



**Office of Energy**  
Government of Western Australia

### **Terms of Reference – Gas Tariffs Review**

The Gas Tariffs Review is to consist of a review and assessment of Western Australian retail gas tariff cap arrangements, and is to consider:

- (a) A review of the existing gas tariff cap arrangements, including an examination of:
  - details of the consumption levels within each of the customer classes under each tariff cap arrangement; and
  - the current and expected future cost structures across each of the tariff cap customer classes.
- (b) The appropriate structure and level of tariff caps, including consideration of:
  - applicability of tariff caps to the two customer classes in each region (i.e. residential or non-residential) and the application of the tariff caps to the different supply areas (i.e. the Mid West/South West (including the Perth Metropolitan area), Kalgoorlie-Boulder, and Albany areas);
  - cost reflectivity of the tariff caps; and
  - the level of tariff caps necessary to promote competition for each customer class.
- (c) Incentives for gas consumers to negotiate alternative supply arrangements.
- (d) Timing for any necessary changes to the tariff cap structure, including the transition process for amendment of the tariff caps.
- (e) The appropriate adjustment mechanism for tariff caps in the future, including:
  - the index mechanism for annual tariff cap adjustments;
  - the criteria to be used in conducting regular reviews of the tariff adjustment mechanism;
  - the person or agency that should conduct the regular reviews; and
  - the timing for such reviews.