

4 April 2019

Jemena Limited  
ABN 95 052 167 405

Via online submission

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Level 16, 567 Collins Street  
Melbourne, VIC 3000  
PO Box 16182  
Melbourne, VIC 3000  
T +61 3 9173 7000  
F +61 3 9173 7516  
[www.jemena.com.au](http://www.jemena.com.au)

Dear Mr Pierce,

**Jemena submission to GRC0047: National Gas Rules Amendment (Northern Gas Pipeline – Derogation from Part 23)**

Jemena owns and manages some of Australia's most significant gas and electricity assets, including the Northern Gas Pipeline (NGP). The NGP was commissioned in late 2018, and is able to transport around 90TJ of additional gas to the east-coast market each day.

Jemena welcomes the Commission's decision not to make a draft rule to revoke the derogation that applies to the NGP from Part 23 of the NGR. As noted in our earlier submission on the Commission's consultation paper on this proposed amendment, we strongly believe that retaining the derogation contributes to the National Gas Objective (NGO) and that the revocation of the derogation will not further the NGO. Jemena considers that the revocation would in fact detract from the NGO because it is likely to have a chilling effect on the genuine efforts of infrastructure investors to increase gas supply and increase competition.

Jemena agrees with the Commission's assessment that there is an appropriate level of protection against Jemena's ability to exercise market power when negotiating with prospective users for NGP services, and that revoking the current derogation is likely to give rise to increased regulatory complexity, increased uncertainty of outcomes and adverse outcomes such as forum shopping by potential users of the NGP.

Yours sincerely,



Usman Saadat  
General Manager Regulation