

## 2005-06 Tariff Schedule: Statement of Reasons

The structure of Power and Water's 2005-06 network access tariffs has not been changed from 2004-05, with all components of all tariffs being decreased from their 2004-05 levels by 11.54% on average, as instructed by the "CPI + Z - X" constraint contained in the Commission's *Networks Pricing: 2004 Regulatory Reset Final Determination* and the *Networks Pricing: 2005 Network Asset Valuation Off-Ramp Review*.

Power and Water intends to review its tariff structures during 2005-06, and will seek approval from the Commission prior to implementing any changes in future regulatory years.

Power and Water considers that the 2005-06 tariff schedule complies with the Pricing Principles Statement that was approved for the 2004-05 tariffs because:

- The structure of the 2005-06 tariffs is unchanged from that approved by the Commission for use between 2000-2001 and 2004-05; and
- The 2000-01 – 2004-05 tariff structure was deemed to comply with clause 74 of the *Code*.

As instructed by the Commission's *Network Asset Valuation Off-Ramp Review*, the S factors for application during the second regulatory control period have been deferred by one year on those approved in the *2004 Final Determination*.