



Notice

29 November 2022

Mid-West and South-West Gas Distribution Systems

Reference tariff variation – 1 January 2023

The Economic Regulation Authority has approved an annual reference tariff variation for the ATCO Gas Australia Mid-West and South-West Gas Distribution Systems (GDS) to apply from 1 January 2023. The approved haulage reference tariffs are higher than the current tariffs by around 7.3 per cent.

The GDS access arrangement provides for an annual tariff variation to adjust for differences in the forecast and actual inflation, cost pass-through events and to update the rate of return. ATCO Gas Australia, proposed to vary the reference tariffs for actual inflation, six cost pass-through events and an updated estimate of the rate of return.

The ERA has accepted ATCO's proposal to increase reference tariffs as a result of actual inflation being higher than forecast inflation and the cost pass-through events. The actual inflation rate of 7.27 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 effect of the difference in the inflation rates and the additional pass through costs is partially offset by the lower debt risk premium used to calculate ATCO's rate of return. The debt risk premium estimate using the ten-year trailing average 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 GDS access arrangement.

This increase in gas network prices is in line with inflation to ensure that ATCO can recover the cost of efficiently operating its network.

The new reference tariffs are effective from 1 January 2023. ATCO's proposal and the approved reference tariffs are available on the ERA [website](#).

Further information

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