



20 May 2020

Ms Kami Kaur
Acting General Manager Distribution
Australian Energy Regulator
GPO Box 520, Melbourne VIC 3001
Via email kami.kaur@aer.gov.au

Dear Kami,

ROMA BRISBANE PIPELINE – AMENDMENT TO ACCESS ARRANGEMENT

APA is writing to you under National Gas Rule (NGR) 65 submitting a proposal for a non-material variation to the RBP 2015-20 Access Arrangement.

Proposed variation to the Access Arrangement

We propose a non-material amendment to the formulas in the access arrangement so that they operate in a manner fully consistent with the AER's Final Determination. In its final determination the AER stated:

We have therefore decided to apply the same sharing ratio to all of these services and to employ the same sharing ratio that we use in other incentive mechanisms, which is a 70:30 sharing ratio. Under this sharing ratio, APTPPL will be able to retain 30 per cent of the revenue it generates from the provision of rebateable services and the remaining 70 per cent will be passed through to reference service users.

That this was the intention of the final determination is reinforced by the introductory paragraph to section 4.5.2 of the access arrangement which states.

This final decision requires that APTPPL rebates a portion (70 per cent) of revenue it earns from rebateable services to shippers who are taking the reference services during the financial year.

As identified by APA and the AER, the current formulas in section 4.5 of the access arrangement contain mathematical errors that mean they are inconsistent with rebating 70 per cent of revenue from rebateable services.

APA's proposal, developed in conjunction with the AER, is to correct the math so that the formula is consistent with the intent of the access arrangement.

Non Material

The proposed variation is merely a correction to a mathematical error in the existing access arrangement. The variations are non-material as they produce the outcome outlined in the AER's financial determination and the access arrangement.

Proposed variation in detail

The access arrangement with proposed changes highlighted in in attachment 1. A non mark-up version of the proposed access arrangement is contained in attachment 2.

If you have any questions, please contact Mark Allen on 02 9275 0010 or mark.allen@apa.com.au.

Regards,

A handwritten signature in black ink, appearing to read 'P. Bolding', with a stylized flourish at the end.

Peter Bolding
General Manager Strategy and Regulatory