

18 April 2016

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

By Email

Dear Mr Pattas,

**CENTRAL RANGES PIPELINE GAS NETWORK
NOTIFICATION OF ANNUAL TARIFF INCREASE**

(For Reference Tariff Effective 1 July 2016 to 30 June 2017)

In accordance with section 3.2, 3.3, 3.4 and 3.4A of the Central Ranges Pipeline (CRP) Gas Network approved Access Arrangement as amended, please be advised that Central Ranges Pipeline Pty Limited intends to vary the CRP Gas Network 2015/16 Reference Tariff as per the tariff escalation method in 3.3:

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

Where:

CPI means the Consumer Price Index (All Groups - Weighted Average Eight Capital Cities) published quarterly by the Australian Statistician;

CPI_{n-1} means the value of the average of the CPIs for the four quarters to December in Year_{n-1};

CPI_{n-2} means the value of the average of the CPIs for the four quarters to December quarter in Year_{n-2};

As required by the Access Arrangement, the CPI figures used in this correspondence to calculate the average of the CPI for the four quarters to December 2014 and December 2015 are the *CPI (All Groups – Weighted Average Eight Capital Cities)* as published by the Australian Bureau of Statistics:

CPI Calculation	March	June	September	December	Average
CPI _{n-1}	106.8	107.5	108.0	108.4	107.675
CPI _{n-2}	105.4	105.9	106.4	106.6	106.075

Consequently the CPI escalator is (107.675 / 106.075) 1.015 (rounded).



This escalator has been applied to the CRP Gas Network Tariffs for 2015/2016 as shown below:

Services	Current Charge GST Exclusive	Varied Charge from 1 July 2016 GST Exclusive
Special Contract Transportation Service	\$0.06 /GJ	\$0.06 /GJ
Contract Transportation Service	\$1.66 /GJ	\$1.69 /GJ
I & C Transportation Service	\$2.06 /GJ	\$2.09 /GJ
Domestic Transportation Service	\$4.83 /GJ	\$4.90 /GJ

Charges for Ancillary Services

In accordance with part 3C of the CRP Gas Network approved Access Arrangement as amended, the charges for ancillary services are to be varied from 1 July 2016. These varied ancillary charges are shown in the table below:

Services	Current Charge GST Exclusive	Varied Charge from 1 July 2016 GST Exclusive
Request for Service	\$73.30 plus \$73.30 per hour after the first hour	\$74.41 plus \$74.41 per hour after the first hour
Special Meter Read	\$43.97	\$44.63
Meter Testing Service	\$254.10	\$257.93
Domestic Customer Disconnection fee	\$91.61	\$92.99
I & C Contract and Special Contract Customer Disconnection fee	\$366.47	\$372.00
After Hours Reconnection Service	\$122.17	\$124.01

The above ancillary charges have all been escalated by the CPI escalator of 1.015.

If you have any questions, please contact Scott Young on 02 9275 0031 or scott.young@apa.com.au.

Regards

Peter Bolding
General Manager Regulatory & Strategy