Economic Regulation Authority

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NOTICE

Tariff Variation for 2007– AlintaGas Networks Mid-West and South-West Gas Distribution Systems

On 15 November 2006, AlintaGas Networks Pty Ltd advised the Economic Regulation Authority of the proposed variation of the reference tariffs to apply from 1 January 2007 to 31 December 2007 on the Mid-West and South-West Gas Distribution Systems. The Authority has allowed this variation of the tariffs.

A copy of the company's advice to the Authority which includes the tariffs for 2007 can be viewed by clicking here. On average the tariffs have increased by 1.5% which is below the 3.9% increase in the Consumer Price Index. In accordance with section 8.3D of the *National Third Party Access Code for Natural Gas Pipeline Systems*, the variation in reference tariffs will be effective from 1 January 2007.

The notified tariff variation changes the reference tariffs by the price path set out in the access arrangement. The variation includes adjustments for the Consumer Price Index (All Groups Weighted Average of Eight Capital Cities), variation for regulatory costs and the application of a constrained tariff basket. The constrained tariff basket allows AlintaGas Networks to increase some tariffs above the price path as long as others are adjusted by an appropriate amount.

These tariffs are not the retail tariffs paid by general small business or household consumers. Small business and household gas prices change on 1 July each year and are directly linked by Government regulation to the Consumer Price Index.

Copies of the Access Arrangement, Terms and Conditions and Access Arrangement Information documents are available on the Authority's web site (www.era.wa.gov.au).

For further information contact:

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LYNDON ROWE CHAIRMAN

14 December 2006