

STATEMENT OF REASONS

INDEPENDENT PRICING AND REGULATORY TRIBUNAL OF NEW SOUTH WALES

Statement of Reasons for Decision

Matter: *Central Ranges Pipeline Pty Limited - variation to reference tariffs for the Central Ranges Pipeline Gas Network – 2008/09*

Details of Decision:

Members: Mr James Cox (Chief Executive Officer and Full-time member) and Mr Eric Groom (committee member)

Decision: IPART does not approve CRP's proposed reference tariff variations for 2008/09.

Date of Decision: 12 June, 2008.

Reasons for Decision:

Background

On 20 May 2008, Central Ranges Pipeline Pty Ltd (CRP) submitted notification of its intention to vary the reference tariffs contained in its Access Arrangement on 1 July 2008 (the **Notice of Variation**).

Section 8.3A of the *National Third Party Access Code for Natural Gas Pipeline Systems* (Gas Code) states that reference tariffs may only be changed in accordance with an approved variation method in an Access Arrangement. Sections 8.3B and 8.3C require CRP to provide a notice of variation to IPART, which IPART is obliged to make publicly available. IPART may only disallow the variation if it considers, on reasonable grounds, that the proposed variation is inconsistent with, or not permitted under, the approved reference tariff variation method (section 8.3E) in the Access Arrangement. IPART must publish reasons for its decision at the time of allowing or disallowing the variation (section 8.3F).

The Access Arrangement requires CRP to give IPART 50 business days notice of proposed reference tariff variations. The Notice of Variation was received by IPART on 20 May 2008. This is later than the due date of 19 April and thus does not comply with the 50 business days notice requirement for a 1 July 2008 price change required by section 3.4 of the Access Arrangement.

Under section 8.3H of the Gas Code, CRP may apply for an extension of time to submit the Notice of Variation. However, section 7.19 of the Gas Code states that:

“The Relevant Regulator may on one or more occasions, at its discretion, grant extensions to any time period in this Code that applies to a person other than the Relevant Regulator, the NCC or the Relevant Minister, provided that an application for that extension has been received by it before the expiration of the time period in question.”

Central Ranges Pipeline submitted a formal application to IPART for an extension of the relevant time period. However, this application was received by IPART on 23 May 2008, after the expiration of the deadline of 19 April 2008.

As no application for extension of the deadline was received before the expiration of the time period, IPART is unable to grant CRP an extension of time for submitting a Notice of Variation.

Conclusion

CRP’s Notice of Variation was submitted after the due date of 19 April 2008 and thus does not comply with the required notice period stated in the Access Arrangement. In addition, no application for an extension of time was received by IPART before the due date.

Accordingly, IPART does not approve the reference tariff variation submitted by CRP.