



## STATEMENT OF REASONS

### **Envestra's Queensland Gas Distribution System: Notification of Annual Tariff Variation for 2014–15**

The Australian Energy Regulator has approved annual tariff variations for Envestra's Queensland Gas Distribution System in accordance with clause 4.3 of the relevant access arrangement.

The reason for approving the proposed tariff variation is that:

- We are satisfied that Envestra has correctly applied the approved variation method to calculate the reference tariffs in accordance with clause 4.4 of the access arrangement for Envestra's Queensland Gas Distribution System. The approved method for transportation services consists of an escalation formula applied to a weighted average tariff basket of reference services (excluding metering and additional services). The escalation formula is the change in quarterly CPI on a year on year basis to March multiplied by an approved X factor. Tariffs for metering and additional services are escalated by the change in quarterly CPI on a year on year basis to March.
- The AER is satisfied that Envestra has correctly applied the approved method to calculate the carbon pass through amount in accordance with the AER's Decision for *Envestra Limited—cost pass-through event Application for the Queensland Gas Distribution System* published in 2012. The approved 2014–15 pass through amount is \$1.645 million. This resulted in daily fixed charges of \$0.0486 for Tariff R and Tariff C customers and an additional increase in monthly charges of \$1.50 for Tariff D customers.

Approved tariffs for 2014–15 are:

<b>Haulage Reference Services</b>	<b>Tariffs for 2014-15 (\$)</b>
<b>Tariff R - Envestra Brisbane &amp; Riverview</b>	
Fixed Charge	0.39
First 0.0082 GJ	40.96
Next 0.0192 GJ	22.67
Additional GJ	8.85
<b>Tariff C - Envestra Brisbane &amp; Riverview</b>	
Fixed Charge	0.38
First 0.2 GJ	22.40
Next 0.3 GJ	20.43
Next 0.5 GJ	19.76
Next 1.0 GJ	18.53
Next 5.0 GJ	16.08
Additional GJ	11.92
<b>Tariff R - Envestra Northern</b>	
Fixed Charge	0.39
First 0.0082 GJ	45.11
Next 0.0192 GJ	24.90
Additional GJ	9.71
<b>Tariff C - Envestra Northern</b>	
Fixed Charge	0.38
First 0.2 GJ	24.59
Next 0.3 GJ	22.52
Next 0.5 GJ	21.73
Next 1.0 GJ	20.45
Next 5.0 GJ	17.50
Additional GJ	13.08
<b>Tariff D - Envestra Brisbane</b>	
50 GJ or less (customer num)	11,446.98
Next 75GJ	107.87
Next 150GJ	59.40
Next 250GJ	23.61
Next 500GJ	10.78
Next 10,000GJ	5.46
Additional GJ	5.46

<b>Tariff D - Envestra Riverview</b>	
50 GJ or less (customer num)	10,787.13
Next 75GJ	11.38
Next 150GJ	10.88
Next 250GJ	9.95
Next 500GJ	9.92
Next 10,000GJ	9.85
Additional GJ	9.85
<b>Tariff D - Envestra Northern</b>	
50 GJ or less (customer num)	12,324.89
Next 75GJ	118.43
Next 150GJ	64.84
Next 250GJ	25.58
Next 500GJ	11.50
Next 10,000GJ	5.98
Additional GJ	5.98

<b>Ancillary reference services</b>	<b>Tariff for 2014–15 (\$)</b>
Special Meter Read	10.00
Disconnection	69.00
Reconnection	69.00

<b>Carbon Pass Through</b>	<b>(\$)</b>
Tariff R (\$/day)	0.0486
Tariff C (\$/day)	0.0486
Tariff D (\$/First 50GJ MDQ/month)	1.50

<b>Reference Tariff</b>	<b>\$GJ of MDQ/day(Excluding GST)</b>	<b>\$GJ of MDQ/day(Including GST)</b>
Year ending 30 June 2015		0.0