


GOLDFIELDS GAS TRANSMISSION PTY LTD

Ref JW-JW-JW-SL 0456

20 August 2014

Mr Greg Watkinson  
Chief Executive Officer  
Economic Regulation Authority  
Level 4, Albert Facey House  
469 Wellington Street  
PERTH WA 6000

  
Dear Mr Watkinson

**Quarterly inflation adjustment of reference tariff for the Goldfields Gas Pipeline:  
1 October 2014 to 31 December 2014**

Goldfields Gas Transmission Pty Ltd (GGT) is proposing to adjust the reference tariff for the Goldfields Gas Pipeline (GGP), for the quarter commencing 1 October 2014, in accordance with Clause 5.3(a) of the GGP Access Arrangement. The adjustment is to be made using the formula set out in Clause 9.8 of the Access Arrangement General Terms and Conditions.

Clause 9.8 provides for adjustment of each component of the reference tariff using the formula:

$$C_t = C_{t-1} \times \frac{1}{1 + K} \times \frac{CPI_{t-2}}{CPI_{t-3}}$$

where:

$C_t$  is the relevant charge in the Quarter  $t$  in which the Billing Period occurs;

$C_{t-1}$  is the charge for the Quarter commencing three months prior to the commencement of Quarter  $t$  (for the Quarter commencing 1 April 2012,  $C_{t-1}$  is the relevant charge shown in clause 1 of the fourth schedule of Appendix 3 to the GGP Access Arrangement);

$CPI_{t-2}$  is the CPI for the Quarter commencing six months prior to the commencement of Quarter  $t$ ;

$CPI_{t-3}$  is the CPI for the Quarter commencing nine months prior to the commencement of Quarter  $t$ ;

$$K = \left[ 1 + \frac{R}{100} \right]^{0.25} - 1; \text{ and}$$

R is 2.5 (the forecast annual percentage inflation rate in the Final Decision).

The reference tariff components  $C_{t-1}$  are:

Toll charge	\$/GJ	0.214414
Capacity reservation charge	\$/GJ MDQ km	0.001471
Throughput charge	\$/GJ km	0.000386

The other terms of the formula in clause 9.8 are as follows:

$$\begin{aligned}CPI_{t-2} &= 105.9 \\CPI_{t-3} &= 105.4 \\K &= 0.006192 \\ \frac{1}{1+K} \times \frac{CPI_{t-2}}{CPI_{t-3}} &= 0.998561\end{aligned}$$

The reference tariff components,  $C_t$ , which comprise the inflation adjusted reference tariff to apply from 1 July 2014 to 30 September 2014, are:

Toll charge	\$/GJ	<b>0.214105</b>
Capacity reservation charge	\$/GJ MDQ km	<b>0.001469</b>
Throughput charge	\$/GJ km	<b>0.000385</b>

Yours sincerely

**John Williams**  
**Manager Regulatory**