



GOLDFIELDS GAS TRANSMISSION PTY LTD

ACN 004 273 241
ABN 87 004 273 241

Level 5
EastPoint Plaza
233 Adelaide Terrace
PERTH WA 6000

Telephone: +61 8 6189 4300
Facsimile: +61 8 6189 4349

REF: JW-JW-SL: 0602

31 January 2019

Ms Jenness Gardner
Chief Executive Officer
Economic Regulation Authority

By e-mail: tyson.self@erawa.com.au

Dear Ms Gardner

Scheduled Reference Tariff Variation Notice for the Goldfields Gas Pipeline

Goldfields Gas Transmission Pty Limited (GGT) is proposing to vary the Reference Tariff for the Goldfields Gas Pipeline (GGP) in accordance with the mechanism for Scheduled Variation set out in section 4.5 of the GGP Access Arrangement. That mechanism, among other things, varies the tariff quarterly for a change in inflation.

If the Economic Regulation Authority (ERA) were to approve the proposed variation, the varied reference tariff would apply from 1 April 2019.

Each of the components of the GGP Reference Tariff may be varied, quarterly, in accordance with the formula set out in section A1 of schedule A (Details) to the Access Arrangement. The formula is:

$$C_t = C_{t-1} \times \frac{1}{(1+K)} \times \frac{CPI_{t-2}}{CPI_{t-3}}$$

where:

- C_t is the (varied) tariff component in the Quarter t for which the adjustment is made;
- C_{t-1} is the tariff component for the Quarter commencing three months prior to the commencement of Quarter t ;
- K is $(1 + Z)^{0.25} - 1$;
- Z is 0.0146 (1.46% was the forecast annual percentage inflation rate used in the ERA's June 2016 Final Decision on GGP Access Arrangement revisions);
- CPI_{t-2} is the Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for the Quarter commencing 6 months prior to the commencement of Quarter t ; and
- CPI_{t-3} is the Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for the Quarter commencing 9 months prior to the commencement of Quarter t .

The components of the Reference Tariff which are to be varied are the components applying at 1 January 2019, and are set out on the ERA's website (at <https://www.era.gov.au/gas/gas-access/goldfields-gas-pipeline/tariff-variations>). They are:

Toll tariff	\$0.114831/GJ MDQ
Capacity reservation tariff	\$0.000610/GJ MDQ km
Throughput tariff	\$0.000225/GJ km

For the quarter commencing 1 April 2019:

CPI_{t-2} = 114.1 Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for the December quarter 2018 (from Australian Bureau of Statistics, Catalogue No. 6401, Consumer Price Index Australia, Tables 3 and 4).

CPI_{t-3} = 113.5 Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for the September quarter 2018 (from Australian Bureau of Statistics, Catalogue No. 6401, Consumer Price Index Australia, Tables 3 and 4).

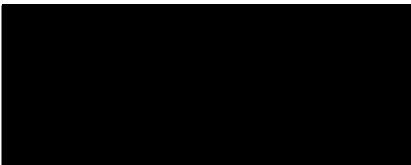
The factor $1/(1 + K)$ is 0.996383.

The varied Reference Tariff components to apply from 1 April 2019 are, then:

Toll tariff	\$0.115020/GJ MDQ
Capacity reservation tariff	\$0.000611/GJ MDQ km
Throughput tariff	\$0.000225/GJ km

Should GGT be able to further assist the ERA's process of approving the proposed tariff variation, please contact me on [REDACTED] or at [REDACTED]

Yours sincerely



John L Williams
Manager Regulatory