

Ref: ST-SRD-SCL-SL: 0174

20 August 2010

Mr L Rowe
 Chairman
 Economic Regulation Authority
 Level 6, Governor Stirling Tower
 197 St Georges Terrace
 PERTH WA 6000

Dear Mr Rowe

**RE: Goldfields Gas Pipeline – Reference Tariff CPI Escalation
 Period 20 August 2010 to 30 September 2010**

In accordance with Clause 5.3 of the Goldfields Gas Pipeline (GGP) Revised Access Arrangement dated 5 August 2010 which comes into effect 20 August 2010, the GGP Reference Tariff is varied in accordance with the tariff escalation calculation as defined in the GGP Access Arrangement General Terms and Conditions Clause 9.8 as follows:

$$C_t = C_{t-1} \times \frac{1}{1+K} \times \frac{CPI_{t-2}}{CPI_{t-3}}$$

where:

C_t is the relevant charge in the Quarter t in which the Billing Period occurs;

C_{t-1} is the charge for the quarter $t-1$;

CPI_{t-2} is the CPI for the Quarter commencing six months prior to the commencement of Quarter t ;

CPI_{t-3} is the CPI for the Quarter commencing nine months prior to the commencement of Quarter t ;

$$K = \left[1 + \frac{R}{100} \right]^{0.25} - 1; \text{ and}$$

R is 2.5

The Reference Tariff applicable as defined in Item 1 of the Fourth Schedule of the GGP Revised Access Arrangement dated 5 August 2010 is determined as follows:

Tariff	Toll \$/GJ	Capacity Reservation \$/GJ km	Throughput \$/GJ km
Applicable as at 1 January 2010	0.243262	0.001439	0.000401

The Reference Tariff applicable from 1 April 2010 to 30 June 2010 is:

$$K = \left[1 + \frac{R}{100} \right]^{0.25} - 1$$

$$K = 0.006192$$

$$R = 2.5$$

Toll Tariff	=	0.243262	x	$\frac{1}{1+K}$	x	$\frac{169.5}{168.6}$
	=	0.243262	x	0.993846	x	1.005338
	=	0.243055				\$/GJ
Capacity Reservation Tariff	=	0.001439	x	$\frac{1}{1+K}$	x	$\frac{169.5}{168.6}$
	=	0.001439	x	0.993846	x	1.005338
	=	0.001438				\$/GJ/km
Throughput Tariff	=	0.000401	x	$\frac{1}{1+K}$	x	$\frac{169.5}{168.6}$
	=	0.000401	x	0.993846	x	1.005338
	=	0.000401				\$/GJ/km

Tariff	Toll \$/GJ	Capacity Reservation \$/GJ km	Throughput \$/GJ km
1 April 2010 to 30 June 2010	0.243055	0.001438	0.000401

For the period 1 July 2010 to 30 September 2010 the Reference Tariff applicable for the period t-1 is:

Tariff	Toll \$/GJ	Capacity Reservation \$/GJ km	Throughput \$/GJ km
1 April 2010 to 30 June 2010	0.243055	0.001438	0.000401

The Reference Tariff applicable from 1 July 2010 to 30 September 2010 is determined as follows:

$$K = \left[1 + \frac{R}{100} \right]^{0.25} - 1$$

$$K = 0.006192$$

$$R = 2.5$$

Toll Tariff	= 0.243055	x	$\frac{1}{1+K}$	x	<u>171.0</u>
	= 0.243055	x	0.993846	x	169.5
	= 0.243697	\$/GJ			1.008850
Capacity Reservation Tariff	= 0.001438	x	$\frac{1}{1+K}$	x	<u>171.0</u>
	= 0.001438	x	0.993846	x	169.5
	= 0.001442	\$/GJ/km			1.008850
Throughput Tariff	= 0.000401	x	$\frac{1}{1+K}$	x	<u>171.0</u>
	= 0.000401	x	0.993846	x	169.5
	= 0.000402	\$/GJ/km			1.008850

Tariff	Toll \$/GJ	Capacity Reservation \$/GJ km	Throughput \$/GJ km
1 July 2010 to 30 September 2010	0.243697	0.001442	0.000402

Yours faithfully

Steve Lewis
General Manager