



Ref: JC:JC:C292069

2 May 2007

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

Dear Mr Cox

**NOTICE OF PROPOSED CHANGES TO WAGGA WAGGA GAS NETWORK
PRICES TO APPLY FROM 1 JULY 2007**

Country Energy is writing to provide our submission relating to gas network price changes. The proposed changes to gas network prices, effective 1 July 2007, for the Country Energy Gas Network assets are to apply in the Wagga Wagga Network in accordance with the approved Access Arrangement.

The Independent Pricing and Regulatory Tribunal (IPART) published its final decision relating to the Wagga Wagga gas distribution network access arrangement for the period 1 January 2006 to 30 June 2010 in December 2005. Included in the access arrangement are the indicative gas network tariff price paths for the remainder of the regulatory period.

The access arrangement allows for average CPI price increases in each year of the remainder of the current regulatory period. The average network price increase proposed for the financial year ending 30 June 2008 is therefore 3.5 percent. The price changes for each customer class will differ, with residential customers to receive modest price increases, and commercial and industrial customers to receive price reductions.

A comprehensive communication plan is currently being developed and will be implemented to communicate the increases to all Country Energy stakeholders.

I trust that this application meets with your favourable approval. We would be pleased to meet with the Tribunal to discuss our network pricing proposals in detail.

If you have any questions in relation to this submission please contact Natalie Banicevic on (02) 6589 8419 or Jason Cooke on (02) 6338 3685.

Yours sincerely

Mr Craig Murray
Managing Director

Att.1 – Price schedule 1 July 2007 – 30 June 2008
Att.2 – Tariff and Revenue summary

A2.1 Reference Tariffs

| | Maximum Meter Flow Rate (m ³ /hr) | 1/7/07- 30/6/08 |
|-----------------------------------|--|--------------------|
| VOLUME | | |
| Residential and Small Business | 10 | |
| Annual Charge \$ | | 165.76 |
| \$/GJ | | 4.22 |
| Commercial | 30 | |
| Annual Charge \$ | | 319.31 |
| \$/GJ | | 1.90 |
| Industrial | 150 | |
| Annual Charge \$ | | 1,117.59 |
| \$/GJ | | 1.90 |
| CONTRACT | | |
| \$/GJ of MDQ/year | | |
| Bomen | N/A | 84.28 |
| Central | N/A | 172.34 |
| Fringe | N/A | 393.14 |

A2.2 Monthly Metering Charges

| Meter Type | Monthly Metering Charge \$2007/08 |
|------------|---|
| 6GT | 510.96 |
| 4GT | 496.71 |
| AL5000 | 535.30 |
| AL2300 | 505.86 |
| AL1000 | 446.76 |
| 7M175 | 449.84 |
| 5M175 | 441.97 |
| 3M175 | 467.27 |

A2.3 Additional Services

| Additional Service | Charge \$2007/08 |
|---|---------------------|
| Residential Meter Testing Service | 221.09 |
| Special Meter Reading Service | 38.27 |
| Reconnection Service | 44.64 |
| Disconnection Service | 38.27 |
| Business Disconnection/Reconnection Service | 90.35 |
| After Hours Reconnection Service | 106.29 |