

**STATEMENT OF REASONS**

**Central Ranges Gas Transmission Pipeline**

**Annual Tariff Variation 2014**–**15**

The Australian Energy Regulator has approved annual tariff variations for the Central Ranges Gas Transmission Pipeline in accordance with section 3B of the 2005 access arrangement (the access arrangement[[1]](#footnote-1)). The access arrangement sets out a price path over a five year period. The approved tariffs are consistent with the price path established by the access arrangement and approved by the AER at the time of the last gas price review.

The reasons for allowing the tariff variations are that:

* We are satisfied that Central Ranges Gas Transmission Pipeline has correctly applied the approved variation method to calculate the reference tariffs in accordance with section 3B 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 CPI for the March quarter on a year on year basis multiplied by the previous year’s approved reference tariff.

**Approved reference tariffs for 2014–15**

|  |  |  |
| --- | --- | --- |
|  | **Charge in $/GJ (excl. GST)** | **Charge in $/GJ (incl. GST)** |
| Special contract transportation service | 2.34 | 2.57 |
| Contract transportation service | 3.37 | 3.71 |
| I & C transportation service | 6.70 | 7.37 |
| Domestic transportation service | 8.71 | 9.58 |

1. See <http://www.apa.com.au/media/140844/access%20arrangement%20cenrral%20ranges%20network%20amended%20august%20and%20october%202008.pdf> [↑](#footnote-ref-1)