



WA Gas Networks Pty Ltd
ABN 90 089 531 975

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16 November 2009

Russell Dumas
Director Gas and Rail Access
Economic Regulation Authority
Level 6 Governor Stirling Tower
197 St George's Terrace
PERTH WA 6000

Dear Russell

**WA GAS NETWORKS PTY LTD ACCESS ARRANGEMENT FOR THE MID-WEST
AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS:
REFERENCE HAULAGE TARIFFS EFFECTIVE 1 JANUARY 2010**

As you are aware, WA Gas Networks Pty Ltd (WAGN) is currently preparing revisions to the Access Arrangement for the Mid West and South West Gas Distribution Systems (MWSWGDS) in accordance with the requirements of the *National Gas Law* (NGL) and the *National Gas Rules* (NGR). WAGN's submission of the revisions has been deferred until the NGL and the NGR have effect in Western Australia. To allow for proclamation of the relevant sections of the *National Gas Access (WA) Act 2009*, the revisions submission date of the Access Arrangement has been extended to 31 January 2010. The revisions commencement date remains 1 January 2010.

Until the NGL and the NGR come into effect, economic regulation of the MWSWGDS continues to be in accordance with the *Gas Pipelines Access (Western Australia Act) 1998* and, in particular, in accordance with the *National Third party Access Code for Natural Gas Pipeline Systems* (Code) which is Schedule 2 to the 1998 Act.

Sections 8.3, and 8.3A to 8.3H of the Code govern the variation of reference tariffs, and have been applied in establishing the provisions for reference tariff variation which are currently in the clauses 3 to 10 of Part B of the Access Arrangement for the MWSWGDS. Those provisions permit tariff variation only within an access arrangement period. They do not allow a variation of reference tariffs for the MWSWGDS which would have effect after the current revisions commencement date.

WAGN is of the view that, in these circumstances, the current reference tariffs for the MWSWGDS continue to apply, unchanged, until the Economic Regulation Authority (ERA) approves revisions to the Access Arrangement.

If the NGL and the NGR come into effect in Western Australia before 1 January 2010, Rule 92(3) will have the effect of explicitly precluding a variation of the reference tariffs until revisions to the Access Arrangement are approved by the ERA.





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The reference tariffs which WAGN expects to apply from 1 January 2010 are those which came into effect on 1 January 2009, following WAGN's issue of a variation report to the ERA on 16 November 2008. These tariffs are set out in the table attached. They were posted on the ERA's web site at, http://www.era.wa.gov.au/2/347/48/annual_tariff_v.pm, on 8 December 2008.

Please do not hesitate to contact me on 08 6213 7151 should you have any queries.

Yours sincerely

Deborah Evans
Manager Regulatory Affairs



WA GAS NETWORKS' ACCESS ARRANGEMENT FOR THE MID WEST SOUTH WEST GAS DISTRIBUTION SYSTEMS - REFERENCE HAULAGE TARIFFS AS AT 1 JANUARY 2010

Tariff Component		Exclusive GST
Reference tariff A		
Standing charge	\$	44286.96
Demand charge		
	\$ / GJ MHQ	
	Less than 10 kms	182.86
	Greater than 10 kms	91.43
Usage charge		
	\$ / GJ kms	
	Less than 10 kms	0.04460
	Greater than 10 kms	0.02230
Reference tariff A2		
Standing charge	\$	556.13
Usage charge		
	Less than 5 TJ	
	\$ GJ	4.89
	Greater than 5 TJ and less than 10 TJ	4.60
	Greater than 10 TJ	1.21
Reference tariff B1		
Standing charge	\$	556.13
Usage charge		
	Less than 5 TJ	
	\$ GJ	4.89
	Greater than 5 TJ	4.60
Reference tariff B2		
Standing charge	\$	223.02
Usage charge		
	\$ GJ	
	Less than 100 GJ	5.66
	Greater than 100 GJ	4.84
Reference tariff B3		
Standing charge	\$	28.59
Usage charge		
	\$ GJ	
	Less than 15 GJ	9.50
	Greater than 15 GJ and less than 45 GJ	5.69
	Greater than 45 GJ	3.86