



STATEMENT OF REASONS

Allgas Energy Gas Network in Queensland Notification of Annual Tariff Variation for 2014–15

The Australian Energy Regulator has approved annual tariff variations for the Allgas Energy Gas Network in accordance with clause 4.5.3 of the APT Allgas Energy Pty Limited Access Arrangement 2011–16, as amended by order of the Australian Competition Tribunal, 10 February 2012 (the access arrangement).

The reasons for allowing the tariff variations are that:

- We are satisfied that APT Allgas Energy Pty Limited has correctly applied the approved variation method to calculate the reference tariffs in accordance with clause 4.5.2 of the access arrangement. The approved tariff variation method consists of an escalation formula whereby the reference tariffs are escalated by the change in the average of the consumer price index (CPI) to March on a year on year basis and an X factor. The reference ancillary services will be varied by the CPI.
- Allgas Energy Pty Limited calculated the carbon pass through amount in accordance with the AER's cost pass through decision published in June 2012. The approved pass through amount for 2014–15 is \$1.14 million. This amount is adjusted for an over-recovery in Allgas Energy Pty Limited's forecast carbon costs in 2012–13.

The approved 2014–15 tariffs are:¹

¹ Reference tariffs in the access arrangement are exclusive of GST. Allgas Energy Pty Limited's proposed 2014–15 tariff schedule is exclusive of GST.

Table 1: Volume Tariff - 2014/15

Network Charges Inclusive of Carbon Cost (exclusive of GST)		
Base Charge	(\$/day)	\$0.7075
FRC Charge	(\$/day)	
Up to 1.7 GJ of gas delivered per day	(\$/GJ/day)	\$11.7514
Next 8.3 GJ of gas delivered per day	(\$/GJ/day)	\$8.6466
All gas delivered over 10 GJ per day	(\$/GJ/day)	\$6.1594

Table 2: Demand Tariff - Brisbane Region - 2014/15

Network Charges Inclusive of Carbon Cost (exclusive of GST)		Zone 1 (DZ01)	Zone 2 (DZ02)	Zone 3 (DZ03)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$3.5486	\$4.7174	\$4.0682
FRC Charge	(\$/day)	\$0.0000	\$0.0000	\$0.0000
MDQ of 50GJ or less	(\$/day)	\$101.5650	\$147.0150	\$165.9550
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$101.5650 + \$1.1265/GJ of MDQ for MDQ over 50	\$147.0150 + \$2.0939/GJ of MDQ for MDQ over 50	\$165.9550 + \$3.3648/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$186.0525 + \$0.7943/GJ of MDQ for MDQ over 125	\$304.0575 + \$1.7329/GJ of MDQ for MDQ over 125	\$418.3150 + \$2.4984/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$305.1975 + \$0.3465/GJ of MDQ for MDQ over 275	\$563.9925 + \$0.8086/GJ of MDQ for MDQ over 275	\$793.0750 + \$1.3719/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$391.8225 + \$0.3033/GJ of MDQ for MDQ over 525	\$766.1425 + \$0.3176/GJ of MDQ for MDQ over 525	\$1136.0500 + \$0.3755/GJ of MDQ for MDQ over 525

Table 3: Demand Tariff - Gold Coast Region - 2014/15

Network Charges Inclusive of Carbon Cost (exclusive of GST)		Zone 4	Zone 5	Zone 6
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$3.2332	\$5.7444	\$5.7511
FRC Charge	(\$/day)	\$0.0000	\$0.0000	\$0.0000
MDQ of 50GJ or less	(\$/day)	\$204.1100	\$204.0050	\$213.9000
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$204.1100 + \$3.6970/GJ of MDQ for MDQ over 50	\$204.0050 + \$3.8991/GJ of MDQ for MDQ over 50	\$213.9000 + \$4.1157/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$481.3850 + \$3.1770/GJ of MDQ for MDQ over 125	\$496.4375 + \$3.3648/GJ of MDQ for MDQ over 125	\$522.5775 + \$3.5237/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$957.9350 + \$2.6716/GJ of MDQ for MDQ over 275	\$1001.1575 + \$2.8882/GJ of MDQ for MDQ over 275	\$1051.1325 + \$3.0181/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$1625.8350 + \$2.325/GJ of MDQ for MDQ over 525	\$1723.2075 + \$2.5128/GJ of MDQ for MDQ over 525	\$1805.6575 + \$2.6282/GJ of MDQ for MDQ over 525

Table 4: Demand Tariff - Toowoomba Region - 2014/15

Network Charges Inclusive of Carbon Cost (exclusive of GST)		Zone 7 (DZ07)	Zone 8 (DZ08)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$3.5590	\$5.8900
FRC Charge	(\$/day)	\$0.0000	\$0.0000
MDQ of 50GJ or less	(\$/day)	\$78.5700	\$101.8050
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$78.5700 + \$0.5199/GJ of MDQ for MDQ over 50	\$101.8050 + \$1.0976/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$117.5625 + \$0.4187/GJ of MDQ for MDQ over 125	\$184.1250 + \$0.8520/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$180.3675 + \$0.3465/GJ of MDQ for MDQ over 275	\$311.9250 + \$0.5776/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$266.9925 + \$0.3176/GJ of MDQ for MDQ over 525	\$456.3250 + \$0.3322/GJ of MDQ for MDQ over 525

Table 5: Demand Tariff - Oakey Region - 2014/15

Network Charges Inclusive of Carbon Cost (exclusive of GST)		Zone 9 (DZ09)	Zone 10 (DZ10)
Base Charge (MHQ)	(\$/GJ of MHQ/day)	\$3.3130	\$3.4841
FRC Charge	(\$/day)	\$0.0000	\$0.0000
MDQ of 50GJ or less	(\$/day)	\$82.7650	\$180.8200
Greater than 50GJ but not greater than 125 GJ of MDQ	(\$/day)	\$82.7650 + \$0.6642/GJ of MDQ for MDQ over 50	\$180.8200 + \$3.3937/GJ of MDQ for MDQ over 50
Greater than 125GJ but not greater than 275 GJ of MDQ	(\$/day)	\$132.5800 + \$0.5487/GJ of MDQ for MDQ over 125	\$435.3475 + \$2.7293/GJ of MDQ for MDQ over 125
Greater than 275GJ but not greater than 525 GJ of MDQ	(\$/day)	\$214.8850 + \$0.3899/GJ of MDQ for MDQ over 275	\$844.7425 + \$1.6752/GJ of MDQ for MDQ over 275
Greater than 525GJ of MDQ	(\$/day)	\$312.3600 + \$0.3176/GJ of MDQ for MDQ over 525	\$1263.5425 + \$0.7221/GJ of MDQ for MDQ over 525

Table 6: Reference Ancillary Service Charges - 2014/15

Service Type	Ancillary Service	Charge (exclusive of GST)
Reference	Special Meter Read	\$20.32
Reference	Inlet Disconnection	\$55.80
Reference	Inlet Reconnection	\$103.19