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Tuesday, May 20, 2008

Mr James Cox
Chief Executive Officer
Independent Pricing and Regulatory
Tribunal of New South Wales
PO Box Q290
QVB Post Office
NSW 1230

Dear Sir,

**CENTRAL RANGES PIPELINE GAS NETWORK
NOTIFICATION OF ANNUAL TARIFFS INCREASE
(FOR REFERENCE TARIFFS EFFECTIVE 1 JULY 2008 TO 30 JUNE 2009)**

As per Part 3B of the Central Ranges Pipeline Gas Network (CRP Network) approved Access Arrangement, please be advised that Central Ranges Pipeline Pty Limited intends to vary the CRP Network 2008/2009 Reference Tariffs as per the following tariff escalation calculations.

Domestic Transportation Reference Service

Tariff calculation for period 1 July 2008 to 30 June 2009:

$$\begin{aligned} RT_n &= RT_{n-1} \times (CPI_{n-1}/CPI_{n-2}) \\ &= \$3.91 \times \{[(160.1+158.6+157.5+155.6)/4] / [(155.5+155.7+154.3+151.9)/4]\} \\ &= \$3.91 \times (158.0/154.4) \\ &= \$4.0011658 \text{ per GJ (exclusive of GST)} \end{aligned}$$

The intended varied Domestic Transportation Reference Service Tariff to commence on 1 July 2008 is therefore \$4.0011658 per GJ (exclusive of GST) – rounded to \$4.00 per GJ (exclusive of GST).

Therefore, the same Tariff, GST-inclusive, is \$4.4012824 per GJ – rounded to \$4.40 per GJ (inclusive of GST).

Industrial & Commercial (I&C) Transportation Reference Service

Tariff calculation for period 1 July 2008 to 30 June 2009:

$$\begin{aligned} RT_n &= RT_{n-1} \times (CPI_{n-1}/CPI_{n-2}) \\ &= \$1.68 \times \{[(160.1+158.6+157.5+155.6)/4] / [(155.5+155.7+154.3+151.9)/4]\} \\ &= \$1.68 \times (158.0/154.4) \\ &= \$1.7191710 \text{ per GJ (exclusive of GST)} \end{aligned}$$

The intended varied I&C Transportation Reference Service Tariff to commence on 1 July 2008 is therefore \$1.7191710 per GJ (exclusive of GST) – rounded to \$1.72 per GJ (exclusive of GST).

Therefore, the same Tariff, GST-inclusive, is \$1.8910881 per GJ – rounded to \$1.89 per GJ (inclusive of GST).

Contract Transportation Reference Service

Tariff calculation for period 1 July 2008 to 30 June 2009:

$$\begin{aligned} RT_n &= RT_{n-1} \times (CPI_{n-1}/CPI_{n-2}) \\ &= \$1.34 \times \{[(160.1+158.6+157.5+155.6)/4] / [(155.5+155.7+154.3+151.9)/4]\} \\ &= \$1.34 \times (158.0/154.4) \\ &= \$1.3712435 \text{ per GJ (exclusive of GST)} \end{aligned}$$

The intended varied Contract Transportation Reference Service Tariff to commence on 1 July 2008 is therefore \$1.3712435 per GJ (exclusive of GST) – rounded to \$1.37 per GJ (exclusive of GST).

Therefore, the same Tariff, GST-inclusive, is \$1.5083679 per GJ – rounded to \$1.51 per GJ (inclusive of GST).

Special Contract Transportation Reference Service

Tariff calculation for period 1 July 2008 to 30 June 2009:

$$\begin{aligned} RT_n &= RT_{n-1} \times (CPI_{n-1}/CPI_{n-2}) \\ &= \$0.05 \times \{[(160.1+158.6+157.5+155.6)/4] / [(155.5+155.7+154.3+151.9)/4]\} \\ &= \$0.05 \times (158.0/154.4) \\ &= \$0.0511658 \text{ per GJ (exclusive of GST)} \end{aligned}$$

The intended varied Special Contract Transportation Reference Service Tariff to commence on 1 July 2008 is therefore \$0.0511658 per GJ (exclusive of GST) – rounded to \$0.05 per GJ (exclusive of GST).

Therefore, the same Tariff, GST-inclusive, is \$0.0562824 per GJ – rounded to \$0.06 per GJ (inclusive of GST).

Other Charges

In accordance with Part 3C of the CRP Network approved Access Arrangement, please be advised that Central Ranges Pipeline Pty Limited intends to vary the charges for Ancillary Services from 1 July 2008 as per the following table.

Service	Current Charge GST Exclusive (from 1 July 2007)	Current Charge GST Inclusive (from 1 July 2007)	Varied Charge from 1 July 2008 Exclusive of GST	1 July 2008 Exclusive of GST (Rounded)	Varied Charge from 1 July 2008 Inclusive of GST	1 July 2008 Inclusive of GST (Rounded)
Request for Services	\$59.36	\$65.29	\$60.7440415	\$60.74	\$66.8184456	\$66.81
Special Meter Read	\$35.60	\$39.16	\$36.4300518	\$36.43	\$40.0730570	\$40.07
Meter Testing Service	\$205.75	\$226.33	\$210.5472798	\$210.55	\$231.6020078	\$231.61
Domestic Customer Disconnection Fee	\$74.19	\$81.61	\$75.9198186	\$75.92	\$83.5118005	\$83.51
I&C, Contract and Special Contract Customer Disconnection Fee	\$296.76	\$326.43	\$303.6792746	\$303.68	\$334.0472021	\$334.05
After Hours Reconnection Fee	\$98.92	\$108.81	\$101.2264249	\$101.23	\$111.3490674	\$111.35

In arriving at each of these charges for Ancillary Services the escalation formula set out in clause 3.3 of the CRP Network approved Access Arrangement has been applied to the approved charges for the 2007/2008 year.

For all calculations included in this letter, the CPI figures used are the *Consumer Price Index (All Groups – Weighted Average Eight Capital Cities)* as published by the Australian Bureau of Statistics. Numerator values are the average of the CPIs for the four quarters to December 2007 while denominator values are the average of the CPIs for the four quarters to December 2006.

If you have any questions or concerns please do not hesitate to contact the undersigned at your earliest convenience.

Yours faithfully,



Matthew Hubbard
Chief Financial Officer and
Company Secretary