

# Natural gas in NSW and the Jemena Gas Network



## **Jemena has produced this brochure to explain the process involved in connecting customers in New South Wales to natural gas**

While many residents may show keen interest in connecting to natural gas initially, it is the Jemena Gas Network's experience that their decision is greatly influenced by the age of their existing energy appliances.

Residents may agree that being connected to natural gas would be something they would do in the future if gas was available, but some people may not be prepared to incur the cost of replacing appliances at this point in time.

Generally, the fewer gas appliances a resident installs, the lower the gas usage per dwelling and therefore the higher the financial contribution the resident may need to make towards the costs of constructing a new gas main.

### **For more information**

If you have any further questions regarding gas connections, please contact:  
[newhomeconnections@jemena.com.au](mailto:newhomeconnections@jemena.com.au)  
or 1300 137 078



## Background

### The Jemena Gas Network

- The Jemena Gas Network distributes natural gas to 1.1 million homes and businesses in Sydney, Newcastle, Central Coast and Wollongong as well as to over 20 country centres including those in the Central West, Central Tablelands, South Western, Southern Tablelands, Riverina and Southern Highlands regions of New South Wales
- Under the Australian Energy Regulator, and the National Gas Law, the Jemena Gas Network must keep confidential all information about its network users and customers.
- The Australian Energy Regulator is an independent body that oversees regulation in the gas industry in Australia.
- The Jemena Gas Network must be able to demonstrate to the Australian Energy Regulator that all capital and operating expenditures on the network are economically and technically sound during periodic pricing reviews. The Jemena Gas Network is able to recover prudent and efficient expenditure through gas prices that are approved by the Australian Energy Regulator.
- Natural gas is not an essential service so decisions about extending the Jemena Gas Network have to be based on economic viability in each case.
- Customers may be required to contribute to the cost of connecting to the gas network. This cost can vary significantly depending on a number of factors that are detailed below.  
or 1300 137 078

## Frequently Asked Questions

### How is a gas connection request processed?

There are two ways for a home or business to connect to the Jemena Gas Network. This can be done by contacting Jemena directly on 1300 137 078 or via a retailer.

More information about connecting your home or business to natural gas can be found at: [www.gonaturalgas.com.au](http://www.gonaturalgas.com.au)

If you contact a retailer, then the retailer will submit a gas connection request to the Jemena Gas Network.

Either way, the first step will be a check to determine where the home or business is in relation to the nearest gas main.

If there is a suitable gas main directly outside the home or business, then the planned connection may proceed as a basic connection, depending on site conditions. However, if a suitable gas main is not located directly outside the residence, the Jemena Gas Network will assess the feasibility of extending the network.

Depending on the outcome of this assessment, the customer may be asked to contribute to the cost of extending the gas main for the purpose of connecting the home or business to the gas network.

### What does the feasibility assessment cover?

Costs of extending the network and to connect new customers are influenced by a number of factors including:

Terrain; distance from the gas supply; pipe diameter required; gas main design and construction; impact on existing infrastructure already in place such as driveways, footpaths and roads; impact on the local environment; subsequent restoration costs; disruption to traffic including traffic and pedestrian control measures.

### How are areas assessed that don't have natural gas?

Connecting areas that don't have a natural gas supply, including regional and rural areas, requires major construction. Applications from such areas are investigated separately to residential gas connections. In such cases, the amount of gas a town or region consumes is critical to the economic feasibility of the construction project and must be assessed over the lifetime of the gas pipeline.

### Why are gas connection costs so variable?

Distance from the existing gas network is the main cost component. However, a combination of the other factors listed previously can also make construction costs vary significantly.

For example: gas mains construction occurring in an established suburb may require existing roads, driveways and footpaths to be excavated and restored; access to the residence may be difficult or sandstone excavation may require specialist equipment.

### Are customers required to make financial contributions to gas connections?

Do the number of residents in the area expressing interest in getting the gas connected, have an impact on whether the connection will go ahead?

The Jemena Gas Network must be able to demonstrate that all development of natural gas mains is economically prudent and efficient.

The expected gas usage by new residential customers is generally relatively small compared to the cost of network extensions. In order for the connection to be economically prudent, potential gas consumers may need to make a financial contribution to the costs of construction.

If only one or a small number of potential gas consumers require connection, then the financial contribution towards construction can sometimes be significant.