



Notice

30 November 2023

Mid-West and South-West Gas Distribution Systems

Reference Tariff Variation – 1 January 2024

The Economic Regulation Authority has approved an annual reference tariff variation for the ATCO Gas Australia's Mid-West and South-West Gas Distribution Systems (GDS) to apply from 1 January 2024. The approved haulage reference tariffs are higher than the current tariffs by around 5.8 per cent. The ancillary reference tariffs will increase by around 5.4 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 haulage reference tariffs for actual inflation, eight cost pass-through events and an updated estimate of the rate of return. The ancillary reference tariffs have only increased because of an adjustment for actual inflation.

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 annual inflation rate of 5.4 per cent for the September quarter 2023 exceeded the inflation rate of 1.14 per cent forecast at the time of the last access arrangement. The increase due to 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 ten-year trailing average used to estimate the debt risk premium is lower than the value determined last year, as a lower 2024 value replaces the 2014 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 an efficiently operated network.

The new reference tariffs are effective from 1 January 2024. ATCO's proposal and the approved reference tariffs are available on the [ERA website](#).

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