

14 September 2015

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Economic Regulation Authority  
Level 4  
469 Wellington Street  
PERTH WA 6000

BY EMAIL TO: [Robert.Pullella@erawa.com.au](mailto:Robert.Pullella@erawa.com.au)

Dear Rob,

**ATCO Gas Australia Pty Ltd: Access Arrangement – Reference Tariff Variation for Period  
Beginning 1 October 2015  
Public Submission**

I refer to the Economic Regulation Authority's (ERA) Revised Access Arrangement for the ATCO Gas Australia's Mid-West and South-West Gas Distribution Systems as released on Friday 10 September 2015 (**Access Arrangement**).

The Reference Tariff Variation Mechanisms for Haulage Tariffs detailed in Annexure B of the Access Arrangement (**Annexure B**) requires ATCO Gas Australia to use its reasonable endeavours to provide the ERA a "Variation Report – reference tariff variation formula", at least 40 Business Days before the date on which the Haulage Tariff is to be varied (Annexure B Clause 3.1).

ATCO Gas Australia herewith (**Attachment A**) provides the haulage Tariff "Variation Report – reference tariff variation formula" relating to haulage tariffs applicable from 1 October 2015. ATCO Gas Australia notes that although this variation report is provided less than 40 business days prior to the tariff variation date this report has been provided as soon as practical after the date of release of the Access Arrangement.

Attachment A contains the proposed Haulage Tariffs and varied Tariff Components in accordance with clause 3.1 of Annexure B.

The proposed Haulage tariffs expressed as dollars per GJ or annual standing charge are summarised in the table below – a copy of the model setting out the calculation of the information in the table accompanies this letter:



Charging parameter	Units	Tariffs ERA Final Decision to apply 1 October 2015 before variation (\$ real at 30 June 2014)	Tariffs varied by formula to apply 1 October 2015 (\$ nominal)
<b>Reference tariff A1</b>			
Standing charge	\$/year	44,297.51	46,027.88
Demand charge			
First 10 km	\$/GJ km	186.70	193.99
Distance > 10 km	\$/GJ km	98.27	102.11
<b>Usage charge</b>			
First 10 km	\$/GJ km	0.03961	0.04116
Distance > 10 km	\$/GJ km	0.01979	0.02056
<b>Reference tariff A2</b>			
Standing charge	\$/Year	24,525.45	25,483.48
First 10 TJ	\$/GJ	2.37	2.46
Volume > 10 TJ	\$/GJ	1.27	1.32
<b>Reference tariff B1</b>			
Standing charge	\$/Year	1,235.46	1,283.72
First 5 TJ	\$/GJ	4.72	4.90
Volume > 5 TJ	\$/GJ	4.05	4.21
<b>Reference tariff B2</b>			
Standing charge	\$/Year	309.58	321.67
First 100 GJ	\$/GJ	7.88	8.19
Volume > 100 GJ	\$/GJ	4.69	4.87
<b>Reference tariff B3</b>			
Standing charge	\$/Year	75.81	78.77
First 2 GJ <sup>1</sup>	\$/GJ	-	-
Volume > 2 < 10 GJ <sup>2</sup>	\$/GJ	14.98	15.57
Volume > 10 GJ	\$/GJ	6.47	6.72
Notes			
(1) Rounded from 1.825 GJ			
(2) Rounded from 9.855 GJ			

Should you have any questions relating to this matter please do not hesitate to contact me.

Yours sincerely,



Simon Byrne

General Manager Corporate Service & Legal



# Attachment A: Variation Report

## Proposed Haulage Tariffs and varied Tariff Components in accordance with clause 4.1(a) of Annexure B

This variation report details the varied tariff components of the reference tariffs for applicable from 1 October 2015 to 31 December 2015.

The determination of the varied tariff components has been undertaken in accordance with Annexure B of the Access Arrangement for the Mid-West and South-West Gas Distribution Systems.

Varied reference tariffs applicable from 1 October 2015 have been calculated by applying the escalation factor  $C^j_{2015}$  to the real dollar tariffs contained in Annexure A of the Access Arrangement in accordance with clause 1.2 of Annexure B.

The escalation factor applied to tariffs set out in Annexure A of the Access Arrangement is determined by applying the following equation as set out in clause 1.2 of Annexure B:

$$C^j_{2015} = \text{CPI}_{\text{Sep2014}} / \text{CPI}_{\text{Mar 2013}}$$

$$C^j_{2015} = 106.4 / 102.4$$

$$C^j_{2015} = 1.039$$

The varied reference tariffs, excluding GST, are listed below and will be applicable from 1 October 2015. Details of the individual calculations are provided in the attached spreadsheet.

### 1.1 Varied Reference TARIFF A1

- (a) the Standing Charge is \$46,027.88 divided by 365;
- (b) the Demand Charge Rate is:
  - (i) \$193.99 for the first 10 kilometres of the Interconnection Distance; and
  - (ii) \$102.11 for any part of the Interconnection Distance in excess of 10 kilometres;
- (c) the Usage Charge Rate is:
  - (i) \$0.04116 per Gigajoule per kilometre for the first 10 kilometres of the Interconnection Distance; and
  - (ii) \$0.02056 per Gigajoule per kilometre for any part of the Interconnection Distance in excess of 10 kilometres

### 1.2 Varied Reference TARIFF A2

- (i) the Standing Charge is \$25,483.48 divided by 365;
- (ii) the Usage Charge Rate is:

- (A) \$2.46 per gigajoule for the first 27.397 Gigajoules per day of gas delivered to the User at a Delivery point; and
- (B) \$1.32 per gigajoule for usage in excess of the first 27.397 Gigajoules per day delivered to the User at a Delivery and

### 1.3 Varied Reference TARIFF B1

- (i) the Standing Charge is \$1,283.72 divided by 365
- (ii) the Usage Charge Rate is:
  - (A) \$4.90 per Gigajoule for the first 13.699 Gigajoules per day of gas delivered to the User at a Delivery point; and
  - (B) \$4.21 per for any usage in excess of the first 13.699 Gigajoules per day delivered to the User at a Delivery Point; and

### 1.4 Varied Reference TARIFF B2

- (i) the Standing Charge is \$321.67 divided by 365 and
- (ii) the Usage Charge Rate is:
  - (A) \$8.19 per Gigajoule for the first 274 Megajoules per day of gas delivered to the User at a Delivery point; and
  - (B) \$4.87 per for any usage in excess of the first 274 Megajoules per day of gas delivered to the User at a Delivery Point.

### 1.5 Varied Reference TARIFF B3

- (i) the Standing Charge is \$78.77 divided by 365; and
- (ii) the Usage Charge Rate is:
  - (A) \$0.00 per Gigajoule for the first 5 Megajoules per day of gas delivered to the User at a Delivery Point
  - (B) \$15.57 per Gigajoule for the next 22 Megajoules per day of gas delivered to the User at a Delivery Point and
  - (C) \$6.72 per Gigajoule for any usage in excess of the first 27 Megajoules per day of gas delivered to the User at a Delivery Point