



## STATEMENT OF REASONS

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

The Australian Energy Regulator has approved annual tariff variations for Envestra's South Australian 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 South Australian 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.
- 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 South Australian Gas Distribution System* published in 2012. The approved 2014–15 pass through amount is \$5.29 million. This resulted in daily fixed charges of \$0.034 for Tariff R and Tariff C customers and an additional increase in monthly charges of \$1.10 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 South Australia (excl Tanunda)</b>	
Fixed Charge	0.38
First 0.0274 GJ	30.01
Next 0.0219 GJ	14.62
Additional GJ	4.96
<b>Tariff C - Envestra South Australia (excl Tanunda)</b>	
Fixed Charge	0.79
First 0.9863 GJ	15.05
Next 4.2740 GJ	8.09
Next 11.1780 GJ	3.47
Additional GJ	1.38
<b>Tariff R - Envestra Tanunda</b>	
Fixed Charge	0.38
First 0.0274 GJ	39.03
Next 0.0219 GJ	19.01
Additional GJ	6.44
<b>Tariff C - Envestra Tanunda</b>	
Fixed Charge	0.79
First 0.9863 GJ	19.56
Next 4.2740 GJ	10.53
Next 11.1780 GJ	4.51
Additional GJ	1.79
<b>Tariff D - Envestra Adelaide Northern</b>	
50 GJ or less (customer num)	4466.41
Next 50GJ	56.45
Next 900GJ	35.24
Additional GJ	10.68
<b>Tariff D - Envestra Adelaide Central</b>	
50 GJ or less (customer num)	4466.41
Next 50GJ	67.04
Next 900GJ	42.63
Additional GJ	12.22
<b>Tariff D - Envestra Adelaide Southern</b>	
50 GJ or less (customer num)	4466.41
Next 50GJ	79.06
Next 900GJ	49.52
Additional GJ	14.93
<b>Tariff D - Envestra Port Pirie</b>	
50 GJ or less (customer num)	4466.41
Next 50GJ	56.45
Next 400GJ	28.76
Next 500GJ	12.21
Additional GJ	9.83
<b>Tariff D - Envestra Riverland</b>	
50 GJ or less (customer num)	6304.45
Next 50GJ	82.43
Next 400GJ	50.69

Next 500GJ	51.90
Additional GJ	10.68
<b>Tariff D - Envestra South East</b>	
50 GJ or less (customer num)	4466.41
Next 50GJ	56.45
Next 400GJ	28.76
Next 500GJ	29.44
Additional GJ	10.68
<b>Tariff D - Envestra Peterborough</b>	
50 GJ or less (customer num)	6304.45
Next 50GJ	82.43
Next 400GJ	50.69
Next 500GJ	51.90
Additional GJ	10.68
<b>Tariff D - Envestra Whyalla</b>	
50 GJ or less (customer num)	4466.41
Next 50GJ	56.45
Next 400GJ	28.76
Next 500GJ	29.44
Additional GJ	10.68

<b>Ancillary reference services</b>	<b>Tariff for 2014–15 (\$)</b>
Special Meter Read	9.80
Disconnection	68.00
Reconnection	68.00

<b>Carbon Pass Through</b>	<b>(\$)</b>
Tariff R (\$/day)	0.034
Tariff C (\$/day)	0.034
Tariff D (\$/First 50GJ MDQ/month)	1.10