10 November 2022

Goldfields Gas Pipeline

Reference tariff variation – 1 January 2023

The Economic Regulation Authority has approved an annual reference tariff variation for the Goldfields Gas Pipeline (GGP). The approved toll, capacity reservation and throughput reference tariffs are higher than current tariffs by 5.7 per cent, 5.6 per cent and 5.6 per cent respectively.

The GGP access arrangement provides for an annual tariff variation to adjust for the differences in the forecast and actual inflation, cost pass-through events and updating the calculation of the rate of return. The service provider, Goldfields Gas Transmission Pty Ltd (GGT), proposed to vary the reference tariffs for actual inflation and an updated estimate of the rate of return but proposed no cost pass-through events.

The ERA has accepted GGT's proposal to increase reference tariffs as a result of actual inflation being higher than forecast inflation. The actual inflation rate of 7.3 per cent for the September quarter 2022 exceeded the forecast inflation rate of 1.14 per cent at the time of the last access arrangement. The difference in the inflation rates is partially offset by the lower debt risk premium used to calculate GGP's rate of return. The ten-year trailing average used to estimate the debt risk premium is lower than the value determined last year, as a lower 2023 value replaces the 2013 value.

The ERA has verified that the proposed variation is in accordance with the current GGP access arrangement.

The new reference tariffs are effective from 1 January 2023 and are shown in the table below. GGT's proposal and the approved references tariffs are available on the ERA website.

Tariff applicable dates	Toll $/GJ MDQ	Capacity Reservation Charge $/GJ MDQ km	Throughput Charge $/GJ km
1 January 2023 to 31 December 2023	0.126478	0.000767	0.000207

Further information

General enquiries

Tyson Self
Ph: 08 6557 7900
info@erawa.com.au

Media enquiries

Danielle Asarpota
Ph: +61 428 859 826
media@erawa.com.au

Level 4, Albert Facey House, 469-489 Wellington Street, Perth Western Australia 6000
Telephone 08 6557 7900 | **Email** info@erawa.com.au | **Website** www.erawa.com.au

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