

30 September 2015

Rob Pullella  
Executive Director Access  
Economic Regulation Authority  
Level 4  
469 Wellington Street  
PERTH WA 6000

Dear Rob,

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

I refer to my letter dated 14 September, 2015 and to the Notice (Correction Notice) issued by the Economic Regulation Authority (ERA) on 29 September 2015.

ATCO Gas Australia herewith provides an amended haulage Tariff “Variation Report – reference tariff variation formula” complying with the corrections to Annexure A of the Access Arrangement approved by the ERA on 10 September 2015 outlined in the Correction Notice relating to haulage tariffs applicable from 1 October 2015.

This report has been provided as soon as practical after the date of release of the Correction Notice, notwithstanding that this amended variation report is provided less than 40 business days prior to the tariff variation date.

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.



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	\$/GJ	-	-
Volume > 2 <10 GJ	\$/GJ	14.98	15.57
Volume > 10 GJ	\$/GJ	6.47	6.72

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

Yours sincerely,



Simon Byrne

General Manager Corporate Services & Legal

Att.



**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 per 12 month period;
- (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 per twelve month period;
- (ii) the Usage Charge Rate is:

- (A) \$2.46 per Gigajoule for the first 10 Terajoules of gas delivered to the User at a Delivery Point per year; and
- (B) \$1.32 per Gigajoule for usage in excess of the first 10 Terajoules of gas delivered to the User at a Delivery Point per year and

### **1.3 Varied Reference TARIFF B1**

- (i) the Standing Charge is \$1,283.72 per 12 month period
- (ii) the Usage Charge Rate is:
  - (A) \$4.90 per Gigajoule for the first 5 Terajoules of gas delivered to the User at a Delivery point per year; and
  - (B) \$4.21 per Gigajoule for any usage in excess of the first 5 Terajoules of gas delivered to the User at a Delivery Point per year; and

### **1.4 Varied Reference TARIFF B2**

- (i) the Standing Charge is \$321.67 per 12 month period and
- (ii) the Usage Charge Rate is:
  - (A) \$8.19 per Gigajoule for the first 100 Gigajoules of gas delivered to the User at a Delivery point per year; and
  - (B) \$4.87 per Gigajoule for any usage in excess of the first 100 Gigajoules of gas delivered to the User at a Delivery Point per year.

### **1.5 Varied Reference TARIFF B3**

- (i) the Standing Charge is \$78.77 per twelve month period; and
- (ii) the Usage Charge Rate is:
  - (A) \$0.00 per Gigajoule for the first 2 Gigajoules of gas delivered to the User at a Delivery Point per year
  - (B) \$15.57 per Gigajoule for the next 8 Gigajoules of gas delivered to the User at a Delivery Point per year; and
  - (C) \$6.72 per Gigajoule for any usage in excess of the first 10 Gigajoules of gas delivered to the User at a Delivery Point per year