

**STATEMENT OF REASONS**

**Central Ranges Pipeline Gas Network**

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

The Australian Energy Regulator has approved annual tariff variations for the Central Ranges Pipeline Gas Network in accordance with Part 3B sections 3.2, 3.3, 3.4, 3.4A and Part 3C clause 3.5A 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 Pipeline Gas Network has correctly applied the approved variation method to calculate the reference tariffs in accordance with Part 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 average of the CPI for the four quarters to December 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 | 0.06 | 0.07 |
| Contract transportation service | 1.62 | 1.78 |
| I & C transportation service | 2.01 | 2.21 |
| Domestic transportation service | 4.71 | 5.18 |

* We are satisfied that Central Ranges Pipeline Gas Network has correctly applied the approved variation method to calculate charges for ancillary services in accordance with Part 3C clause 3.5A 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 CPI for the four quarters to December on a year on year basis multiplied by the previous year’s approved reference tariff.

**Approved ancillary service charges for 2014–15**

|  |  |  |
| --- | --- | --- |
|  | **Charge in $ (excl. GST)** | **Charge in $ (incl. GST)** |
| Request for service | 71.52 plus 71.52 per hour after the first hour | 78.67 plus 78.67 per hour after the first hour |
| Special meter read | 42.90 | 47.19 |
| Meter testing service | 247.93 | 272.72 |
| Domestic customer disconnection fee | 89.39 | 98.33 |
| I & C contract and special contract customer disconnection fee | 357.57 | 393.33 |
| After hours reconnection service | 119.20 | 131.12 |

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