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18 November 2025

Mr Steve Edwell
Chair
Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street
PERTH WA 6000

Submitted via email: [redacted]

Dear Mr Edwell

Re: Reference Tariff Variation for period beginning 1 January 2026

The Access Arrangement (approved by the Economic Regulation Authority on 8 November 2024) provides for ATCO to vary its reference tariffs from 1 January 2026. The attached reference tariff schedule (see Attachment 1) details the revised reference tariffs that will apply from 1 January 2026.

The revised 2026 haulage reference tariffs will increase by 11.1% compared to the 2025 reference tariffs. This increase is in line with the expected increase foreshadowed in the ERA's AA6 Final Decision. Over the AA6 Period the ERA have adopted a price path with equal real price increases each year, of approximately 7.8% (real) per year. This approach was adopted by the ERA in the AA6 Final Decision to avoid a large one-off price increase in 2025.

ATCO has adjusted its reference tariffs that will apply from 1 January 2026 to account for inflation, the annual update to the debt risk premium (DRP), and cost pass-through items applicable to the period from 1 October 2023 to 30 September 2025.

Inflation for the 12 month period September 2024 to September 2025 of 3.2% accounts for most of the remaining increase. The balance of price change relates to the proposed cost pass through items, which are partially offset by a modest downward movement from a lower debt risk premium.

Ancillary reference services will increase in line with inflation, with a 3.2% increase.

The attached tariff variation report (see Attachment 2) provides information to support the proposed variations to the reference tariffs, including supporting information on the cost-pass through items.

It is requested that in order to allow sufficient time for changes to ATCO's billing system, the retail market hub and retailers' systems to account for the tariff variation that the ERA advise of its decision before the end of November.

If you have any questions or would like to discuss this tariff variation further, please contact me or Warrick Ambrosa, Senior Manager Regulatory Strategy.

Yours sincerely

Hugh Smith
Executive General Strategy Technology and Corporate Affairs

Attachment 1: 2026 Reference Tariffs

Attachment 2: 2026 Tariff Variation Report

ATTACHMENT 1: 2026 REFERENCE TARIFFS

TARIFF VARIATION 1 JANUARY 2026

GAS DIVISION

Access Arrangement 2025-29

CONFIDENTIAL
18/11/2025

2026 REFERENCE TARIFFS

FROM 1 JANUARY 2026

Table 1: Haulage reference tariffs

Charging parameter	Units	Varied Tariffs ($ nominal GST exclusive)
Reference tariff A1		
Standing charge	$/year	50,973.09
Demand charge		
First 10 km	$/GJ km	214.84
Distance > 10 km	$/GJ km	113.08
Usage charge		
First 10 km	$/GJ km	0.04544
Distance > 10 km	$/GJ km	0.02289
Reference tariff A2		
Standing charge	$/Year	28,190.01
First 10 TJ per year	$/GJ	2.74
Volume > 10 TJ per year	$/GJ	1.45
Reference tariff B1		
Standing charge	$/Year	1,425.97
First 5 TJ per year	$/GJ	5.41
Volume > 5 TJ per year	$/GJ	4.65
Reference tariff B2		
Standing charge	$/Year	357.85
First 274 MJ per day	$/GJ	9.05
Volume > 274 MJ per day	$/GJ	5.40
Reference tariff B3		
Standing charge	$/Year	177.04
Usage charge	$/GJ	6.13

Table 2: Ancillary reference tariffs

Ancillary reference service	Varied Tariffs ($ nominal GST exclusive)
Applying a Meter Lock	45.57
Removing a Meter Lock	31.07
Deregistering a Delivery Point	169.26
Disconnecting a Delivery Point	105.45
Reconnecting a Delivery Point	223.98
Permanent disconnection	1,130.58
Special Meter Reading	10.92

Notes

This reference tariff schedule:

- is to be read in conjunction with Annexures A and C of the Revised Access Arrangement for the ATCO Gas Australia Mid-West and South-West Gas Distribution Systems (dated 8 November 2024)
- does not supersede or amend any tariff variation or reference tariff published by the Economic Regulation Authority

ATTACHMENT 2: TARIFF VARIATION REPORT

TARIFF VARIATION 1 JANUARY 2026

GAS DIVISION

Access Arrangement 2025-29

PUBLIC
18/11/2025

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1. INTRODUCTION

This variation report details the varied tariff components of the natural gas haulage reference tariffs that will apply from 1 January 2026 to 31 December 2026.

The varied tariff components have been determined in accordance with Annexure B and Annexure C of the Access Arrangement for the Mid-West and South-West Gas Distribution Systems.

All haulage tariffs commencing 1 January 2026 have been re-calculated to reflect the X-Factor$_{2026}$ and the annual CPI adjustment.

2. CPI ADJUSTMENT

In accordance with the formulas provided in the Access Arrangement for the Mid-West and South-West Gas Distribution Systems:

- haulage tariffs have been adjusted to reflect inflation (per clause 1.3 of Annexure B); and
- reference tariffs associated with ancillary services have been adjusted to reflect inflation (per clause 2 of Annexure C).

Inflation was applied using the CPI All Groups, Weighted Average of Eight Capital Cities. The following CPI values applied:

Table 2.1: CPI All Groups, Weighted Average of Eight Capital Cities

Date	CPI Index
September 2022	128.4
September 2023	135.3
September 2024	139.1
September 2025	143.6

3. X-FACTOR CALCULATION

The X-Factor is the average rate of change in tariffs before adjustments for inflation. The X-Factor is re-calculated each year to include approved cost pass-through events and the annual update of the trailing average debt risk premium.

The X-factor for the AA6 period reflects the price path adopted for the AA6 period in the Final Decision. The ERA's Final Decision decided to apply a smoothed real price tariff path option. The ERA's Final Decision was to set (real) tariff increases at 7.8 per cent per year for AA6, noting that the X-Factor is updated annually with cost pass-through events and the annual update of the trailing average debt risk premium.

The X-Factor_{2026} value applied to haulage tariffs is 7.757%.

The X-Factor_{2026} has been calculated using an updated trailing average debt risk premium (DRP) of 1.845%.

The X-Factor_{2026} also includes the cost pass-through events shown in Table 3.1 for the period 1 October 2023 to 30 September 2025. It should be noted that there were no cost pass through items for the period of 1 January 2025 to 30 September 2025. All the items listed in Table 3.1 relate to 1 October 2023 to 31 December 2024.

Table 3.1: Cost pass-through events 1 October 2023 to 30 September 2025 ($ actual)

	1. Allocation ATCO entities				2. Allocation ATCO Gas Australia services			3. Allocation opex and capex	
	TOTAL	OTHER ATCO ENTITIES	ATCO GAS AUSTRALIA	NON-PIPELINE SERVICES	ALBANY KAL-GOORLIE	NON-REFERENCE SERVICES	REFERENCE SERVICES	OPEX	CAPEX
Increased superannuation guarantee charge	1,077,583	-	1,077,583	14,303	13,382	34,902	1,014,997	690,607	324,390
Construction Industry Training Fund levy	65,387	-	65,387	36,223	85	-	29,079	-	29,079
Work Health and Safety Act 2020 (WHS Act) compliance	30,000	6,366	23,634	187	449	3	22,993	15,636	7,358
Security Legislation Amendment (Critical Infrastructure Protection) Act 2022 (SLACIP Act)	348,743	24,397	324,346	-	-	-	324,346	227,042	97,304
Gas Inspection team – Building and Energy Directive - Delineation of Duties	330,175	-	330,175	-	6,276	-	323,899	292,920	30,980
TOTAL	1,851,888	30,763	1,821,125	50,712	20,192	34,905	1,715,314	1,226,204	489,111

3.1 Annual update of trailing average debt risk premium

There is an automatic annual adjustment to the rate of return for the revised debt risk premium. The trailing average debt risk premium has been updated to incorporate DRP_{2026}.

The ten DRP estimates used to derive the trailing average debt risk premium are listed in the table below.

Table 3.2: 2026 trailing average debt risk premium

	DRP_t
Calendar year 2017: $\mathbf{DRP_{2017}}$	2.326%
Calendar year 2018: $\mathbf{DRP_{2018}}$	1.689%
Calendar year 2019: $\mathbf{DRP_{2019}}$	1.663%
Calendar year 2020: $\mathbf{DRP_{2020}}$	1.770%
Calendar year 2021: $\mathbf{DRP_{2021}}$	2.075%
Calendar year 2022: $\mathbf{DRP_{2022}}$	1.562%
Calendar year 2023: $\mathbf{DRP_{2023}}$	2.215%
Calendar year 2024: $\mathbf{DRP_{2024}}$	1.924%
Calendar year 2025: $\mathbf{DRP_{2025}}$	1.722%
Calendar year 2026: $\mathbf{DRP_{2026}}$	1.506%
2026 TRAILING AVERAGE	**1.845%**

4. COST PASS-THROUGH EVENTS 1 OCTOBER 2023 TO 31 DECEMBER 2024

For this tariff variation, the cost pass through mechanism, pursuant to clause 2.2 Annexure B of the access arrangement, allows for the recovery of certain costs incurred in the final 15 months of the AA5 period.

4.1 Superannuation guarantee percentage increase

The Superannuation Guarantee percentage increased to 11.0% on 1 July 2023 and to 11.5% on 1 July 2024. These increases were not included in the forecast costs for the fifth access arrangement period (2020 to 2024).

The changes to the Superannuation Guarantee percentage are a change in law and, therefore, a cost pass-through event pursuant to clause 2.1 (a) (iii) of Annexure B of the access arrangement. Per Clause 2.2 of Annexure B of the Access Arrangement, additional superannuation costs are being claimed for the period October 2023 to December 2024.

Legislative context

The *Superannuation Guarantee (Administration) Act 1992* (the Act) clause 19(2) sets out the Superannuation Charge percentage. The percentages were set in 2014 by amendment to the *Superannuation Guarantee (Administration) Act 1992* via Schedule 6 of the *Minerals Resource Rent Tax Repeal and Other Measures Bill 2014.* The table at clause 19(2) of the Act states the Superannuation Guarantee charge increased from 9.5% to 10% on 1 July 2021, 10.5% on 1 July 2022 11.0% on 1 July 2023 and to 11.5% on 1 July 2024.

Although the forecast superannuation guarantee percentage has been specified in legislation since 2014, there has been no certainty the law will stand as legislated. For example, the proposed 2014 increase in the superannuation guarantee charge was deferred by the Abbott Government following its election in 2014.

The history of amendments to the Superannuation Guarantee percentage and the apparent power of the Government of the day to alter the timing and amount of the percentage mean that the Superannuation Guarantee percentage cannot be considered to be in force until confirmed by the Government of the day. Therefore, the changes of the Superannuation Guarantee percentage on July 2021, and subsequent changes, are a change in the law at the date of the change for the purpose of being a cost pass-through event pursuant to clause 2.1 (a) (iii) of Annexure B of the access arrangement.

Due to the uncertainty around the Superannuation Guarantee changes, increases in the Superannuation Guarantee percentage were not included in the forecast costs for the access arrangement review period 2020 to 2024.

Impact on ATCO

Approximately 79 of ATCO Gas' employees are covered by an enterprise bargaining agreement which requires ATCO to contribute an amount prescribed by the Superannuation Guarantee Act 1992 (Cth) into the employee's nominated superannuation fund.

For the other approximately 350 employees, ATCO Gas has been compelled to increase the overall labour costs, to include the Superannuation Guarantee percentage increase, due to labour market conditions. Western Australia is currently experiencing a surge in infrastructure activity, as is elsewhere in Australia, causing a shortage of skilled personnel.

If ATCO were to pass on the cost of the Superannuation Guarantee percentage increase in the form of a cut to take-home pay, it would inevitably result in the loss of skilled staff, not to mention the impact on overall staff morale. The consequential effect would be a deleterious effect on ATCO Gas' ability to provide services in a safe and efficient manner due to the lack of experienced staff. It is in the long-term interests of consumers for ATCO Gas to retain experienced staff to provide safe and reliable services at the lowest sustainable cost.

Only costs related to employees on the Mid-West and South-West Gas Distribution Network have been included. Amounts for non-pipeline and non-reference services have been deducted from the total costs incurred based on hours timesheeted to services. A further 1.90% was deducted as an estimate of the costs related to Albany and Kalgoorlie based on the number of delivery points consistent with the regulatory accounts cost allocation method. The remaining amount relating to reference services has been allocated between operating and capital expenditures based on timesheeted hours and ATCO's accounting allocation of overheads to capex. The cost pass-through amount relating to ATCO Gas' Mid-West and South-West Gas Distribution network is **$1,014,997**, of which **$690,607** is operating expenditure and **$324,390** is capital expenditure.

The cost pass-through amount has increased relative to 2024 tariff variation ($336,341 operating expenditure and $153,919 capital expenditure) due to:

- The prior year related to a 9-month period of a 1.0% increase in the superannuation guarantee charge and 3 months of a 1.5% increase.; compared to
- The current year cost pass-through amount, of a 1.5% increase for 9 months and a 2.0% increase for 6 months.

The amount of superannuation is also affected by increases in payroll costs which is the base for estimating superannuation costs.

4.2 Construction Industry Training Fund

The *Building and Construction Industry Training Fund and Levy Collection Act 1990* (the Act) was assented to in December 1990. The associated regulations, which define the scope of activities subject to the Building and Construction Industry Training Fund (CITF) Levy, were amended by the Building and Construction Industry Training Fund and Levy Collection Amendment Regulations 2018, effective from 1 October 2018. The effect of the amended regulations was to broaden the scope of activities subject to the regulations such that ATCO Gas construction activities were now subject to the levy.

The training levy is calculated at 0.2 per cent of the total value of construction and is to be paid prior to the start of the project. The project owner is responsible for payment of the levy and reporting of project details to the Construction Training Fund (CTF), which administers the levy. Generally, the project owner is the head contractor where they are engaged to carry out or cause to be carried out all of the construction work.

Building and Construction Industry Training Fund and Levy Collection Amendment Regulations 2018 are a change in law and, therefore, a cost pass-through event pursuant to clause 2.1 (a) (iii) of Annexure B of the access arrangement.

Construction activities subject to the levy are:

- Construction of new assets where the value of the works relating to those assets exceeds $20,000; and

- Works relating to replacement, alteration, renovation, reconfiguration or relocation – a threshold of $10 million applies.

At ATCO, this means the CTF Levy amounts to relate to growth projects, reinforcement projects, mains extensions and open trench works to reticulate subdivisions. Because the CTF Levy applies to projects that are directly related to haulage reference services on our gas distribution network, an allocation to non-reference services is not required. Examples of our non-reference services include, disconnecting a service in the street or relocating a gas meter. These projects do not fall within the scope of the CTF Levy.

The process for invoicing ATCO by the CTF is to invoice an estimated amount for each six-month period January to June and July to December. A final invoice is issued after the end of the period based on actual project information less the estimated amount included in the estimated invoice for the period.

The total amount paid to the CTF from October 2023 to December 2024, not claimed in previous tariff variation mechanisms, is $65,387.[1] Of that amount, $36,223 was allocated to non-pipeline services. An amount of $85 related to projects in Albany and Kalgoorlie, leaving a net amount of **$29,079** as a cost to the Mid-West and South-West Gas Distribution Network as a cost pass-through event.

These amounts have been treated as capital expenditure consistent with the accounting treatment of the expenditure. [redacted]

4.3 Work Health and Safety Act 2020

This cost pass through is being claimed for October 2023 to December 2024.

The Work Health and Safety Act 2020 (the WHS Act) and accompanying regulations came into effect on 31 March 2022. The WHS Act and regulations place a duty of care on a person conducting a business or undertaking (PCBU) to ensure workplace health and safety.

The WHS Act defines health to include both physical and psychological health and establishes principles for managing the risk of psychological harm.

The Work Health and Safety Commission issued a code of practice under the WHS Act regarding psychosocial hazards titled, 'Psychosocial hazards in the workplace' (Code of Practice). The Code of Practise sets out practical guidance for a PCBU to comply with its obligations regarding psychological health under the WHS Act.

The WHS Act and accompanying regulations are a change in law and, therefore, a cost pass-through event pursuant to clause 2.1 (a) (iii) of Annexure B of the access arrangement.

To efficiently comply with the WHS Act and accompanying regulations in accordance with the Code of Practice ATCO purchased software on an annual licence basis. The software assists ATCO to comply with the WHS Act and accompanying regulations in accordance with the Code of Practice by providing:

- a rigorous framework for psychological risk assessment; and
- a framework to plan and implement necessary controls identified by the risk assessment

1 In ATCO's 2024 annual tariff variation, an estimate of $19,229 was claimed for the period July-December 2023. The actual levy was $39,669. The remaining amount was paid in March 2024 and is being claimed as part of $65,387.

ATCO has also obtained assistance with gap analysis, integration of psychological risk into ATCO's risk register, and identification and assessment of psychosocial hazards. The assistance also focused on building internal capability through training, delivering workshops on burnout and stigma, and developing a benefits measurement framework to track changes in risk and staff well-being for executive reporting.

Use of the software and services has allowed ATCO to ensure ongoing compliance with the legislation.

Costs of the software and services have been shared among ATCO entities and have been allocated based on employee numbers **being the driver of psychosocial hazards risk**. The total cost was $30,000 of which $6,366 related to other ATCO entities. Costs have been allocated to non-pipeline services ($187) and non-reference services ($3) based on employee timesheeted hours. Costs have been allocated to Albany and Kalgoorlie ($449) based on the number of delivery points. These bases of allocation are consistent with the allocation of total operating costs to these services in the Cost Allocation Methodology (CAM). **The net amount related to the** Mid-West and South-West Gas Distribution Network reference services is **$22,993. Of the total cost pass through amount, $7,358 relates to capex activity and $15,636 to opex activity consistent with the accounting treatment of the expenditure.** [redacted]

4.4 Security Legislation Amendment (Critical Infrastructure Protection) Act 2022 (SLACIP Act)

The *Security Legislation Amendment (Critical Infrastructure Protection) Act 2022* (SLACIP Act) amends the *Security of Critical Infrastructure Act 2018* (the SOCI Act) to build upon the existing framework and uplift the security and resilience of Australia's critical infrastructure.

The SLACIP Act requires responsible entities of critical infrastructure assets to establish, maintain, and comply with a Critical Infrastructure Risk Management Program (CIRMP). This requires entities to take a holistic and proactive approach in identifying and mitigating hazards that pose material risks to the availability, integrity, reliability or confidentiality of the asset.

- Entities must identify, (and as far as is reasonably practicable) prevent and mitigate 'material risks' that could have a 'relevant impact' on the asset.
- A material risk refers to those risks and hazards that, if realised, may affect the availability, integrity, reliability and confidentiality of critical infrastructure assets.

Entities are required to review the CIRMP on a regular basis and ensure the program is up to date. Entities must provide an annual report within 90 days of the end of the Australian financial year. The SOCI Act also requires the annual report to be in an approved form including an attestation that the information contained within the annual report was approved by the board or governing body of the entity.

The MWSWGDS falls within the definition of a critical infrastructure asset defined in section 5, section 9 and sections 10-12KA of the Security of Critical Infrastructure Act 2018 (SOCI Act) and the Security of Critical Infrastructure (Definitions) Rules 2021. Responsible entities such as ATCO have to comply with risk management program obligations under the SLACIP Act.

The SLACIP Act is a change in law and therefore, a cost pass-through event pursuant to clause 2.1 (a) (iii) of Annexure B of the access arrangement.

To ensure ATCO meets its obligations under the SLACIP Act, ATCO engaged consultants to assist in developing ATCO's CIRMP. Specifically, they were tasked to:

- Advise ATCO regarding the tasks to adopt and maintain a Critical Infrastructure Risk Management Program to manage material risks that can substantially impact the availability, reliability and integrity of critical infrastructure assets;
- Determine the gap between ATCO's current control maturity and legislative requirements; and,
- Assist with Identifying, assessing and documenting SOCI-related material risks and treatment plans.

The amount claimed in this tariff variation for the report is different from the one claimed in the 2024 tariff variation. The current amount relates to completion of the report.

In addition to the consultant's assistance, additional legal advice was sought with regard to ATCO's obligations and practical guidance including for ATCO's procurement contracts .

ATCO also engaged a specialist cyber security consultancy firm to ensure that ATCO complied with its obligation under the Act to protect its critical infrastructure assets from cyber threats. The cyber security consultancy firm assessed ATCO's current cybersecurity state, recommended a "Target State" and set out a 5-year roadmap based on ATCO's current and future obligations[2].

The assessment by the consultants was for all ATCO operating entities and so an allocation of $24,397 has been made to other entities based on an equal weighting of employee numbers and asset cost being indicators of the extent of the work required by the consultants was related to each entity. As the critical infrastructure asset is the MWSWDGS no allocation of the cost has been made to non-refence services nor Albany and Kalgoorlie. The legal costs were solely for ATCO Gas' regulated network.

Of the total cost pass through amount of $324,346 related to the MWSWGDS, $97,304 relates to capex activity and $227,042 to opex activity consistent with the accounting treatment of the expenditure.

[redacted]

4.5 Gas Inspection team – Building and Energy directive -Delineation of duties

In May 2022, the *Department of Mines, Industry Regulation and Safety (DMIRS) Building and Energy Division* advised ATCO Gas Australia (ATCO) that:

- ATCO personnel with Inspectors designation must not operate as a gas fitter for consumer gas installations or related gas fitting work to avoid actual or perceived conflicts of interest and to align with Code of Practice for Inspectors (Gas) in Western Australia (the Code) requirements.
- The Director only intends to designate ATCO personnel as Gas Inspectors for the purpose of undertaking Inspection activities as their primary function. This change is to avoid conflicts of interest with gas fitting related activities that may be undertaken by ATCO Gas Distribution Officers (GDOs) and ATCO approved Contractors conducting prescribed activities on the ATCO Gas Distribution System (GDS) network such as Gas Meter Changes.

A copy of the letter from DMIRS explaining the change in interpretation of the Code is attached in appendix A.5. Being a changed interpretation of the Code, this change is a change in law under

2 ERA, Final decision on access arrangement for the Mid-West and South-West Gas Distribution Systems (2025 to 2029), Attachment 4 Regulatory capital base, 8 November 2024, paragraph 220

the definition in the Access Arrangement and, therefore, a cost pass-through event pursuant to clause 2.1 (a) (iii) of Annexure B of the access arrangement.

Prior to this change in law ATCO was able to obtain efficiencies in operation of the network, particularly in regional areas such as Geraldton, Bunbury and Busselton, by utilising Gas Distribution Officers (GDO's) to undertake gas inspections in addition to their usual customer service tasks such as leak repair.

As a consequence of this change:

- Gas Distribution Officers (GDO's) within the Customer Service Team ceased conducting inspections as part of their duties.
- Three GDOs (Designated Inspectors) were recruited into the Gas Inspection team from the Customer Service Team to undertake Inspection related activities in metro and regional areas to meet inspection requirements.
- One new supervisor role was created and recruited to support the team expansion.
- There are ongoing Increased travel related expenses (i.e. motor vehicle, flight, accommodation, auxiliary allowances) to undertake regional inspection related activities, including inspections, investigation, Notice of Defect (NOD) re-inspections.

The four positions in the Customer Service team were backfilled to meet gas distribution licence requirements to have staff available to respond to leaks and other incidents in the timeframes specified in the licence conditions. However, as these staff are no longer performing gas inspections, they have been assigned other tasks to fully utilise their time resulting in an estimated saving of the cost of 2 GDO's. Therefore, the incremental cost in terms of staffing is only 1 GDO and 1 supervisor.

The cost pass through amount relating to additional staff and their training is summarised in table 4.1.

Table 4.1: Gas Inspection incremental cost from 1 October 2023 to 31 December 2024

Incremental cost	$
Gas Inspector	[redacted]
Supervisor	[redacted]
TOTAL INCREMENTAL COST	**322,135**

Additionally, the discontinuation of Inspector's designation for ATCO customer service staff requires the development and implementation of an ATCO Work Order (WO) or Compliance Notice for alerting customers of defects and making consumer gas installations safe in the event defects are identified while conducting prescribed activities on the ATCO GDS network in lieu of the current Building and Energy Inspectors Order process. ATCO contracted IT support [redacted] hours at a cost of $8,040 for the period 1 October 2023 to 30 November 2023 to complete development of the necessary software.

All costs included relate to the provision of reference services on the Mid-West and South-West Gas Distribution Network. The total incremental cost incurred is $330,175. Costs of $6,276 have been allocated to Albany and Kalgoorlie based on the number of MIRNS (delivery points) consistent with the allocation of total operating costs to these services in the Cost Allocation Method (CAM). **The net amount related to the** Mid-West and South-West Gas Distribution Network reference services is **$323,899**.

Of the total cost pass through amount related to the MWSWGDS, **$30,979** relates to capex activity and **$292,920** to opex activity consistent with the accounting treatment of the expenditure.

[redacted]

5. COST PASS-THROUGH EVENTS 1 JANUARY 2025 TO 30 SEPTEMBER 2025

The cost pass through mechanism, pursuant to clause 2.2 Annexure B of the access arrangement, allows for the recovery of certain costs incurred since the commencement of the AA6 period. However, there were no cost pass throughs to be claimed for the period 1 January 2025 to 30 September 2025.

6. PROPOSED HAULAGE TARIFFS AND VARIED TARIFF COMPONENTS

The varied reference tariffs, excluding GST, are listed below and will be applicable from 1 January 2026. Details of the individual calculations are provided in the attached spreadsheet.

6.1 Varied reference tariff A1

The following charges will apply from 1 January 2026:

1. the Standing Charge is $50,973.90 divided by 365;
2. the Demand Charge Rate is:
    a) $214.84 for the first 10 kilometres of the Interconnection Distance; and
    b) $113.08 for any part of the Interconnection Distance in excess of 10 kilometres;
3. the Usage Charge Rate is:
    a) $0.04544 per Gigajoule per kilometre for the first 10 kilometres of the Interconnection Distance; and
    b) $0.02289 per Gigajoule per kilometre for any part of the Interconnection Distance in excess of 10 kilometres.

6.2 Varied reference tariff A2

The following charges will apply from 1 January 2026:

1. The Standing Charge is $28,190.01 divided by 365;
2. the Usage Charge Rate is:
    a) $2.74 per Gigajoule for the first 10 Terajoules of gas delivered to the User at a Delivery point per year; and
    b) $1.45 per Gigajoule for usage in excess of the first 10 Terajoules of gas delivered to the User at a Delivery point per year.

6.3 Varied reference tariff B1

The following charges will apply from 1 January 2026:

1. the Standing Charge is $1,425.97 divided by 365;
2. the Usage Charge Rate is:
    a) $5.41 per Gigajoule for the first 5 Terajoules of gas delivered to the User at a Delivery point per year; and
    b) $4.65 per Gigajoule for any usage in excess of the first 5 Terajoules of gas delivered to the User at a Delivery Point per year.

6.4 Varied reference tariff B2

The following charges will apply from 1 January 2026:

1. the Standing Charge is $357.85 divided by 365;
2. the Usage Charge Rate is:

a) $9.05 per Gigajoule for the first 274 Megajoules per day of gas delivered to the User at a Delivery point; and

b) $5.40 per Gigajoule for any usage in excess of the first 274 Megajoules of gas delivered to the User at a Delivery Point.

6.5 Varied reference tariff B3

The following charges will apply from 1 January 2026:

1. the Standing Charge is $177.04 divided by 365;
2. the Usage Charge Rate is $6.13 per Gigajoule of gas delivered to the User at a Delivery Point;