

3 May 2017

Chris Pattas
General Manager
Network Operations and Development Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By email: Chris.Pattas@aer.gov.au

Dear Mr Pattas

Central Ranges Pipeline Access Arrangement: Reference Tariff Variation effective 1 July 2017

APT Pipelines (NSW) Pty Limited may, in accordance with clause 3.2 of the Access Arrangement approved by the Australian Competition and Consumer Commission in 2005, vary the reference tariffs of the Central Ranges Pipeline.

This letter notifies the Australian Energy Regulator of the varied reference tariffs which are to have effect from 1 July 2017 to 30 June 2018.

Pursuant to clause 3.3 of the Access Arrangement, the reference tariffs are to be varied using the following formula:

$$RT_n = RT_{n-1} \times \frac{CPI_{n-1}}{CPI_{n-2}}$$

where:

RT_n is the reference tariff for year n;

n is the year ending 30 June in which the adjusted Reference Tariff is to be applied;

RT_{n-1} is the reference tariff for the year n – 1;

CPI_{n-1} is the Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, published by the Australian Bureau of Statistics, for the March quarter in year n – 1; and

CPI_{n-2} is the Consumer Price Index, All Groups, Weighted Average of Eight Capital Cities, published by the Australian Bureau of Statistics, for the March quarter in year n – 2.

For the year ending 30 June 2018:

- n = 2018;
- n – 1 = 2017;
- n – 2 = 2016;

- CPI_{n-1} is the CPI for the March quarter 2017: $CPI_{n-1} = 110.5$; and
- CPI_{n-2} is the CPI for the March quarter 2016: $CPI_{n-2} = 108.2$.

Applying the reference tariff variation formula of the Access Arrangement to the reference tariffs applicable during the year ending 30 June 2017, the varied reference tariffs to apply from 1 July 2017 are those shown in the following table.

| Reference service | Reference tariff applicable during year ended 30 June 2017 (excluding GST) | Varied reference tariff to apply from 1 July 2017 (excluding GST) |
|--|--|---|
| Special Contract Transportation Service | \$2.40/GJ | \$2.45/GJ |
| Contracts Transportation Service | \$3.45/GJ | \$3.52/GJ |
| Industrial and Commercial Transportation Service | \$6.88/GJ | \$7.03/GJ |
| Domestic Transportation Service | \$8.95/GJ | \$9.14/GJ |

Please contact John Williams, Regulatory Manager, on 08 6189 4594 if you have any questions on this reference tariff variation notice.

Yours sincerely



Peter Bolding
General Manager Regulatory and Strategy