation	Annual adjustment	14/04/2014	Yes			26/05/2014
C	Carbon Pollution Reduction Scheme Event	Operating costs from implementation of Clean Energy Act included in 2014-2015 annual tariff variation	Annual adjustment	14/04/2014	Yes	Additional cost pass through of \$31,000	\$31,000	26/05/2014
D	Carbon Pollution Reduction Scheme Event	Costs from emission units for gas transmission fugitive emissions under Clean Energy Act included in 2014-2015 annual tariff variation	Annual adjustment	14/04/2014	Yes	Additional cost pass through of \$91,696	\$91,696	26/05/2014
E	Carbon Pollution Reduction Scheme Event	Costs from emission units for gas distribution fugitive emissions under Clean Energy Act included in 2014-2015 annual tariff variation. (We noted in the 2014-2015 annual tariff variation that this additional cost pass through is an estimate only based on forecast sales in 2014-15. The actual cost to JGN will be recovered as a throughput charge of \$0.110/GJ). Note that JGN has since made an adjustment in Aug 14 to account for the 17 Jul 14 repeal of the Clean Energy Act such that this pass through will be either unwound or not charged to begin with.	Annual adjustment	14/04/2014	Yes	Additional cost pass through of \$9,370,405	\$9,370,405	26/05/2014
Total pass through amount							\$10,671,739	

Pass through events
Licence Fee Event
Change in Tax Event
Business Continuity Event
Market Cost Event
Declared Retailer of Last Resort (ROLR) Event
Carbon Pollution Reduction Scheme Event
Unaccounted for Gas (UAG) Adjustment Event
General Pass Through Event

Instructions/questions

1. Complete table 3 for all cost pass through events which occurred during the regulatory year (\$nominal where applicable).

	Date commenced	Type	Progress ¹	Completion date (if applicable) ²	Estimated/actual cost (\$)	Description	Why extension/expansion is required
M44824	03/18/11	Medium Pressure extensor	Completed	27/06/2014	\$4,141,807		
M45029	5/11/2011	Facility upgrade	Completed	19/09/2013	\$3,112,295		
M57284	06/28/12	Facility upgrade	Completed	6/03/2014	\$453,295		
M58486	5/09/2013	Medium Pressure extensor	Completed	4/10/2013	\$711,753		
M59690	9/05/2012	Trunk main	Completed	13/02/2014	\$149,999		
M60748	10/10/2012	Medium Pressure extensor	Completed	19/02/2014	\$161,497		
M64111	2/07/2013	Secondary extensor	In Progress	In Progress	\$404,539		
A61638	11/05/2012	Commercial	Commercial	1/11/2013	\$444,821		
C61192	10/22/12	Commercial	In progress	In progress	\$189,403		
K33614	04/23/12	Redhead Infill	Completed	4/10/2013	\$196,601		
K56705	6/08/2012	Dept of Housing Infill	Completed	30/05/2014	\$119,011		
K60772	6/12/2012	Raymond Terrace Infill	In progress	In progress	\$264,447		
N60482	10/02/2012	Medium pressure extensor	Completed	9/09/2013	\$211,025		
N60484	10/02/2012	Medium pressure extensor	Completed	19/09/2013	\$369,636		
N64091	2/07/2013	Medium pressure extensor	Completed	29/10/2013	\$241,931		
P51217	8/09/2012	Medium pressure extensor	Completed	19/05/2014	\$153,105		
P53907	05/17/12	Medium pressure extensor	Completed	19/12/2013	\$125,819		
P56688	9/05/2012	Secondary extensor	Completed	2/09/2013	\$426,207		
P59925	9/12/2012	Medium pressure extensor	Completed	18/11/2013	\$259,373		
P60366	01/18/13	Medium pressure extensor	Completed	1/08/2014	\$160,127		
P60705	10/09/2012	Medium pressure extensor	Completed	17/02/2014	\$356,548		
P61847	11/09/2012	Medium pressure extensor	In progress	23/10/2014	\$100,615		
P64843	02/28/13	Medium pressure extensor	In progress	23/10/2014	\$110,313		
P66411	03/27/13	Medium pressure extensor	In progress	In progress	\$116,527		
P66678	03/27/13	Medium pressure extensor	In progress	1/08/2014	\$193,359		
U51323	03/27/12	Secondary extension, HP boundary reg & service	Completed	26/08/2013	\$131,424		
U64937	4/04/2012	Secondary cocon & medium pressure extension	Completed	19/11/2013	\$126,582		
L58722	9/06/2012	Secondary extensor	Completed	24/10/2013	\$103,151		
L64755	13/08/2013	Secondary extensor	Completed	13/12/2013	\$225,477		
L73777	13/12/2013	Medium Pressure extensor	Completed	31/03/2014	\$160,035		
L76349	8/04/2014	Secondary extensor	Completed	23/06/2014	\$205,648		
M31321	28/08/2009	Primary extension / facilti	Completed	29/10/2013	\$6,980,606		
M45076	1/05/2013	Primary main	In Progress	In Progress	\$292,994		
M45354	23/02/2012	Secondary extensor	In Progress	23/07/2014	\$2,364,260		
M46420	26/03/2012	Secondary extensor	In Progress	14/07/2014	\$391,902		
M46492	28/03/2012	Primary main	In Progress	In Progress	\$334,635		
M46494	28/03/2012	Primary main	In Progress	In Progress	\$424,407		
M46497	28/03/2012	Trunk main	In Progress	In Progress	\$351,010		
M61697	6/11/2012	Medium Pressure extensor	Completed	21/03/2014	\$2,405,423		
M62597	3/12/2012	Medium Pressure extensor	Completed	27/06/2014	\$354,215		
M63690	3/12/2012	Medium Pressure extensor	Completed	6/06/2014	\$130,598		
M62639	4/12/2012	Medium Pressure extensor	Completed	9/04/2014	\$102,332		
M62789	10/12/2012	Medium Pressure extensor	In Progress	In Progress	\$1,114,982		
M63690	29/01/2013	Medium Pressure extensor	In Progress	In Progress	\$116,267		
M63975	4/02/2013	Medium Pressure extensor	In Progress	In Progress	\$636,961		
M68813	28/06/2013	Secondary extensor	Completed	27/05/2014	\$287,352		
M70115	13/08/2013	Secondary extensor	Completed	22/05/2014	\$401,973		
M71188	18/09/2013	Trunk main	In Progress	In Progress	\$103,313		
M71656	2/10/2013	Medium Pressure extensor	In Progress	18/07/2014	\$428,961		
M73698	5/12/2013	Medium Pressure extensor	Completed	7/02/2014	\$955,728		
M73774	9/12/2013	Medium Pressure extensor	In Progress	In Progress	\$180,231		
A64609	21/02/2013	Mains extensor	Completed	15/04/2014	\$254,744		
A66383	23/04/2013	Mains extensor	Completed	12/02/2014	\$308,579		
A67109	15/05/2013	Mains extensor	In progress	7/08/2014	\$125,910		
A72919	4/03/2014	Mains extensor	In Progress	In Progress	\$647,119		
A73495	28/11/2013	Mains extensor	Completed	1/05/2014	\$248,905		
A73731	5/12/2013	Mains extensor	Completed	19/05/2014	\$291,105		
C65959	10/04/2013	Commercial	In progress	25/09/2013	\$115,337		
C70184	15/08/2013	Commercial	In progress	In progress	\$459,354		
C75986	5/03/2014	Commercial	In progress	In progress	\$155,318		
K70480	26/08/2013	Dubbo Infill	In Progress	In Progress	\$105,291		
N45494	9/05/2013	Harold Park re development for Mirvac	In Progress	In Progress	\$470,026		
N63819	9/04/2014	Schofields Rd Upgrade	In Progress	In Progress	\$221,444		
N71830	10/10/2013	Steel main and Cocor	In Progress	In Progress	\$331,373		
P56009	6/03/2013	Medium Pressure extensor	In Progress	In Progress	\$103,475		
P55888	8/04/2013	Medium Pressure extensor	Completed	20/05/2014	\$105,415		
P67029	14/05/2013	Medium Pressure extensor	Completed	17/02/2014	\$113,865		
P67278	13/06/2013	Medium Pressure extensor	In progress	In Progress	\$136,029		
P67952	5/08/2013	Medium Pressure extensor	In progress	In Progress	\$228,249		
P68711	2/07/2013	Medium Pressure extensor	In progress	In Progress	\$853,388		
P68870	8/07/2013	Medium Pressure extensor	In progress	In Progress	\$121,118		
P70265	19/08/2013	Medium Pressure extensor	In progress	In Progress	\$242,381		
P71443	26/09/2013	Medium Pressure extensor	In progress	In Progress	\$285,158		
P72377	25/10/2013	Medium Pressure extensor	Completed	27/05/2014	\$162,230		
P72640	15/01/2014	Medium Pressure extensor	In progress	In Progress	\$361,031		
P74915	3/02/2014	Medium Pressure extensor	In progress	In Progress	\$290,571		
P75745	12/06/2014	Medium Pressure extensor	In progress	In Progress	\$212,985		
P77344	24/04/2014	Medium Pressure extensor	In progress	In Progress	\$347,138		
P78026	15/05/2014	Medium Pressure extensor	In progress	In Progress	\$246,592		
U64634	28/06/2013	Medium Pressure extension	Medium Pressure extension	10/01/2014	\$110,393		
U64967	1/03/2013	Secondary Cocon installation	In Progress	In Progress	\$174,795		
U65098	11/03/2013	Medium Pressure extension	Medium Pressure extension	30/04/2014	\$196,624		
U69548	3/09/2013	Secondary Cocon installation	In Progress	In Progress	\$270,182		

Type	Progress
Expansion	In progress
Medium pressure extension	Completed
Low pressure extension	

¹ Whether the works were completed or in progress as at 30 June of the regulatory year

² If works were completed during the regulatory year, the date of completion

³ If works were completed during the regulatory year, the actual cost of the works; or if the works were in progress at the end of the regulatory year, the total estimated cost of the works

Instructions/questions

1. Complete table 4 for all extensions of low or medium pressure pipelines and expansions to the capacity of the network during the regulatory year, where such an extension or expansion incurred a total project cost greater than \$1 000 (\$ nominal where applicable).

Jemena Gas Networks (NSW) Ltd
JGN's NSW gas distribution networks
General information
2013-14

Table 6: Actual demand

	Demand (TJ)
Volume	35,465
Demand	55,157
All customers	90,622
Maximum daily quantity	372

Table 7: Customer numbers

	Customer numbers
Residential tariff	1,194,557
Business tariff	16,827
Contract	409
System total	1,211,793

Table 8: Pipeline length

Total length of mains (km)	25,693
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Instructions/questions

1. Complete table 6 by inserting the actual demand (in terajoules) and the maximum daily quantity for the regulatory year.
2. Complete table 7 by inserting the number of customers for each customer type.
3. Complete table 8 by inserting the total length of mains (in km).