

**ACCESS ARRANGEMENT FOR THE MID-WEST AND SOUTH-WEST GAS  
DISTRIBUTION SYSTEMS  
VARIATION REPORT FOR VARIATION YEAR 2005**

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This variation report details the varied tariff components of the reference tariffs for application during variation year 2005.

The determination of the varied tariff components has been undertaken in accordance with Clause 19 of Schedule 7 of AlintaGas Networks Pty Ltd Access Arrangement for the Mid-West and South-West Gas Distribution Systems.

The varied reference tariffs are listed below and will be applicable from 1 January 2005. Details of the individual calculations are provided in the attached spreadsheet.

**Varied Reference Tariff A:**

- (i) the standing charge is \$48,689.35 per year;
- (ii) the demand charge rate is:
  - A. \$201.00 per gigajoule per kilometre per year for the first 10 kilometres of the interconnection distance; and
  - B. \$100.50 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. \$0.04899 per gigajoule per kilometre for the first 10 kilometres of the interconnection distance; and
  - B. \$0.02448 per gigajoule per kilometre for any part of the interconnection distance in excess of 10 kilometres;

**Varied Reference Tariff B1:**

- (i) the standing charge is \$553.28 per year;
- (ii) the usage charge rate is:
  - A. \$5.10 per gigajoule for the first 5 terajoules of gas delivered to the user per year;
  - B. \$4.85 per gigajoule for gas delivered to the user in excess of 5 terajoules per year and up to 10 terajoules per year; and
  - C. \$1.28 per gigajoule for gas delivered to the user in excess of 10 terajoules per year;

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**Varied Reference Tariff B2:**

- (i) the standing charge is \$221.31 per year; and
- (ii) the usage charge rate is:
  - A. \$5.64 per gigajoule for the first 100 gigajoules of gas delivered to the user per year; and
  - B. \$5.08 per gigajoule for gas delivered to the user in excess of 100 gigajoules per year;

**Varied Reference Tariff B3:**

- (i) the standing charge is \$27.66 per year; and
- (ii) the usage charge rate is:
  - A. \$9.46 per gigajoule for the first 15 gigajoules of gas delivered to the user per year;
  - B. \$6.61 per gigajoule for gas delivered to the user in excess of 15 gigajoules per year and up to 45 gigajoules per year; and
  - C. \$4.35 per gigajoule for gas delivered to the user in excess of 45 gigajoules per year;

**Analysis**

Each tariff component has been varied in accordance with the following calculation:

$$MAV_t = TC_{t-1} \times (CPI_t - X).$$

Where:

“**MAV<sub>t</sub>**” is the maximum allowed value for the *varied tariff component* in the *variation year (year t)*;

“**t**” indicates the number of a calendar *year*, with:

- t*=1 representing 2000;
- t*=2 representing 2001;
- t*=3 representing 2002;
- t*=4 representing 2003;
- t*=5 representing 2004; and
- t*=6 representing 2005;

**t** for the purpose of the calculation is 6.

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“**TC<sub>t-1</sub>**” is:

- (a) when year 2 is the variation year – the tariff component in the Initial Reference Tariffs for the period commencing on 1 July 2000 and ending on 31 December 2000; and
- (b) for each other variation year – the tariff component for year t-1;

“**CPI**” is calculated as follows:

- (a) the Consumer Price Index (All Groups, Eight Capital City), published by the Australian Bureau of Statistics for the September Quarter of year t-1. CPI for the September 2004 quarter is 145.4;

divided by

- (b) the Consumer Price Index (All Groups, Eight Capital City), published by the Australian Bureau of Statistics for the September Quarter of year t-2. CPI for the September 2003 quarter is 142.1;

“**X**” is:

- (a) when year 2 is the *variation year* – 0.0530; and
- (b) for each other *variation year* – 0.0255.

Therefore **CPI<sub>6</sub>** is calculated as  $\frac{145.4}{142.1} = 1.0232$

**CPI<sub>6</sub> – X** is calculated as  $1.0232 - 0.0255 = 0.9977$