22 April 2024

Kris Funston
Executive General Manager Network Regulation
Australian Energy Regulator
Level 29 | 135 King Street, Sydney

By email: aerpricing@aer.gov.au

Dear Kris

Roma Brisbane Pipeline: Notification of Annual Tariff Adjustment (1 July 2024 to 30 June 2025)

APT Petroleum Pipeline Limited (APTPPL) is proposing to vary the Reference Tariffs (Eastbound and Westbound) for the Roma Brisbane Pipeline (RBP). This Notice outlines the calculation of the variation and officially notifies the Australian Energy Regulator (AER) of the reference tariffs to have effect from 1 July 2024.

In accordance with section 4.5 of the RBP Access Arrangement, the reference tariffs for the Eastbound and West bound Reference Services are varied using the following formula:

$$RTe_n = RTe'_n \times (1 - RB_n) \quad \text{(Eastbound)}$$

$$RTw_n = RTw'_n \times (1 - RB_n) \quad \text{(Westbound)}$$

Where:		**Value for this Notice**
RTe_n, RTw_n	means the Long Term Firm Service Reference Tariff in Year n, for Eastbound and Westbound respectively	0.6755
n	means the Year in which the adjusted Long Term Firm Service Tariff is to be applied	2025
RTe'_n RTw'_n	means the unadjusted Long Term Firm Service Tariff in Year n (Eastbound and Westbound respectively), as set out in formulas below $$RTe'_n = RTe'_{n-1} \times \left[1 + \frac{CPI_{n-1} - CPI_{n-2}}{CPI_{n-2}}\right] \times (1 - X) \text{ (Eastbound)}$$ $$RTw'_n = RTw'_{n-1} \times \left[1 + \frac{CPI_{n-1} - CPI_{n-2}}{CPI_{n-2}}\right] \times (1 - X) \text{ (Westbound)}$$	0.7120
RTe'_{n-1} RTw'_{n-1}	means the unadjusted Long Term Firm Service Tariff in Year n-1 (Eastbound and Westbound respectively)	0.6778
CPI	means Consumer Price Index (All Groups — weighted Average Eight Capital Cities) published quarterly by the Australian Bureau of Statistics	
CPI_{n-1}	means the CPI published for the December quarter in Year n-1. For 2024-25 tariffs, n-1 is December quarter 2023	136.1
CPI_{n-2}	means the CPI published for the December quarter in Year n-2. For 2024-25 tariffs, n-2 is December quarter 2022	130.8
X	is the X factor for each financial year of the 2021–27 access arrangement period as determined in the PTRM approved in the AER's final decision, and annually revised for changes in the return on debt. As advised by the AER during April 2024.	-0.96%

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RB$_n$		The *rebateable services adjustment factor* is calculated as follows: $$RB_n = 0.70\left[\left(\frac{R_{n-2} \times (1 + WACC_n)}{RT'_n Q_n}\right)\right]$$	0.0514
where:	R$_{n-2}$	is any rebateable service revenue earned by APTPPL in whole or in part during calendar year n–2, for services classified as rebateable services.	$3.53M
	RT'$_n$Q$_n$	is the forecast revenue from reference services in year n. This is based on the following values: • RT'$_n$ = $0.7120/GJ/day • Q$_n$ = 196.9 TJ/day	$51.2M
	WACC$_n$	Is the approved nominal weighted average cost of capital (WACC) for the relevant regulatory year using the following method: *NominalvanillaWACC$_n$* = (1 + *realVanillaWACC$_n$*) x (1+ *CPI$_n$*) where: • the r*ealVanillaWACC$_n$* is as set out in the final decision PTRM and updated annually. The value for this Notice is 2.28%; and • CPI$_n$ is the change in CPI from year n-2 to year n-1. The value for this Notice is 4.05%.	6.42%
	0.70	the sharing ratio between APTPPL and shippers who are taking the reference service	0.70

Reporting of rebateable services revenue

As part of its annual tariff variation notice for tariffs commencing each 1 July, APTPPL is required to report on the revenues it has earned on the RBP during the prior calendar year in respect of:

- Park and loan services;
- In-pipe trading services; and
- Capacity trading services.

The value of these revenues, as per the following table, are input into the *rebateable services adjustment factor* formula with the impact on Reference Tariffs also indicated below.

2023 Rebateable Services Revenue	
Park and Loan	$3,031,377
In-Pipe Trading	$330,600
Capacity Trading	$165,511
Total Revenue	**$3,527,488**
Rebateable amount	$2,627,871
Annual Forecast volume (GJ)	71,868,500
Rebateable Services Tariff Impact ($/GJ)	$0.0366

Reference Tariffs to apply from 1 July 2024

The Long Term Firm Reference Tariffs for Eastbound and Westbound, reflecting the rebate of the Rebateable Service adjustment factor, are identical and calculated as follows:

$$
\begin{aligned}
RTd_n &= RTd'_n \times (1 - RB_n) \\
&= 0.7120 \times (1 - 0.0514) \\
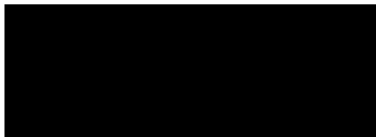&= 0.7120 \times 0.9486 \\
&= 0.6755
\end{aligned}
$$

Where:

- "d" is the gas flow direction, it can be "e" for Eastbound and "w" for Westbound; and
- N = 2025

Therefore:

$$
RTe_{2025} = RTw_{2025} = \$0.6755 \; per \; GJ \; per \; day
$$

Please contact me at ███████████████████████ with any questions regarding this reference tariff variation.

Yours sincerely,

Patrick Whish-Wilson
Senior Regulatory Manager