

**ACCESS ARRANGEMENT FOR THE MID-WEST AND SOUTH-WEST GAS  
DISTRIBUTION SYSTEMS  
VARIATION REPORT FOR VARIATION YEAR 2006**

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This variation report details the varied tariff components of the reference tariffs for application during variation year 2006.

The determination of the varied tariff components has been undertaken in accordance with Clauses 3 to 10 of Part B of the AlintaGas Networks Pty Ltd Access Arrangement for the Mid-West and South-West Gas Distribution Systems.

The varied reference tariffs, excluding GST, are listed below and will be applicable from 1 January 2006. Details of the individual calculations are provided in the attached spreadsheet.

**Varied Reference Tariff A1:**

- (i) the standing charge is \$44,734.30 (ex GST) per year;
- (ii) the demand charge rate is:
  - A. \$184.71 (ex GST) per gigajoule per kilometre per year for the first 10 kilometres of the interconnection distance; and
  - B. \$92.35 (ex GST) per gigajoule per kilometre per year for any part of the interconnection distance in excess of 10 kilometres;
- (iii) the usage charge rate is:
  - A. \$0.04502 (ex GST) per gigajoule per kilometre for the first 10 kilometres of the interconnection distance; and
  - B. \$0.02249 (ex GST) per gigajoule per kilometre for any part of the interconnection distance in excess of 10 kilometres;

**Varied Reference Tariff A2:**

- (i) the standing charge is \$508.18 (ex GST) per year;
- (ii) the usage charge rate is:
  - A. \$4.69 (ex GST) per gigajoule for the first 5 terajoules of gas delivered to the user per year;
  - B. \$4.45 (ex GST) per gigajoule for gas delivered to the user in excess of 5 terajoules per year and up to 10 terajoules per year; and
  - C. \$1.17 (ex GST) per gigajoule for gas delivered to the user in excess of 10 terajoules per year;

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**Varied Reference Tariff B1:**

- (iii) the standing charge is \$508.18 (ex GST) per year;
- (iv) the usage charge rate is:
  - A. \$4.69 (ex GST) per gigajoule for the first 5 terajoules of gas delivered to the user per year;
  - B. \$4.45 (ex GST) per gigajoule for gas delivered to the user in excess of 5 terajoules per year and up to 10 terajoules per year; and

**Varied Reference Tariff B2:**

- (i) the standing charge is \$203.25 (ex GST) per year; and
- (ii) the usage charge rate is:
  - A. \$5.18 (ex GST) per gigajoule for the first 100 gigajoules of gas delivered to the user per year; and
  - B. \$4.68 (ex GST) per gigajoule for gas delivered to the user in excess of 100 gigajoules per year;

**Varied Reference Tariff B3:**

- (i) the standing charge is \$25.91 (ex GST) per year; and
- (ii) the usage charge rate is:
  - A. \$8.69 (ex GST) per gigajoule for the first 15 gigajoules of gas delivered to the user per year;
  - B. \$6.07 (ex GST) per gigajoule for gas delivered to the user in excess of 15 gigajoules per year and up to 45 gigajoules per year; and
  - C. \$3.73 (ex GST) per gigajoule for gas delivered to the user in excess of 45 gigajoules per year;

# AlintaGas Networks Pty Ltd

## Distribution Tariff Variation

### Proposed Distribution Tariffs

Tariff Category	Tariff Component	P <sub>t</sub>	Q <sub>t-2</sub>	P <sub>t-1</sub> * Q <sub>t-2</sub>	P <sub>t</sub> (inc GST)
Tariff A1	Fixed Charge	44,734.3000	40	1,789,372	49,207.73000
Tariff A1	Usage First 10 km's	0.04502	25,655,886	1,155,028	0.04952
Tariff A1	Usage >10 km's	0.02249	15,170,548	341,186	0.02474
Tariff A1	Demand <10kms	184.7100	8,369	1,545,909	203.18000
Tariff A1	Demand >10km	92.3500	5,626	519,596	101.59000
Tariff A2	Fixed Charge	508.1800	77	39,130	559.00000
Tariff A2	First 5 TJ	4.6900	367,069	1,721,555	5.16000
Tariff A2	> 5 TJ's < 10 TJ's	4.4500	338,573	1,506,649	4.90000
Tariff A2	> 10 TJ's	1.1700	859,278	1,005,355	1.29000
Tariff B1	Fixed Charge	508.18	1,053	535,114	559.00000
Tariff B1	First 5 TJ	4.69	1,459,280	6,844,025	5.16000
Tariff B1	> 5 TJ's	4.4500	267,363	1,189,767	4.90000
Tariff B2	Fixed Charge	203.2500	5,047	1,025,803	223.58000
Tariff B2	First 100 GJ's	5.1800	304,600	1,577,829	5.70000
Tariff B2	> 100 GJ's	4.6800	677,091	3,168,785	5.15000
Tariff B3	Fixed Charge	25.9100	498,756	12,922,768	28.50000
Tariff B3	First 15 GJ's	8.6900	5,485,617	47,670,009	9.56000
Tariff B3	> 15 GJ's < 45 GJ's	6.0700	3,303,795	20,054,034	6.68000
Tariff B3	>45 GJ's	3.7300	1,059,490	3,951,900	4.10000
Tariiff A1N	Total GJ's		10,547,413		
Tariff A2N	Total GJ's		339,251		
Tariff B1N	Total GJ's		11,800		

108,563,813

# AlintaGas Networks Pty Ltd

## Distribution Tariff Variation

### Existing Distribution Tariffs

Tariff Category	Tariff Component	P <sub>t-1</sub>	Q <sub>t-2</sub>	P <sub>t-1</sub> * Q <sub>t-2</sub>
Tariff A1	Fixed Charge	44,263.0500	40	1,770,522
Tariff A1	First 10 km's	0.04454	25,655,886	1,142,713
Tariff A1	>10 km's	0.02225	15,170,548	337,545
Tariff A1	Demand1 (<10)	182.7300	8,369	1,529,337
Tariff A1	Demand 2 (>10)	91.3600	5,626	514,026
Tariff A2	Fixed Charge	502.9800	77	38,729
Tariff A2	First 5 TJ	4.6400	367,069	1,703,201
Tariff A2	> 5 TJ's < 10 TJ's	4.4100	338,573	1,493,106
Tariff A2	> 10 TJ's	1.1600	859,278	996,762
Tariff B1	Fixed Charge	502.98	1,053	529,638
Tariff B1	First 5 TJ	4.64	1,459,280	6,771,061
Tariff B1	> 5 TJ's	4.4100	267,363	1,179,073
Tariff B2	Fixed Charge	201.1900	5,047	1,015,406
Tariff B2	First 100 GJ's	5.1300	304,600	1,562,599
Tariff B2	> 100 GJ's	4.6200	677,091	3,128,159
Tariff B3	Fixed Charge	25.1500	498,756	12,543,713
Tariff B3	First 15 GJ's	8.6000	5,485,617	47,176,304
Tariff B3	> 15 GJ's < 45 GJ's	6.0100	3,303,795	19,855,807
Tariff B3	>45 GJ's	3.9500	1,059,490	4,184,987
Tariff A1N	Total GJ's		10,547,413	
Tariff A2N	Total GJ's		339,251	
Tariff B1N	Total GJ's		11,800	

107,472,690

## Distribution Tariff Variation

**PRICE CONTROL FORMULA**

$$B_t = (\text{Sumof } P_t * Q_{t-2}) / (\text{Sumof } P_{t-1} * Q_{t-2})$$

Sumof  $P_t * Q_{t-2}$  108,563,813

Sumof  $P_{t-1} * Q_{t-2}$  107,472,690

**Bt:** 101.0153%

**RHS:** 101.0153%

**Bt <= RHS:** Price Control - OK

$$RHS = (\text{SepCPI}_{t-1} / \text{SepCPI}_{t-2}) (1-X) (1+R_t)$$

SepCPI<sub>t-1</sub>: 149.80

SepCPI<sub>t-2</sub>: 145.40

X<sub>t</sub>: 2.240%

R<sub>t</sub>: 0.3%

**RHS:** 101.0153%

$$R_t = \{1 + [\text{Drct}_{t-1} * (1+WACC)] / \text{Rev}_t\} - 1$$

Drct<sub>t-1</sub>: 309,469

Rev<sub>t</sub>: 112,096,000

WACC: 6.78%

R<sub>t</sub>: 0.3%

$$\text{Drct}_{t-1} = ((\text{SepCPI}_{2004} / \text{SepCPI}_{t-1}) * \text{Arc}_{t-1}) - \text{Frc}_{t-1}$$

SepCPI<sub>2004</sub> 145.40

SepCPI<sub>t-1</sub> 149.80

Arc<sub>t-1</sub> \$ 1,081,227

Frc<sub>t-1</sub> \$ 740,000

AlintaGas Networks Pty Ltd

Distribution Tariff Variation

Rebalancing Control

Y

2%

Tariff Category	Tariff Component	P <sub>t</sub>	P <sub>t-1</sub>	Rebalancing Control
Tariff A1	Fixed Charge	44,734.3000	44,263.0500	OK
Tariff A1	First 10 km's	0.04502	0.0445	OK
Tariff A1	> 10 km's	0.0225	0.0223	OK
Tariff A1	Demand1	184.7100	182.7300	OK
Tariff A1	Demand 2	92.3500	91.3600	OK
Tariff A2	Fixed Charge	508.1800	502.9800	OK
Tariff A2	First 5 TJ	4.6900	4.6400	OK
Tariff A2	> 5 TJ's < 10 TJ's	4.4500	4.4100	OK
Tariff A2	> 10 TJ's	1.1700	1.1600	OK
Tariff B1	Fixed Charge	508.1800	502.9800	OK
Tariff B1	First 5 TJ	4.6900	4.6400	OK
Tariff B1	> 5 TJ's	4.4500	4.4100	OK
Tariff B2	Fixed Charge	203.2500	201.1900	OK
Tariff B2	First 100 GJ's	5.1800	5.1300	OK
Tariff B2	> 100 GJ's	4.6800	4.6200	OK
Tariff B3	Fixed Charge	25.9100	25.1500	OK
Tariff B3	First 15 GJ's	8.6900	8.6000	OK
Tariff B3	> 15 GJ's < 45 GJ's	6.0700	6.0100	OK
Tariff B3	>45 GJ's	3.7300	3.9500	OK