

CENTRAL RANGES PIPELINE PTY LTD

ABN 38 108 218 355

19 April 2006

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Ms Ineke Ogilvy
Independent Pricing and Regulatory Tribunal of New South Wales
Level 2/ 44 Market Street
SYDNEY NSW 2000

Dear Ms Ogilvy

**CENTRAL RANGES PIPELINE GAS NETWORK
NOTIFICATION OF ANNUAL TARIFF INCREASE
(For Reference Tariff Effective 1 July 2006 to 30 June 2007)**

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 2006/07 Reference Tariff as per the following tariff escalation calculation:

Domestic Transportation Reference Service:

(a) Tariff calculation for period 1 July 2004 to 30 June 2005.

$$\begin{aligned} RT_n &= RT_{n-1} \times \left(\frac{CPI_{n-1}}{CPI_{n-2}} \right) \\ &= \$3.50 \times \frac{(141.9)}{(138.0)} \\ &= \$3.50 \times [1.02826] \\ &= \$3.59891 \text{ per GJ} \\ &= \$3.60 \text{ per GJ (exclusive of GST)} \end{aligned}$$

- (b) Tariff calculation for period 1 July 2005 to 30 June 2006.

$$\begin{aligned}RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= \$3.60 \times \frac{(145.2)}{(141.9)} \\ &= \$3.60 \times [1.0232558] \\ &= \$3.6837 \text{ per GJ} \\ &= \mathbf{\$3.68 \text{ per GJ}} \text{ (exclusive of GST)}\end{aligned}$$

- (c) Tariff calculation for period 1 July 2006 to 30 June 2007.

$$\begin{aligned}RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= \$3.68 \times \frac{(149.1)}{(145.2)} \\ &= \$3.68 \times [1.0268595] \\ &= \$3.77884 \text{ per GJ} \\ &= \mathbf{\$3.78 \text{ per GJ}} \text{ (exclusive of GST)}\end{aligned}$$

The intended varied Domestic Transportation Reference Service Tariff to commence on 1 July 2006 is therefore \$3.78 per GJ (exclusive of GST)

The same tariff, GST inclusive, is \$4.16 per GJ.

Industrial & Commercial Transportation Reference Service:

- (a) Tariff calculation for period 1 July 2004 to 30 June 2005.

$$\begin{aligned}RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= \$1.50 \times \frac{(141.9)}{(138.0)} \\ &= \$1.50 \times [1.02826] \\ &= \$1.54239 \text{ per GJ} \\ &= \mathbf{\$1.54 \text{ per GJ}} \text{ (exclusive of GST)}\end{aligned}$$

- (b) Tariff calculation for period 1 July 2005 to 30 June 2006.

$$\begin{aligned}
RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\
&= \$1.54 \times \frac{(145.2)}{(141.9)} \\
&= \$1.54 \times [1.0232558] \\
&= \$1.5758 \text{ per GJ} \\
&= \mathbf{\$1.58 \text{ per GJ}} \text{ (exclusive of GST)}
\end{aligned}$$

(c) Tariff calculation for period 1 July 2006 to 30 June 2007.

$$\begin{aligned}
RT_n &= RT_{n-1} \times ((CPI_{n-1} / CPI_{n-2})) \\
&= \$1.58 \times \frac{(149.1)}{(145.2)} \\
&= \$1.58 \times [1.0268595] \\
&= \$1.6224 \text{ per GJ} \\
&= \mathbf{\$1.62 \text{ per GJ}} \text{ (exclusive of GST)}
\end{aligned}$$

The intended varied Industrial & Commercial Transportation Reference Service Tariff to commence on 1 July 2006 is therefore \$1.62 per GJ (exclusive of GST)

The same tariff, GST inclusive, is \$1.78 per GJ.

Contract Transportation Reference Service:

(a) Tariff calculation for period 1 July 2004 to 30 June 2005.

$$\begin{aligned}
RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\
&= \$1.20 \times \frac{(141.9)}{(138.0)} \\
&= \$1.20 \times [1.02826] \\
&= \$1.2339 \text{ per GJ} \\
&= \mathbf{\$1.23 \text{ per GJ}} \text{ (exclusive of GST)}
\end{aligned}$$

- (b) Tariff calculation for period 1 July 2005 to 30 June 2006.

$$\begin{aligned}RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= \$1.23 \times \frac{(145.2)}{(141.9)} \\ &= \$1.23 \times [1.0232558] \\ &= \$1.2586 \text{ per GJ} \\ &= \mathbf{\$1.26 \text{ per GJ (exclusive of GST)}}\end{aligned}$$

- (c) Tariff calculation for period 1 July 2006 to 30 June 2007.

$$\begin{aligned}RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= \$1.26 \times \frac{(149.1)}{(145.2)} \\ &= \$1.26 \times [1.0268595] \\ &= \$1.29384 \text{ per GJ} \\ &= \mathbf{\$1.29 \text{ per GJ (exclusive of GST)}}\end{aligned}$$

The intended varied Contract Transportation Reference Service Tariff to commence on 1 July 2006 is therefore \$1.29 per GJ (exclusive of GST)

The same tariff, GST inclusive, is \$1.42 per GJ.

Special Contract Transportation Reference Service:

- (a) Tariff calculation for period 1 July 2004 to 30 June 2005.

$$\begin{aligned}RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\ &= \$0.05 \times \frac{(141.9)}{(138.0)} \\ &= \$0.05 \times [1.02826] \\ &= \$0.051413 \text{ per GJ} \\ &= \mathbf{\$0.05 \text{ per GJ (exclusive of GST)}}\end{aligned}$$

(b) Tariff calculation for period 1 July 2005 to 30 June 2006.

$$\begin{aligned}
 RT_n &= RT_{n-1} \times (CPI_{n-1} / CPI_{n-2}) \\
 &= \$0.05 \times \frac{(145.2)}{(141.9)} \\
 &= \$0.05 \times [1.0232558] \\
 &= \$0.05116 \text{ per GJ} \\
 &= \mathbf{\$0.05 \text{ per GJ}} \text{ (exclusive of GST)}
 \end{aligned}$$

(c) Tariff calculation for period 1 July 2006 to 30 June 2007.

$$\begin{aligned}
 RT_n &= RT_{n-1} \times ((CPI_{n-1} / CPI_{n-2})) \\
 &= \$0.05 \times \frac{(149.1)}{(145.2)} \\
 &= \$0.05 \times [1.0268595] \\
 &= \$0.05134 \text{ per GJ} \\
 &= \mathbf{\$0.05 \text{ per GJ}} \text{ (exclusive of GST)}
 \end{aligned}$$

The intended varied Special Contract Transportation Reference Service Tariff to commence on 1 July 2006 is therefore \$0.05 per GJ (exclusive of GST)

The same tariff, GST inclusive, is \$0.06 per GJ.

Other Charges:

In accordance with Part 3C of the approved Access Arrangement, please be advised that Central Ranges Pipeline Pty Limited intends to vary the other charges from 1 July 2006 as follows:

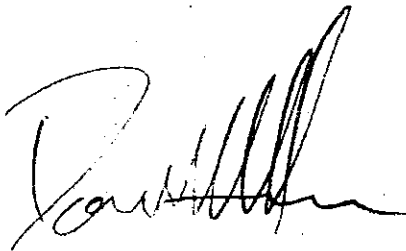
Service	Current Charge GST Inclusive (1 July 2004 dollars)	Varied Charge from 1 July 2006 Exclusive of GST	Varied Charge from 1 July 2006 Inclusive of GST
Request for Service	\$60	\$57.32	\$63.05
Special Meter Read	\$36	\$34.38	\$37.82
Meter Testing Service	\$208	\$198.69	\$218.56

Domestic Customer Disconnection Fee	\$75	\$71.64	\$78.80
I & C Contract & Special Contract Customer Disconnection fee	\$300	\$286.57	\$315.23
After Hours Reconnection Service	\$100	\$95.52	\$105.07

The CPI figures used are the *CPI (All Groups – Weighted Average Eight Capital Cities)* for the average of the CPI for the four quarters to December in 2002, 2003, 2004 and 2005, as published by the Australian Bureau of Statistics.

If you have any questions or concerns, please contact us at your earliest convenience.

Yours faithfully



David Adam
Managing Director