



# GOLDFIELDS GAS TRANSMISSION PTY LTD

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REF: IC-IC-IC-SL: 0714

2 November 2022

Ms Jenness Gardner  
Chief Executive Officer  
Economic Regulation Authority

By e-mail: [REDACTED]

Dear Ms Gardner

## **Scheduled Reference Tariff Variation Notice for the Goldfields Gas Pipeline 2023**

Goldfields Gas Transmission Pty Limited (GGT) is proposing to vary the Reference Tariff for the Goldfields Gas Pipeline (GGP) in accordance with the mechanism for Scheduled Variation set out in section 4.5, and section A1 of schedule A, of the GGP Access Arrangement, and seeks the Economic Regulation Authority's approval of the proposed varied tariff.

This letter is the Scheduled Reference Tariff Variation Notice required by section 4.5.1(b) of the Access Arrangement.

GGT is not proposing to vary the Reference Tariff as a result of the occurrence of a Cost Pass-through Event.

The proposed variation does, however, take into account annual updating of the return on debt.

GGT has updated the return on debt for the 2022 calendar year using a debt risk premium of 2.209% established from corporate debt yields over the 20 trading days commencing on 1 September 2022, which was the averaging period proposed by GGT in its last GGP Access Arrangement revision proposal.

The debt risk premium of 2.209% was proposed by the Economic Regulation Authority in its letter to GGT dated 10 October 2022.

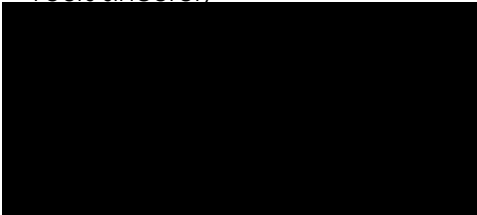
The varied Reference Tariff Components which GGT proposes applying from 1 January 2023 are:

Toll tariff	\$ 0.126478/GJ MDQ
Capacity reservation tariff	\$ 0.000767/GJ MDQ km
Throughput tariff	\$ 0.000207/GJ km

GGT's tariff variation calculations have been made using the ERA's December 2019 Final Decision tariff model. We have, however, summarised them, in an attachment to this letter, which progresses through application of the formulae in section A1 of schedule A of the Access Arrangement.

We would be pleased to discuss with you the way in which we have used the model to arrive at the varied tariff. On this, and on any other matter which may assist the ERA's process of approving the proposed tariff variation, please contact me on [REDACTED]

Yours sincerely

A large black rectangular redaction box covering the signature area.

**Ignatius Chin**  
**Regulatory Manager**

## Attachment

### Goldfields Gas Pipeline (Covered Pipeline)

#### Annual Scheduled Variation of Reference Tariffs: Varied Reference Tariff to apply from 1 January 2023

The components of the Reference Tariff are adjusted annually for inflation and for an updated return on debt in accordance with the formula in clause A1 of schedule A to the Goldfields Gas Pipeline Access Arrangement. This spreadsheet calculates the varied Reference Tariff components which are to apply from 1 January 2023.

The Reference Tariff Components which are to be varied are those applying on 1 January of the prior year. They are, for 1 January 2022:		
Toll tariff	\$/GJ MDQ	0.119708
Capacity reservation tariff	\$/GJ MDQ km	0.000726
Throughput tariff	\$/GJ km	0.000196
These are the values of $p_{t-1}$ in the formula in clause A1 of schedule A to the Access Arrangement.		
The formulae in clause A1 of schedule A require, in addition to the values for $p_{t-1}$ , values for:		
t = 1	1 January 2023 - 31 December 2023	
X_Factor (toll tariff) t = 1		-0.003930
X_Factor (capacity reservation tariff) t = 1		-0.003930
X_Factor (throughput tariff) t = 1		-0.003930
$Y^i$		0.020000
Z		0.011400
SepCPI <sub>t-1</sub>	Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for September Quarter 2022	128.4
SepCPI <sub>t-2</sub>	Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for September Quarter 2021	119.7
<b>Limits on the varied reference tariff components</b>		
Toll tariff	\$/GJ MDQ	<b>0.128992</b>
Capacity reservation tariff	\$/GJ MDQ km	<b>0.000782</b>
Throughput tariff	\$/GJ km	<b>0.000211</b>
Quantities of service forecast to be provided in Year t - 2 (1 January 2021 - 31 December 2021):		
Capacity	TJ MDQ	39,805.73
Capacity.distance	PJ MDQ km	41,567.78
Throughput.distance	PJ km	37,043.55
<b>Limit on movement of weighted average tariff basket</b>		
Toll tariff component	\$m	5.033924
Capacity reservation tariff component	\$m	31.880955
Throughput tariff component	\$m	7.670199
	\$m	<b>44.585078</b>
<b>Varied Reference Tariff Components with <math>Y_i = 0.00013</math></b>		
Toll tariff	\$/GJ MDQ	0.126478
Capacity reservation tariff	\$/GJ MDQ km	0.000767
Throughput tariff	\$/GJ km	0.000207
<b>Revenue from tariff basket with <math>Y_i = 0.00013</math></b>		
Toll tariff component	\$m	5.034549
Capacity reservation tariff component	\$m	31.882485
Throughput tariff component	\$m	7.668015
	\$m	<b>44.585049</b>
Is varied toll charge within limit?		<b>YES</b>
Is varied capacity reservation charge within limit?		<b>YES</b>
Is varied throughput charge within limit?		<b>YES</b>
Is weighted average tariff basket within limit?		<b>YES</b>
The varied Reference Tariff Components to apply from 1 January 2023 are:		
Toll tariff	\$/GJ MDQ	<b>0.126478</b>
Capacity reservation tariff	\$/GJ MDQ km	<b>0.000767</b>
Throughput tariff	\$/GJ km	<b>0.000207</b>