



18 October 2018

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

Dear Mr Pattas

Victorian Transmission System – Reference tariff adjustment notification

Pursuant to section 4.7.5 of the Access Arrangement in place for the Victorian Transmission System (VTS), APA VTS Australia (Operations) P/L (APA VTS) must make an initial notification to the Australian Energy Regulator (AER) of tariff adjustments to occur on 1 January 2019 at least 50 Business Days before the date of implementation of those adjustments.

APA VTS submits this initial tariff adjustment notification in satisfaction of this requirement.

The VTS has experienced a significant reduction in the northward volumes at Culcairn (NSW Export Withdrawals). In 2017 there were 27 PJ northward. The current annual estimate (based on 10 months of actual volumes) is 13.4 PJ. This has created a material shortfall in revenue. To recover the shortfall in 2019 would require withdrawal tariff increases of 2% for all withdrawal zone tariffs. APA's objective is to keep any tariff increase to a minimum therefore we are adjusting tariffs by only 1%.

Attachment A to this letter sets out initial reference tariffs calculated in accordance with the prevailing access arrangement. These tariffs are presented in tables that correspond to those in the access arrangement.

This tariff notification has been prepared prior to final winter demand figures coming available from the Australian Energy Market Operator¹ and prior to December quarter CPI values being released. APA VTS intends to update this notification once this data becomes available.

Please contact Mark Allen, Manager Regulatory on 02 9275 0010 if you have any questions on this Reference Tariff Adjustment notice.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. Bolding', is written over a horizontal line.

Peter Bolding
General Manager Regulatory and Strategy

¹ APA WTS is currently using an internally calculated number for the purposes of this submission

Victorian Transmission System tariffs from 1 January 2019

Initial Tariff Notification

18 October 2018

Note that the section numbering and table references below correspond to those in Schedule A of the APA VTS Access Arrangement.

A.2 Injection Tariffs

(a) Injection at Longford Injection Zone

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the 10 Day Injection Volume)
All Withdrawal Zones except LaTrobe, Maryvale, Tyers, West Gippsland and Lurgi	1.7976
LaTrobe & Maryvale	0.3557
Tyers & Lurgi	1.0786
West Gippsland	0.5082

(b) Injection at Culcairn Injection Zone

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the 10 Day Injection Volume)
All Withdrawal Zones except Interconnect	1.1721
Interconnect	0.2854

(c) Injection at Port Campbell Injection Zone

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the 10 Day Injection Volume)
All Withdrawal Zones except Western, South West and SEAGas Pipeline	1.7978
Western and SEAGas Pipeline	-
South West	0.6451

(d) Injection at Pakenham Injection Zone

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the 10 Day Injection Volume)
All Zones	0.2901

(e) Injection at Dandenong Injection Zone

Matched Withdrawal Zone	Injection Tariff (\$/GJ, for the 10 Day Injection Volume)
All Zones	-

A.3 Withdrawal Tariffs

(a) Transmission Delivery Tariff

Withdrawal Zone Number	Withdrawal Zone Name	Transmission delivery tariff D (\$/GJ)	Transmission delivery tariff V (\$/GJ)
1	LaTrobe	0.1538	0.1528
2	West Gippsland	0.1897	0.2114
3	Lurgi	0.2256	0.2700
4	Metro North West	0.3197	0.3451
5	Calder	0.7255	0.9147
6	South Hume	0.2821	0.3368
7	Echuca	0.6065	1.0217
8	North Hume	0.7219	1.0699
9	Western	0.6873	1.0271
21	Warrnambool	0.1053	0.1772
22	Koroit	0.2217	0.6649
10	Murray Valley	0.5951	0.8760
11	Interconnect	0.7476	0.7476
13	South West	0.1529	0.1528
17	Wodonga	0.8148	1.3854
18	Tyers	0.1866	0.1938
19	Culcairn	0.7984	N/A
20	Metro South East	0.3197	0.3451
24	Geelong	0.2334	0.2793
25	Maryvale	0.0609	N/A

(b) System Export Tariff

Withdrawal Zone Number	Connected Transmission Pipeline Name	System Export Tariff (\$/GJ)
31	VicHub	0.0000
33	SEA Gas Pipeline	0.0212

(c) Transmission Refill Tariff

Withdrawal Zone Number	Storage Facility Name	Transmission Refill tariff (\$/GJ)
23	LNG	0.0548

(d) Cross System Withdrawal Tariff

Injection Pipeline	Cross System Withdrawal Tariff D (\$/GJ)	Transmission delivery tariff V (\$/GJ)
All	0.1666	0.1909

(e) Matched Withdrawals - Culcairn

Withdrawal Zone Number	Withdrawal Zone Name	Transmission delivery tariff D (\$/GJ)	Transmission delivery tariff V (\$/GJ)
8	North Hume	0.3047	0.4013
11	Interconnect	0.1529	N/A
17	Wodonga	0.1772	0.1989

(f) Matched Withdrawals - Metro (South East)

Withdrawal Zone Number	Withdrawal Zone Name	Transmission delivery tariff D (\$/GJ)	Transmission delivery tariff V (\$/GJ)
20	Metro South East	0.171	0.1921