



# PUBLICATION

## Mid-West and South-West Gas Distribution System Access Arrangement

### PROPOSED REFERENCE TARIFF VARIATION FOR 2012/13

The Economic Regulation Authority has approved the proposed reference tariff variation submitted by ATCO Gas Australia Pty Ltd (**ATCO**) on 18 May 2012 to apply from 1 July 2012.

ATCO's proposed reference tariff variation is consistent with the reference tariff variation mechanism in Annexure B of the approved access arrangement for the Mid-West and South-West Gas Distribution System (**GDS**). The reference tariff variation mechanism provides for the variation of a Haulage Tariff and comprises:

- a reference tariff variation formula which includes a Consumer Price Index (**CPI**) adjustment and differences between actual and forecast regulatory operating expenditure; and
- an adjustment for any defined cost pass-through events.

Taking account of actual regulatory costs and inflation in accordance with the tariff variation formula contained in clause 2.3, Annexure B of the access arrangement, reference tariffs will increase by 1.73 per cent at 1 July 2012 before accounting for cost pass-through events.

The Authority has determined that ATCO's cost pass-through events satisfy the requirements set out in clause 3 of Annexure B. Further, the Authority has approved the cost pass-through amount of \$2,777,186 for the Australian Federal Government carbon tax, resulting from the *Clean Energy Act 2011*, and an additional cost pass-through amount of \$20,508 associated non-carbon tax obligations.

All cost pass-through amounts are to be recovered over the period 1 July 2012 to 30 June 2013. These amounts are to be recovered by a standing charge and a variable charge. Fixed costs of \$110,631 will be recovered via an amendment to standing charges and the remaining \$2,687,063 via a variable charge based on haulage volumes.

The impact of the carbon tax pass-through on B3 (residential) customers will be an annual increase of \$3.19 on average in 2012/13.

A copy of ATCO's proposed reference tariff variation is available on the Authority's [website](#).

For further information contact:

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