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27 September 2008

Mr M Buckley  
General Manager  
Network Regulation North  
Australian Energy Regulator  
GPO Box 3648  
Sydney NSW 2001

Dear Mr Buckley

**TAMWORTH NATURAL GAS DISTRIBUTION NETWORK**

Further to correspondence dated 29 August 2008 re the above matter, we now write in an attempt to properly rectify the inconsistencies in the Central Ranges Pipeline (CRP) approved CTP access arrangement for the CRP Gas Network ("Network AA").

The table that appeared under 3.4A in our submission of 21 July 2008 incorrectly contained GST-inclusive figures labelled as GST-exclusive. The enclosed proposal amends the table in section 3.4A for only GST exclusive figures consistent with the column heading "Charge in \$/GJ (1 September 2008 dollars) exclusive of GST". Accordingly, the transposition errors in our submission of 21 July 2008 are corrected.

To further clarify this matter the wording in Part 3A has been annotated in the following way to make it clear that Reference Tariffs shown in section 3.1 and 3.4A are GST exclusive:

*The Reference Tariffs shown in sections 3.1 and 3.4A are exclusive of GST.*

We believe that the revised amendment attached to this letter corrects our submission made on 21 July 2008.

Feel free to contact me to discuss this issue.

Yours sincerely

Stuart Ronan  
Regulatory Manager  
02 9693 0038

## Attachment 1

### AMENDMENT WITH EFFECT FROM 1 SEPTEMBER 2008

## **3 REFERENCE TARIFFS**

### **PART 3A – REFERENCE TARIFFS FOR SERVICES**

The Reference Tariffs in Section 3 are expressed in 1 July 2003 dollars. The actual Reference Tariff applicable in a particular year is the real 1 July 2003 value escalated at CPI to that year in accordance with this Section. (Tender outcome)

The Reference Tariffs shown in sections 3.1 and 3.4A are exclusive of GST. The schedule will be updated each year and published by CRP including GST at the applicable rate.

#### **3.1 Transportation Service Charges**

<b>Transportation Reference Service</b>	<b>Charge in \$/GJ (1 July 2003 dollars) exclusive of GST</b>
Special Contract Transportation Service	0.05
Contract Transportation Service	1.20
I&C Transportation Service	1.50
Domestic Transportation Service	3.50

### **PART 3B - VARIATIONS TO REFERENCE TARIFFS**

#### **3.2 General**

CRP may vary the Reference Tariffs in accordance with the variation method set out in Section 3.3. CRP is required to comply with the notification requirements set out in Section 3.4. Variations may result in both increases or decreases in Reference Tariffs. (Tender outcome)

#### **3.3 Variation Method**

The Reference Tariffs for the Reference Services established in the Tender are expressed in 1 July 2003 dollars and are to remain constant in real terms. This means that they must be increased at the then current rate of inflation for each subsequent year. (Tender outcome)

Therefore during the Access Arrangement period, Reference Tariffs will only be adjusted on 1 July 2004 and (subject to Section 3.4A) on 1 July each year thereafter in accordance with the formula specified below and in accordance with Sections 8.3B to 8.3H of the Code.

$$RT_n = RT_{n-1} \times \left( \frac{CPI_{n-1}}{CPI_{n-2}} \right) \text{ where}$$

**CPI** means the Consumer Price Index (All Groups - Weighted Average Eight Capital Cities) published quarterly by the Australian Statistician. If the Australian Statistician ceases to publish the quarterly value of that Index, then CPI means the quarterly values of another Index which CRP reasonably determines most closely approximates that Index.

## **AMENDMENT WITH EFFECT FROM 1 SEPTEMBER 2008**

**CPI<sub>n-1</sub>** means the value of the average of the CPIs for the four quarters to December in Year<sub>n-1</sub>.

**CPI<sub>n-2</sub>** means the value of the average of the CPIs for the four quarters to December quarter in Year<sub>n-2</sub>.

**RT<sub>n</sub>** means the Reference Tariff in Year<sub>n</sub>

**RT<sub>n-1</sub>** means the Reference Tariff in Year<sub>n-1</sub>

### **3.4 Notification**

The following conditions apply to variations to Reference Tariffs in accordance with the variation methods set out in Section 3.3:

Subject to Section 3.4A, CRP may only adjust Reference Tariffs pursuant to Clause 3.3, if it has provided the Regulator with a Notice pursuant to Section 8.3B of the Code at least 30 Business Days before the end of the financial year and the Regulator has not disallowed the variation to the Reference Tariffs prior to the date they are due to come into effect.

The notice pursuant to Clause 8.3B of the Code must include:

- the proposed new tariffs, and
- the calculations supporting the proposed new tariffs.

CRP must submit one and only one notice pursuant to this Clause each financial year.

### **3.4A Reference Tariffs from 1 September 2008**

Notwithstanding anything in this Section 3, from 1 September 2008 the Reference Tariffs are as follows:

<b>Transportation Reference Service</b>	<b>Charge in \$/GJ (1 September 2008 dollars) exclusive of GST</b>
Special Contract Transportation Service	0.05
Contract Transportation Service	1.37
I&C Transportation Service	1.72
Domestic Transportation Service	4.00

These Reference Tariffs:

- will apply from 1 September 2008 as if they had been determined under the variation method set out in Sections 3.3 and 3.4; and
- will be adjusted on 1 July each year thereafter in accordance with the variation method set out in Sections 3.3 and 3.4.

For the purpose of adjusting the Reference Tariffs, in accordance with Section 3.3, to apply from 1 July 2009, the Reference Tariffs specified in this Section 3.4A will be deemed to be the Reference Tariffs for the 2008/09 financial year.

## **PART 3C – OTHER CHARGES**

### **3.5 Charges for Ancillary Services**

Charges for the following ancillary Services are set out in the table below in real 1 July 2004 dollars:

- Request For Services – for time spent collating the information and writing the letter of offer to a user (or Prospective User) when the User requests a new/additional/changed Service.
- Special Meter Read – for reads requested by a User rather than ordinary reads (for instance when the meter reader makes a special visit to read a particular meter out of the usual meter reading route). This service must be scheduled with a minimum 5 day notice period.
- Meter Testing Service – on request of a user, an off-site check to test the accuracy and soundness of Metering Facilities in order to determine whether the Metering Facilities are accurately measuring the quantity of natural gas delivered. The Meter Testing Service will be provided in accordance with the relevant provisions of the Network Code. No charge will apply for this service if the meter is not reading correctly. This Meter Testing Service is for Domestic and small I&C Customers who have gas delivered through a meter of less than 20 cubic metres per hour. Meter Testing Service for all other meters would be subject to a quotation and separate contract.
- Domestic Customer Disconnection Fee – this charge covers disconnection of meters to Domestic Customers. The specific method of disconnection will be at the discretion of CRP to ensure the site is able to be left in a safe state. The fee also covers the cost of subsequent reconnection, during normal business hours, for disconnections which are temporary in nature. Disconnection services will be provided in accordance with the current Network Code in place as at the effective date of this Access Arrangement.
- I&C, Contract and Special Contract Customer Disconnection Fee – this charge covers disconnection of meters to I&C, Contract and Special Contract Customers. The specific method of disconnection will be at the discretion of CRP to ensure the site is able to be left in a safe state. The fee also covers the cost of subsequent reconnection, during normal business hours, for disconnections which are temporary in nature. Disconnection services will be provided in accordance with the current Network Code in place as at the effective date of this Access Arrangement.
- After Hours Reconnection Fee – this charge covers the connection or reconnection of gas supply to a User by removing the lock from the meter isolating the valve or the removal of wadding from the basic meter assembly. This service does not include purging the User, installation or lighting of pilots. This service only applies to meters with a capacity of less than or equal to 6 cubic metres per hour outside normal business hours.

	<b>GST inclusive (1 July 2004 dollars)</b>
Request for Service	\$60plus \$60 per hour after the first hour
Special Meter read	\$36
Meter Testing Service	\$208
Domestic Customer Disconnection fee	\$75
I&C, Contract and Special Contract Customer Disconnection fee	\$300

## **AMENDMENT WITH EFFECT FROM 1 SEPTEMBER 2008**

After Hours Reconnection Service	\$100
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With effect from 1 July 2005 and each year thereafter, the escalation formula set out in clause 3.3 will (subject to Section 3.5A) apply mutatis mutandis to the Charges for Ancillary Services.

### **3.5A Charges for Ancillary Services from 1 September 2008**

Notwithstanding anything in this Section 3, from 1 September 2008 the charges for Ancillary Services are as follows:

	<b>GST inclusive</b> (1 September 2008 dollars)
Request for Service	\$66.81plus \$66.81per hour after the first hour
Special Meter read	\$40.07
Meter Testing Service	\$231.61
Domestic Customer Disconnection fee	\$83.51
I&C, Contract and Special Contract Customer Disconnection fee	\$334.05
After Hours Reconnection Service	\$111.35

These charges:

- will apply from 1 September 2008 as if they had been determined under the variation method set out in Sections 3.3 and 3.4; and
- will be adjusted on 1 July each year thereafter in accordance with the variation method set out in Sections 3.3 and 3.4.

For the purpose of adjusting the charges, in accordance with Section 3.3, to apply from 1 July 2009, the charges specified in this Section 3.5A will be deemed to be the charges for the 2008/09 financial year.