

**STATEMENT OF REASONS**

**ActewAGL Gas Distribution System in ACT, Queanbeyan and Palerang: Annual Tariff Variation 2014–15**

The Australian Energy Regulator has approved ActewAGL’s proposed annual tariff variation for the ActewAGL Gas Distribution System in ACT, Queanbeyan and Palerang in accordance with clause 6.7 of the *Access Arrangement for the ACT, Queanbeyan and Palerang gas distribution network 1 July 2010-30 June 2015 amended by order of the Australian Competition Tribunal made on 23 September 2010* (the access arrangement). 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.

Included in the annual tariff variation are adjustments to pass through costs associated with Unaccounted for gas (UAG), the Utilities (Network Facilities) Tax (UNFT), the Energy Industry Levy in 2013–14, a General Pass Through Event and a Carbon Pollution Scheme Event which the AER has approved in accordance with clause 6.16 of the access arrangement.

The reasons for approving the proposed tariff variation are that:

* the AER is satisfied that ActewAGL has correctly applied the approved annual tariff adjustment mechanism to calculate the reference tariffs in accordance with clause 6.3 of the access arrangement. The approved annual tariff adjustment mechanism consists of an escalation formula whereby the reference tariffs are escalated by the change in the average quarterly CPI to December on a year on year basis.
* the AER is satisfied that a cost pass-through event as defined in clauses 6.23 and 6.24 of the access arrangement has occurred and the AER considers that ActewAGL has adjusted the 2013–14 tariffs in accordance with the approved cost pass-through mechanism. In making this decision the AER has considered the factors in clauses 6.15 and 6.19 of the access arrangement.

**The tariffs that are approved for 2014–15 are:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | | **Tariffs $2014**–**15 (GST exclusive)** |
| **Network Unit Charge for Capacity ($/GJ/MDQ per annum)** | | | 310.38 |
| **Throughput Charge ($/GJ)** | | | 4.549 |
|  | | |  |
| **Metering Equipment Charges ($ per annum)** | | |  |
| Single Run & Bypass | | |  |
| Toyo MT5, Email 602, Email 610 | | | 71.00 |
| Toyo MT10, Email 1010, Email 750 | | | 143.00 |
| AL-425 | | | 1 074.00 |
| AL-1000, AL-1400, Romet RM30 | | | 2 246.00 |
| AL-2300, Romet Rm55, Romet RM85, Roots3M, Instomet G65 | | | 3 117.00 |
| Romet RM140, AL-5000, Roots 5m, Instomet G100 | | | 3 745.00 |
| Roots 7M, Rockwell TPL9, Instomet G160 | | | 5 752.00 |
| Roots 16M, Roots 11M, Instomet G250 | | | 6 874.00 |
| Singer 4GT, Rockwell AT-18, Instomet G400 | | | 8 168.00 |
| Singer 6GT, Rockwell AT-30 | | | 11 759.00 |
| Rockwell AT-60 | | | 13 861.00 |
| Single Run & Shunt or Double Run (different Meters) – requiring special charges | | |  |
| Rockwell AT-30 + AL 1400 | | | 13 421.00 |
|  | | |  |
| **Meter Data Service Charges ($ per annum)** | | |  |
| Provision of On-Site Data and Communication Equipment Charge | | |  |
| Charge per delivery station (includes first 2 meters at a delivery station) | | | 1 755.00 |
| Charge for each additional 1 or 2 meters at a delivery station | | | 417.00 |
| Provision of Meter Reading Charge for Non-Tariff Delivery Points | | |  |
| Charge per delivery station (includes first 2 meters at a delivery station) | | | 751.00 |
| Charge for each additional 1 or 2 meters at a delivery station | | | 178.00 |
|  | | |  |
| **Capped Charge for MDQ ($ /GJ)** | | |  |
| First 20 TJ per annum | | | 3.55 |
| Next 30 TJ per annum | | | 3.10 |
| All additional | | | 2.55 |
|  | | |  |
|  | | |  |
| **Tariff Services** | | |  |
|  | Throughput charges (/GJ per month) | (GJ per quarter) |  |
|  | First 1.25 | First 3.75 | 10.17 |
|  | Next 82.25 | Next 246.75 | 8.16 |
|  | Next 333.5 | Next 1000.5 | 7.51 |
|  | All Additional | All Additional | 5.47 |
|  |  | |  |
|  | Fixed Charge (per annum) | | 52.58 |
|  |  | |  |
|  | Meter Provision Charges | |  |
|  | For meters with capacity less than or equal to 6m3/hr (per annum) | | 31.58 |
|  | For meters with capacity greater than 6m3/hr (/GJ) | | 0.2606 |
|  |  | |  |
|  | Provision of Meter Reading Charge (per annum) | |  |
|  | Meter Reading (Quarterly read) | | 5.39 |
|  | Meter Reading (Monthly read) | | 51.19 |
|  |  | |  |
|  | Minimum charge payable for meters with a capacity greater than 6m3/hr | |  |
|  | Per monthly bill | | 3.77 |
|  | Per quarterly bill | | 11.19 |
|  |  | |  |
| **Charges for Ancillary Services** | | |  |
|  | **Applicable to all delivery points ()** | |  |
|  | Request for Service (per hour) | | 71.47 |
|  | Special meter read | | 53.63 |
|  | Reconnection fee | | 101.28 |
|  | Disconnection fee | | 137.07 |