



# 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: 0606

30 April 2019

Ms Jenness Gardner  
Chief Executive Officer  
Economic Regulation Authority

By e-mail: [REDACTED]

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 July 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 April 2019, and are set out on the ERA's website (at <https://www.erawa.com.au/gas/gas-access/goldfields-gas-pipeline/tariff-variations>). They are:

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

For the quarter commencing 1 July 2019:

CPI<sub>t-2</sub> = 114.1 Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, for the March quarter 2019 (from Australian Bureau of Statistics, Catalogue No. 6401, Consumer Price Index Australia, Tables 3 and 4).

CPI<sub>t-3</sub> = 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).

There was, between December 2018 and March 2019, no change in the Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities.

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

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

Toll tariff	\$0.114604/GJ MDQ
Capacity reservation tariff	\$0.000609/GJ MDQ km
Throughput tariff	\$0.000224/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

[REDACTED]

**John L Williams**  
**Manager Regulatory**