Western Australia

Energy Coordination (Gas Tariffs) Regulations 2000

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Defined Terms

Energy Coordination Act 1994

Energy Coordination (Gas Tariffs) Regulations 2000

Made by the Administrator in Executive Council.

Part 1 — Preliminary

1. Citation

These regulations may be cited as the *Energy Coordination (Gas Tariffs) Regulations 2000*.

2. Commencement

These regulations come into operation on the relevant day as defined in section 25(3) of the *Gas Corporation (Business Disposal) Act 1999*.

3. Areas to which regulations apply

These regulations apply to the supply of gas in —

- (a) the Mid-West/South-West area;
- (b) the Albany area; or
- (c) the Kalgoorlie-Boulder area.

4. Interpretation

- (1) In these regulations, unless the contrary intention appears
 - "Albany area" means the supply area or parts of a supply area to which a distribution licence
 - (a) granted to the Gas Corporation; and
 - (b) applying to land any of which is in the local government district of Albany,

applied when it was first granted;

- "capped tariff" has the same meaning as in regulation 5;
- "dwelling" means a house, flat, home unit or other place of residence;
- **"Kalgoorlie-Boulder area"** means the supply area or parts of a supply area to which a distribution licence
 - (a) granted to the Gas Corporation; and

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(b) applying to land any of which is in the local government district of Kalgoorlie-Boulder,

applied when it was first granted;

"Mid-West/South-West area" means the supply areas or parts of a supply area to which any of the distribution licences of the Gas Corporation, other than a licence referred to in the definition of "Albany area" or "Kalgoorlie-Boulder area" applied when first granted;

"supplier" means a person who supplies gas;

"supply" has the meaning given by paragraph (b) of the definition of "supply" in section 3 of the Act;

"unit" means 3.6 megajoules.

- (2) For the purposes of these regulations a supply of gas is for residential purposes if the gas
 - (a) is supplied to
 - (i) a dwelling; or
 - (ii) a place, other than a dwelling, to which the supply of gas is separately metered;

and

(b) is solely for residential use.

5. Supplier to have at least one capped tariff

- (1) A supplier intending to supply gas in an area referred to in regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area, except that a capped tariff is not required for the supply of gas after 30 June 2002 for a non-residential purpose.
- (2) In subregulation (1)
 - "capped tariff" means a tariff under which the charge for a supply of gas in any period for which a charge is calculated under the tariff cannot exceed the charge for that supply that would be calculated and, where applicable, adjusted under Schedule 1.

6. Gas to be offered under standard contract at capped tariff

(1) This regulation does not apply to the supply of gas after 30 June 2002 for a non-residential purpose.

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- (2) A supplier is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.
- (3) In subregulation (2)
 - "existing standard contract customer" means a small use customer who is supplied with gas under a contract that, under section 25(1) of the *Gas Corporation (Business Disposal) Act 1999*, the customer is to be regarded as having entered into.
- (4) When offering to supply gas to a new customer, a supplier is to offer to supply gas under an approved contract but at a capped tariff.
- (5) In subregulation (4) —

"approved contract" means —

- (a) a contract in a form approved under section 26(2)(c) of the Act by the Coordinator; or
- (b) a contract the terms and conditions of which are specified in a trading licence;
- "new customer" means a small use customer to whom a supplier offers to supply gas for the supply of which the customer does not already have a contract.
- (6) This regulation does not prevent the supplier and customer from agreeing to charges or other terms and conditions that are different from those required by this regulation to be offered.

7. Calculation of amounts

- (1) In calculating an amount under Schedule 1, an amount calculated by reference to a rate expressed in cents per unit or cents per day is to be rounded to the nearest one hundredth of one cent except if it falls halfway between 2 consecutive one hundredths of one cent, in which case it is to be rounded to the nearest even one hundredth of one cent.
- (2) In calculating a charge for the supply of gas, an amount that is not a whole number multiple of 5 cents is to be rounded to the nearest whole number multiple of 5 cents except if it falls halfway between 2 consecutive whole number multiples of 5 cents, in which case it is to be rounded to the nearest even whole number multiple of 5 cents.

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8. Minister to carry out review

- (1) The Minister is to carry out a review of the operation and effectiveness of these regulations within 5 years after their commencement.
- (2) In the course of the review the Minister is to consider the need for the continuation of these regulations, having regard to
 - (a) the importance of competition in gas industry markets;
 - (b) the interests of gas customers generally or of a class of gas customers;
 - (c) the legitimate business interests of the holders of trading licences;
 - (d) the effectiveness of the regulations in achieving appropriate consumer protection outcomes; and
 - (e) any other matter that the Minister considers relevant.
- (3) The Minister is to prepare a report based on the review and, as soon as is practicable after the report is prepared, is to cause it to be laid before each House of Parliament.

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Schedule 1 — Tariff caps

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Part 1 — Mid-West/South-West area

1. Residential tariff

Under this Schedule a charge for the supply of gas for residential purposes is calculated by adding the fixed component and the usage component, each of which is calculated at the rate shown in the Table to this clause or, where applicable, that rate as adjusted under Part 4.

Rates for components of residential tariff

Fixed component	8.31 cents per day		
Usage component	5.88 cents per unit for the first L units per day		
	3.81 cents per unit for the next M units per day		
	2.80 cents per unit for all additional units		
	where —		
	for a single dwelling supplied through a separately metered supply point —		
	L = 12		
	$\mathbf{M} = 24$		
	for multiple dwellings supplied through a commonly metered supply point —		
	$L = 12 + [(F-1) \times 5]$		
	$M = 24 + [(F-1) \times 5]$		
	F = the number of dwellings		

2. Non-residential tariff

Under this Schedule a charge for the supply of gas for purposes other than residential purposes is calculated by adding the fixed component and the usage component, each of which is calculated at the rate shown in the Table to this clause or, where applicable, that rate as adjusted under Part 4.

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Rates for components of non-residential tariff

Fixed component	•	8.31 cents per day
Usage component	•	6.08 cents per unit for the first 100 units per day
	•	4.84 cents per unit for all additional units

Part 2 — Albany area

3. Residential tariff

Under this Schedule a charge for the supply of gas for residential purposes is calculated by adding the fixed component and the usage component, each of which is calculated at the rate shown in the Table to this clause or, where applicable, that rate as adjusted under Part 4.

Rates for components of residential tariff

Fixed component	(a) for premises other than those described in paragraph (b), 8.71 cents per day;			
	(b) for multiple dwellings supplied through a commonly metered supply point —			
	• 8.71 cents per day for the first dwelling;			
	• 4.36 cents per day for each additional dwelling.			
Usage	• 6.35 cents per unit for the first 100 units per day			
component	• 5.32 cents per unit for all additional units			

4. Non-residential tariff

Under this Schedule a charge for the supply of gas for purposes other than residential purposes is calculated by adding the fixed component and the usage component, each of which is calculated at the rate shown in the Table to this clause or, where applicable, that rate as adjusted under Part 4.

Rates for components of non-residential tariff

Fixed component	• 8.71 cents per day
Usage	• 6.35 cents per unit for the first 100 units per day
component	• 5.32 cents per unit for all additional units

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Part 3 — Kalgoorlie-Boulder area

5. Residential tariff

Under this Schedule a charge for the supply of gas for residential purposes is calculated by adding the fixed component and the usage component, each of which is calculated at the rate shown in the Table to this clause or, where applicable, that rate as adjusted under Part 4.

Rates for components of residential tariff

Fixed component	•	18.66 cents per day
Usage component	•	5.18 cents per unit

6. Non-residential tariff

Under this Schedule a charge for the supply of gas for purposes other than residential purposes is calculated by adding the fixed component and the usage component, each of which is calculated at the rate shown in the Table to this clause or, where applicable, that rate as adjusted under Part 4.

Rates for components of non-residential tariff

Fixed component	•	18.66 cents per day
Usage component	•	4.62 cents per unit

Part 4 — Adjustment of certain tariff caps

7. Definitions

In this Part —

- **"2000/01 period"** means the period beginning on the commencement of these regulations and ending on 30 June 2001;
- "2001/02 year" means the financial year ending on 30 June 2002;
- "2002/03 year" means the financial year ending on 30 June 2003;
- "CPI (ex-GST) number" means
 - (a) the Consumer Price Index, All Groups index number, weighted average for eight capital cities, exclusive of the impact of the New Tax System changes, calculated and published by the Australian Statistician;
 - (b) if there is no number as described in paragraph (a), a corresponding index number calculated and published by the Reserve Bank of Australia; or
 - (c) if there is no number as described in paragraph (a) or (b), a corresponding index number calculated and published by a person appointed by the Coordinator;

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"New Tax System changes" has the same meaning as it has in the New Tax System Price Exploitation Code text applying as a law of this State under the New Tax System Price Exploitation Code (Western Australia) Act 1999.

8. CPI (ex-GST) numbers

- (1) If a number published for a particular March quarter is the CPI (ex-GST) number for that quarter and, at any time after that publication, a number is published in substitution for the number previously published, the publication of the later number is to be disregarded for the purposes of these regulations.
- (2) In subclause (1) —

"March quarter" means a period of 3 months ending on 31 March.

(3) If, at any time, the reference base for calculating the number to be used as the CPI (ex-GST) number changes, then, for the purposes of the application of these regulations after the change is made, regard is to be had only to numbers published in terms of the new reference base.

9. Adjustment of rates for 2001/02 year

- (1) Subclause (2) applies only if the CPI (ex-GST) number for the quarter ending on 31 March 2001 ("CPI₂₀₀₁") is more than the CPI (ex-GST) number for the quarter ending on 31 March 2000 ("CPI₂₀₀₀").
- (2) For the purpose of calculating the fixed component or the usage component of a charge under this Schedule for the supply of gas for residential purposes in the 2001/02 year, instead of using the number of cents per day or cents per unit shown in the relevant Table the number to be used is, unless further adjusted under clause 11, derived from the formula —

$$R_{2002} = R_{2001} \times \left[\frac{\text{CPI}_{2001}}{\text{CPI}_{2000}} \right]$$

where —

 R_{2002} is the number of cents per day or cents per unit

for the 2001/02 year;

 R_{2001} is the number of cents per day or cents per unit

that would have applied under this Schedule for the 2000/01 period if there had been no

adjustment under clause 11.

10. Adjustment of rates for 2002/03 year and thereafter

(1) If the CPI (ex-GST) number for the quarter ending on the last 31 March before the relevant year ("CPI_r") is at least 2% less than the CPI (ex-GST) number for the quarter ending on the 31 March that was

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a year earlier (" CPI_{r-1} "), subclause (2) does not apply and subclause (3) applies instead.

(2) For the purpose of calculating the fixed component or the usage component of a charge under this Schedule for the supply of gas in the 2002/03 year or a subsequent financial year ("the relevant year"), instead of using the number of cents per day or cents per unit shown in the relevant Table the number to be used is, unless further adjusted under clause 11, derived from the formula —

$$R_n = R_{n-1} \times \left[\frac{CPI_r}{CPI_{r-1}} + 0.02 \right]$$

where —

R_n is the number of cents per day or cents per unit for the relevant year;

 R_{n-1} is the number of cents per day or cents per unit that would have applied under this Schedule for the year before the relevant year if there had been no adjustment under clause 11.

(3) If this subclause applies because of subclause (1) and the number of cents per day or cents per unit shown in the relevant Table (" \mathbf{R}_T ") is less than the number of cents per day or cents per unit that would have applied under this Schedule for the year before the relevant year if there had been no adjustment under clause 11 (" \mathbf{R}_{n-1} "), instead of using \mathbf{R}_T for the purpose of the calculation \mathbf{R}_{n-1} is, unless further adjusted under clause 11, to be used.

11. Adjustments for GST and related reforms

- (1) The purpose of this clause is to provide for the charges that would otherwise apply under this Schedule, whether applying to AlintaGas or any other supplier, to be increased by a factor intended to offset any adverse financial effect of the New Tax System changes on the business of AlintaGas relating to the purchase and sale of gas (in this clause called "the relevant business").
- (2) For the 2000/01 period the GST factor is 9.3%.
- (3) For the 2001/02 year and the 2002/03 year AlintaGas is to estimate
 - (a) the financial effect of the New Tax System changes alone on the relevant business of AlintaGas; and
 - (b) the factor, if any, by which the charges that would otherwise apply under this Schedule would need to be increased to allow any adverse financial effect of the New Tax System changes on the relevant business of AlintaGas to be offset.

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- (4) AlintaGas is to have an accountant approved by the Coordinator audit
 - (a) its estimates under subclause (3);
 - (b) any information, assumptions, estimates, and calculations used in preparing them; and
 - (c) any documents containing anything referred to in paragraph (b).
- (5) Estimates under subclause (3) are not to be regarded as complying with the requirements of that subclause until the audit required by subclause (4) has been completed and the accountant doing the audit has formed an opinion that the estimates are in accordance with this clause.
- (6) AlintaGas is required to
 - (a) give the Coordinator the estimates under subclause (3) for the 2001/02 year, together with the accountant's written opinion that the estimates are in accordance with this clause, by the end of May 2001;
 - (b) give the Coordinator the estimates under subclause (3) for the 2002/03 year, together with the accountant's written opinion that the estimates are in accordance with this clause, by the end of May 2002.
- (7) The Coordinator is to give notice in the *Gazette* of a factor, if any, estimated under subclause (3) for the 2001/02 year or the 2002/03 year and given to the Coordinator under subclause (6) before that year commences, and the factor of which notice is given is the GST factor for that financial year.
- (8) The GST factor, if any, for the 2002/03 year is also the GST factor for any subsequent financial year.
- (9) If there is a GST factor for a particular period or financial year, the number of cents per day or cents per unit that would otherwise have applied under this Schedule in that period or financial year is increased by multiplying that number by the GST factor.
- (10) In this clause —

"AlintaGas" means —

(a) the Gas Corporation established by the *Gas Corporation Act 1994*, as a supplier in the areas referred to in regulation 3; or

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(b) if all of the Gas Corporation's business as a supplier in the areas referred to in regulation 3 has been disposed of under section 5 of the *Gas Corporation (Business Disposal) Act 1999* to a corporate vehicle as defined in that section or a subsidiary of a corporate vehicle, the corporate vehicle or subsidiary as a supplier in those areas;

"GST factor" has the meaning given by subclause (2), (7) or (8).

By Command of the Administrator,

M. C. WAUCHOPE, Clerk of the Executive Council.

Defined Terms

Defined Terms

[This is a list of terms defined and the provisions where they are defined.

The list is not part of the law.]

Defined Term	Provision(s)
2000/01 period	Schedule 1 cl. 7
2001/02 year	Schedule 1 cl. 7
2002/03 year	
Albany area	
AlintaGas	
approved contract	6(5)
capped tariff	
CPI (ex-GST) number	Schedule 1 cl. 7
dwelling	
existing standard contract customer	6(3)
GST factor	Schedule 1 cl. 11(10)
Kalgoorlie-Boulder area	4(1)
March quarter	
Mid-West/South-West area	4(1)
new customer	6(5)
New Tax System changes	Schedule 1 cl. 7
supplier	4(1)
supply	4(1)
the relevant business	
the relevant year	Schedule 1 cl. 10(2)
unit	4(1)