



Notice

12 April 2018

Supreme Court of Western Australia's Judgement on Goldfields Gas Pipeline Judicial Review

The Supreme Court of Western Australia has dismissed the application for judicial review of the Economic Regulation Authority's [Final Decision](#) on Proposed Revisions to the Access Arrangement for the Goldfields Gas Pipeline. The Supreme Court found that the ERA did not make an error of law.

On 14 November 2016, Goldfields Gas Transmission Pty Ltd (GGT) lodged an application for judicial review of the ERA's Final Decision on the Goldfields Gas Pipeline's access arrangement. GGT argued that the ERA erroneously construed rule 92(3) of the National Gas Rules. GGT argued that the ERA should not have adjusted reference tariffs between 1 July 2016 and 31 December 2019 to account for an 'interval of delay'. The 'interval of delay' was between 1 January 2015 (the intended commencement date) and 1 July 2016 (the actual commencement date).

The ERA's Final Decision sought to ensure that users and the service provider were no better or worse off as a result of the delay. In this case, the reference tariffs on the Goldfields Gas Pipeline remained unchanged from the previous access arrangement during the period of delay and were higher than the reference tariffs calculated for the new regulatory period. The National Gas Rules allow the regulator to make an adjustment to account for differences in revenue resulting from a delay in its decision. The adjustment made by the ERA resulted in lower tariffs from 1 July 2016.

In its appeal, GGT claimed the ERA's adjustment during the period between 1 January 2015 and 1 July 2016 was approximately \$39 million of additional revenue over the current access arrangement period. If GGT had been successful in its appeal, this would have increased the reference tariff on the Goldfields Gas Pipeline to recover the \$39 million difference.

The ERA welcomes the Supreme Court's decision and its judgement that the ERA did not make an error of law in its application of the National Gas Rules.

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