Economic Regulation Authority

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Promoting fair prices, quality services and choice.

NOTICE

Tariff Variation for 2009 – WA Gas Networks Pty Ltd (formerly Alinta Gas) Mid-West and South-West Gas Distribution Systems

The Economic Regulation Authority has allowed a variation of the reference tariffs that apply in respect of access to the Mid-West and South-West Gas Distribution Systems from 1 January 2009 to 31 December 2009. This variation to reference tariffs is independent of retail tariffs that apply to general small business and household consumers, which may be varied on July 1 each year and are linked by government regulation to the Consumer Price Index (CPI).

The variation was proposed by WA Gas Networks Pty Ltd on 16 November 2007. A copy of the company's advice to the Authority, which includes the tariffs for 2009, can be viewed on the Authority's <u>web site</u>.

The variation to network charges is consistent with the price path set out in the access arrangement. The variation includes adjustments for the All Groups Weighted Average of Eight Capital Cities CPI, variation for regulatory costs and the application of a constrained tariff basket. The constrained tariff basket allows WA Gas Networks Pty Ltd to increase some tariffs above the price path as long as the individual tariff adjustments adhere to the regulatory price control formulas (see Clauses 3 to 10, Part B of WA Gas Networks Pty Ltd's current access arrangement).

On average, tariffs have increased by 3.6 per cent, which is below the 5.0 per cent increase in the CPI. The fixed daily tariffs for households and small businesses and the tariffs for the first 15GJ of household consumption are being increased by 5.7 percent.

Copies of the Access Arrangement, Terms and Conditions and Access Arrangement Information documents are available on the Authority's <u>web site</u>.

For further information contact:

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LYNDON ROWE CHAIRMAN

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