

**IN THE WESTERN AUSTRALIAN ELECTRICITY REVIEW BOARD**

**Application No. 1 of 2010**

**Re** Application for review of the decision by the Western Australian Economic Regulation Authority published on 5 August 2010 to approve its own revised Access Arrangement for the Goldfields Gas Pipeline

**Applicant** BHP Billiton Nickel West Pty Ltd (ABN 76 004 184 598)

**First Respondent** Southern Cross Pipelines Australia Pty Ltd (ABN 64 084 521 997)  
Southern Cross Pipelines (NPL) Australia Pty Ltd (ABN 99 085 991 948)  
Alinta DEWAP Pty Ltd (ABN 78 058 070 689)  
Goldfields Gas Transmission Pty Ltd (ABN 87 004 273 241)

**Second Respondent** Economic Regulation Authority of Western Australia

**Application No. 2 of 2010**

**Re** Application under section 39(1) of Schedule 1 of the *Gas Pipelines Access (Western Australia) Act 1998* (which provision continues to apply by reason of section 28(4) of Schedule 3 of the *National Gas Access (WA) Act 2009*) for a review of the decision of the Economic Regulation Authority to draft and approve revisions of the access arrangement to apply to the Goldfields Gas Pipeline in place of the access arrangement revisions submitted for approval by Goldfields Gas Transmission Pty Ltd on behalf of the Goldfields Gas Transmission Joint Venture

**Applicant** Southern Cross Pipelines Australia Pty Ltd (ABN 64 084 521 997)  
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Goldfields Gas Transmission Pty Ltd (ABN 87 004 273 241)

**First Respondent** BHP Billiton Nickel West Pty Ltd (ABN 76 004 184 598)

**Second Respondent** Economic Regulation Authority of Western Australia

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**ORDERS**

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**Board:** DS Ellis, G Mathieson and E Woodley

Date of Order           **17 February 2012**

Where made             **Perth**

**THE WESTERN AUSTRALIAN ELECTRICITY REVIEW BOARD ORDERS THAT:**

- 1     The ERA do by 2 March 2012 recalculate the Reference Tariff (“Tariff”) which GGT may charge from 1 April 2012 in accordance with the particular methodology described below. This methodology is given effect by applying clause 9.8 of the Reference Tariff Adjustment Mechanism adjustment mechanism in Schedule 1 the general terms and conditions of the Access Arrangement (and the annual adjustment mechanism prescribed in Schedule 1) to the modelled Tariff for 1 April 2012.
- 2     The methodology used to calculate the Tariff components to be charged by GGT from 1 April 2012 shall involve the following steps:
  - (a)   take the tariff produced by the tariff model for period from 1 April 2012,
  - (b)   reduce this tariff by the forecast inflation across the period from 20 August 2010 to 1 April 2012, in order to obtain the starting tariff for the Access Arrangement on 20 August 2010; and
  - (c)   then increase the starting tariff by reference to actual inflation and other appropriate adjustments across the period from 20 August 2010 to 1 April 2012
- 3     Alternative calculations should be prepared on the basis of both a pro-rata and a compounding allocation of the WACC during the period 20 August to 31 December 2010.
- 4     GGT do within 7 days provide a draft clause for inclusion in the EEP dealing with prior notification to the ERA of all proposed extensions and expansions of the Pipeline.
- 5     The other parties may, within 3 clear days thereafter, provide a version of the draft marking up any changes they consider appropriate.
- 6     There be liberty to apply.
- 7     The matter is otherwise adjourned.