Overview of the 2026–31 Access Arrangement

Amadeus Gas Pipeline

June 2025

About this document

APA has prepared this overview of the Access Arrangement (**Overview**) for the 1 July 2026 to 30 June 2031 (**2026–31**) regulatory period for stakeholders who are short on time and want a snapshot of our proposed plans and changes to the Amadeus Gas Pipeline Access Arrangement.

All dollars reported are Real 30 June 2026 unless otherwise stated. Totals may not add due to rounding.

Contents

Acknowledgment of Country

At APA, we acknowledge the Traditional Owners and Custodians of the lands on which we live and work throughout Australia.

We acknowledge their connections to land, sea and community.

We pay our respects to their Elders past and present and commit to ensuring APA operates in a fair and ethical manner that respects First Nations peoples' rights and interests.

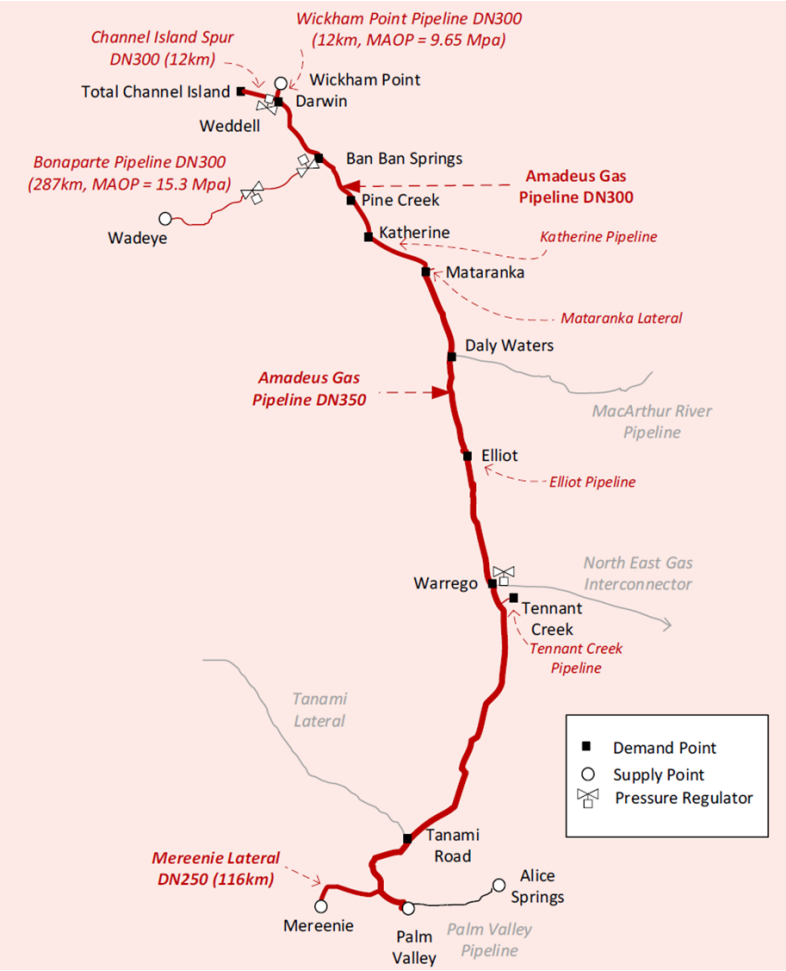
About the AGP

The Amadeus Gas Pipeline (**AGP**) is a transmission pipeline that extends approximately 1,600 km from the gas fields in the Amadeus Basin in central Australia to Darwin.

The AGP transports natural gas to Darwin, Alice Springs and regional centres, principally to fuel electricity generation. It is bi-directional and interconnects with the Northern Gas Pipeline (**NGP**) at Warrego, near Tennant Creek. Gas can flow north from the Amadeus Basin to the NGP and on to Darwin but can also flow south, from Ban Ban Springs to the NGP.

The AGP is a scheme pipeline under the access regime of the National Gas Law (**NGL**) and the National Gas Rules (**NGR**) and has a full Access Arrangement in place regulated by the AER.

APT Pipelines (NT) Pty Limited (ABN 40 075 733 336) (**Amadeus**), a wholly owned entity within the APA Group, is the covered pipeline service provider for the AGP.



Key facts and figures

Transports gas to Darwin and other regional locations, mainly to fuel **electricity generation** (12 TJ per annum)

~1,600 Km transmission pipeline (including laterals)

165 TJ per day nameplate pipeline capacity

25-50 PJ gas transported each year

Bi-directional operates like a two-way highway for gas to be transported north and south

3 critical large customers – Power and Water Corporation is the main user

4 depots supporting the maintenance of the pipeline – Palmerston, Katherine, Tenant Creek and Alice Springs

~$165M value of Regulated Asset Base

Operating environment

The environment in which AGP operates is challenging and the area is environmentally sensitive.

In addition, many areas are prone to flooding in the wet season, increasing the risk of corrosion and rendering sections of the pipeline inaccessible by road for months and even years. The associated forces from ground expansion during flooding and contraction when the earth subsequently dries out can also damage the pipeline and weld margin wrapping, further increasing the risk of corrosion.

The remoteness of much of the pipeline means there is a large reliance on stand-alone power supplies. In addition, compound equipment must be able to withstand vermin and the extreme temperatures and climate range of the Northern Territory.

1986
the year the pipeline was commissioned

~34 years
average asset age

100%
scheme pipeline – subject to full regulation by the AER under the NGR

Climate extremes
the pipeline spans arid (in the south) and tropical (in the north) areas

Corrosion
key processes in place to detect, monitor, assess and repair in a timely manner

Hazardous area
electrical equipment in a hazardous area is a potential source of ignition or explosion

High rainfall
in the wet season, parts of the pipeline become inaccessible by any means other than helicopter.

Obsolete
risk of key electrical equipment becoming obsolete

Mereenie inlet station

Key highlights for 2021 to 2026 period

Capital expenditure

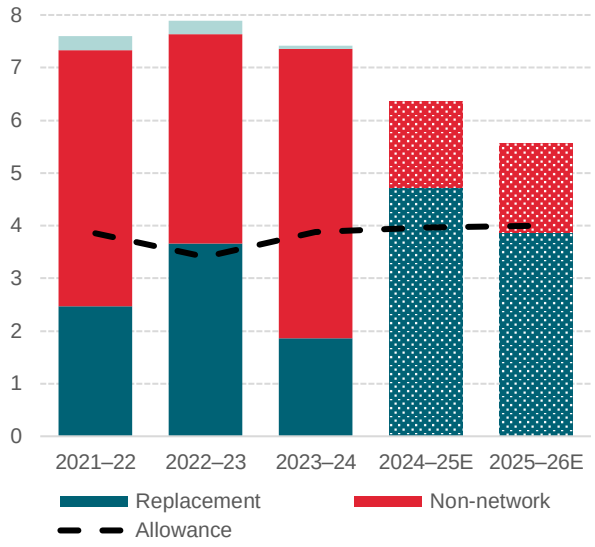
Amadeus is expecting to spend $34.8 million or $15.7 million (82%) more than the AER allowance of $19.1 million for the period. This is due to:

Higher replacement capital expenditure arising from an increase in the number of heat-shrink sleeve upgrades.

Construction of the new Palmerston office/warehouse in Darwin and the associated relocation costs, Information Technology (**IT**) fit-out costs and the capitalisation of the new site lease.

APA's investment to increase IT and physical security in line with new Security of Critical Infrastructure Act (**SOCI**) obligations, of which Amadeus receives a share.

Actual and estimated capital expenditure ($M Real 30 June 2026)



Operating expenditure

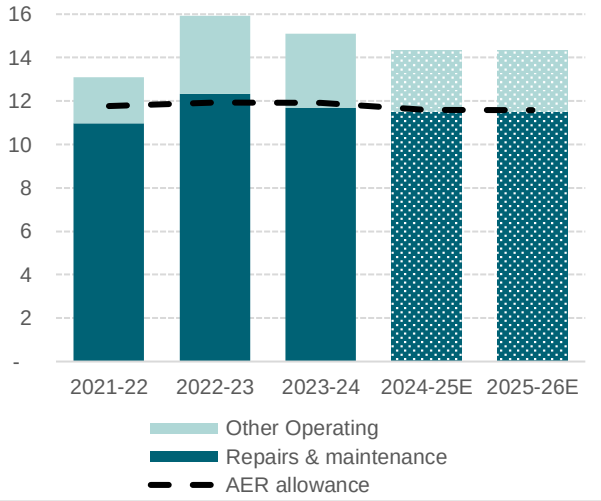
Operating expenditure is expected to be $76.3 million or $14.8 million higher than the AER allowance of $61.5 million over the period as a result of three factors:

Amadeus set the base trend step operating expenditure for this period lower than what is prudent and efficient.

Amadeus' share of corporate operating expenditure related to APA meeting the obligations of the SOCI Act.

Amadeus' share of payroll adjustments related to unpaid obligations under APA enterprise agreements that were identified and corrected during the period.

Actual and estimated operating expenditure ($M Real 30 June 2026)



Pipeline usage

Gas flows have varied considerably. Gas was forecast to flow into Queensland and the East Coast gas market from both northern and southern suppliers with the interconnection of the NGP at Warrego, about 1,000 km south of Darwin, in January 2019. Gas received at Ban Ban Springs flows both north to the power stations in Darwin and Wickham Point and south to Warrego and into the NGP.

Whilst this expectation has held true for much of the current Access Arrangement period, the closure of the NGP for 12 months from early 2024 resulted in all gas flowing north on the AGP. Wickham Point was also receiving gas supplies from liquefied natural gas producers with extra flows entering the AGP, via the Wickam Point Pipeline, to help supply other Darwin's power stations.

Our engagement for the 2026–31 Access Arrangement

So far, we have conducted a co-creation workshop and five stakeholder meetings.

We are continuing engagement with stakeholders in relation to the gas specification ahead of submitting our revised proposal in January 2026. We will also reconnect with stakeholders following the AER's Draft Decision if it raises major issues that warrant further discussion or if there are other significant changes to our forecasts.

A timeline of the engagement interactions to date is shown below.

28 February 2024	Co-creation workshop	— Overview of the AGP — Identification of core issues and priorities — Provide an introduction to reference services
10 April 2024	Shared output from the co-creation workshop and a draft engagement plan	
17 April 2024	Stakeholder meeting 1	— Confirm engagement approach and plan — Overview of the regulatory framework and operating context for the AGP — Understand whether changes are needed to the current reference services — Performance of AGP over the current period and future challenges and opportunities
June 2024	Shared draft Reference Service Proposal for comments and feedback	
2 July 2024	Met with a stakeholder to discuss how additional reference services would impact AGP access	
17 July 2024	Stakeholder meeting 2	— Initial issues concerning capital expenditure and operating expenditure — Introduction to AA terms and conditions — Introduction to queuing, capacity trading, extension/expansion — Gas specification and pressure regime — Future of AGP and the Amadeus Basin
6 November 2024	Stakeholder meeting 3	— Details of operating and capital expenditure — Forecast Regulatory Asset Base — Depreciation and return on capital — Revenue forecasts
December 2024	Shared marked up terms and conditions for comments and feedback	
19 February 2025	Stakeholder meeting 4	— Confirm proposed terms and conditions — Share details of non-network expenditure over the current and forecast periods — Updates to operating and capital expenditure, and output from the efficiency carryover mechanism — Proposed changes to the gas specification — Demand outlook and forecasts — Initial revenue requirement and reference tariffs — Tariff variation mechanism
7 May 2025	Stakeholder meeting 5	— Share results of engagement in relation to changes to the gas specification — Share details of the draft Access Arrangement for final comments ahead of publishing
16 May 2025	Published a draft overview of the 2026–31 Access Arrangement and a marked-up version of the 2026–31 Access Arrangement for stakeholder review and feedback (**Draft Documents**)	
10 June 2025	Submissions on the Draft Documents closed	— We received one submission that raised concerns with the proposed changes to the Higher Heating Value and the Wobbe index in the absence of associated changes to the inert gas limits. We have committed to continue engagement on this matter and will finalise an appropriate gas specification in our revised proposal that will be submitted to the AER in January 2026.

What we heard and how we have responded

Our initial stakeholder meeting was a co-creation workshop that sought to identify customers' priorities as well as the key Access Arrangement issues and the desired level of International Association of Public Participation engagement for each issue. The results were subsequently shared and agreed with participating stakeholders and formally included in the AGP engagement plan.

The five stakeholder priorities for the 2026–31 AGP Access Arrangement are shown below. The engagement program sought to specifically address each of these priorities, as well as other core components of the Access Arrangement.

Stakeholder priorities

Third party access

Third party access, including:

- Access of new users to the pipeline
- When capacity will extend beyond current arrangements
- Understand how a queuing system would work
- Access to existing users to both existing & expanded capacity

Future of AGP

The future of the AGP, including the below issues:

- Supply capabilities of the pipeline in the future
- Beetaloo Basin
- Understanding expansion options
- Demand on the pipeline
- Sustainability & the energy transition

Reliability & security

Reliability & security of supply

Affordability

Affordability, with interest in the priority topics of revenue & tariff setting, including:

- Tariffs for new users
- Consumer risk, Access Arrangement information & relevant costs
- Inclusion of all services within current reference tariffs
- Understanding how investments feed into tariffs

Gas specification & information

Gas specification & information:

- Quality and gas composition
- Pressure regimes
- Community information about what happens on the pipeline from day to day

The following table provides a high-level summary of stakeholder feedback and our response for the various topics and issues discussed in each stakeholder meeting. More details on the engagement sessions can be found in the Engagement Summary Report.

Tylers Pass – where Mereenie spur ties to the main AGP from Palm Valley

Priority theme	What we heard	How we have responded
Co-creation workshop		
Developing stakeholder priorities, the engagement plan & introduction to the Reference Services Proposal	**Engagement plan & activities** — Stakeholders supported the publication of a draft Access Arrangement. — Stakeholders wanted to be engaged in shaping the Reference Services Proposal. — Stakeholders supported engaging an external contractor to write the independent consumer report on behalf of the group.	In the engagement plan, APA committed to: — Adjusting engagement topics and activities along the way as required. — Publishing a draft Access Arrangement prior to submission for stakeholder feedback. — Preparing an engagement summary report as part of the Access Arrangement and sharing meeting minutes so the group can ensure the accuracy of the report.
Future of AGP Future of AGP	**Reference Service Proposal** — Third party access was raised as a key priority by many stakeholders. — The inclusion of all services within the current reference tariffs was requested by a stakeholder. — One stakeholder thought that interruptible park and loan would fall into the definitions set out in the Reference Services Proposal.	— In determining the reference services, we considered the priority areas raised by stakeholders. — We assessed each possible service against the assessment criteria. This assessment showed that Firm Transportation service met the criteria and should be maintained as a reference service. — Interruptible transportation only met one of the criteria, however, we proposed to continue to offer this as a reference service given it has a low regulatory cost, it helps support third party access and is an existing reference service. — Park and loan services were not proposed as they have a significant regulatory cost and, because the AGP is fully contracted, are unlikely to be able to be offered during this regulatory period.
	— One stakeholder was keen to understand the significance of each service by a set metric that would enable stakeholders to review – e.g., interruptible revenue vs firm revenue. This would allow stakeholders to determine whether more attention should be applied.	— APA outlined that there are only two services available on AGP, so the metrics would be nil.
Stakeholder meeting 1		
	Engagement plan — The engagement plan was confirmed as being appropriate and the planned meeting objectives as being reasonable.	— The engagement plan was finalised, noting it was not “set in stone” and could be adapted to suit stakeholders’ needs and interests.
Third party access Future of AGP	**Scene setting** — Stakeholders were interested in understanding who pays for extensions to AGP and whether case studies on expansion could be shared with the group. — It was queried whether Darwin city’s reduction in gas demand was due to increased levels of rooftop solar and whether, given all the developments happening in the Northern Territory (**NT**), APA were able to undertake an intermediate review of the scope of services within the coming Access Arrangement period.	— APA explained that new laterals would be expected to be paid for by third parties and committed to sharing some hypothetical situations at a future meeting. — APA confirmed that rooftop solar has seen a reduction in peak demand and if this becomes normal, gas could be redirected to Warrego and on to the east coast via the Northern Gas Pipeline. — APA confirmed that because the volumes of new developments cannot be forecast, they cannot be set as a reference service.

Priority theme	What we heard	How we have responded
Stakeholder meeting 2		
Future of AGP	**Reference Service Proposal** The group supported continuation of the current approach of having just firm and interruptible transportation services.	The Reference Service Proposal contained only firm and interruptible transportation services.
Reliability & security Affordability	**Capital expenditure (capex)** — Given no expansion capex is planned, stakeholders were keen to understand how conservative the estimates were and the average time to bring a new compression station to life, given the number of potential new projects in the area.	— APA outlined that expansion expenditure is not planned until there is some certainty for new projects. Customer and compression requirements are unique to each situation so there is no average time between identification and project delivery.
Reliability & security	**Terms & Conditions for the Access Arrangement** — After presenting three hypothetical expansion scenarios (in response to the request in meeting 1), it was queried as to whether it is known what scenario will be faced by May 2025.	— APA confirmed that that any expansion capex would need to be included in the Access Arrangement submitted to the AER in July 2025.
Gas specification & information	**Gas specification & pressure regime** — It was queried whether AS4564 notes carbon content as zero.	— APA shared that AS4564 is silent in relation to carbon dioxide but requires total inert gas to be under 7%.
Affordability	**AER's Form of Regulation Review** — APA were asked whether the review could impact the Bonaparte Gas Pipeline, which is currently a non-scheme pipeline.	— APA indicated that the AER has not provided a definitive list, but the understanding is that larger pipelines will be reviewed first.
Stakeholder meeting 3		
Reliability & security Affordability	**Capex** — The group was interested to understand: • More about management of the structural integrity of the pipeline • How the number of new CP sites was derived and the process for negotiating land for these sites.	— APA outlined that: • Seismic activity is monitored and responded to by the business. • Heat shrink sleeves are used on underground sections of pipeline, whereas above ground facilities are coated in epoxy. • Landholder permission is managed for each individual site and the number of new CP sites is based on the historical average.
Affordability	— There was a query as to what constitutes capex and whether the forecast allows for expected increases in labour and materials.	— APA explained that: • Expenditure is capex when it is a replacement, an upgrade to modern equipment or work that extends the life of the asset. • Easement maintenance is not capex – it falls under opex. • The estimates do include provisions for growth related expenditure, labour and other constraints, as well as CPI.
Affordability	— Demand forecasts were needed to appropriately assess customer risk.	— APA agreed and promised to provide demand forecasts at the next meeting.
	—	—

Priority theme	What we heard	How we have responded
Stakeholder meeting 3 continued		
Future of AGP	— Stakeholders were keen to understand whether the forecast included any upgrades or changes to the pipeline given potential new gas sources and how emissions reductions might impact the assets life.	— APA confirmed no reconfiguration has been forecast as no new access requests have been received and explained that AGP is flexible to new offtakes and inlets as there is no internal compression. — Our focus is on maintaining the design operating pressure as we know the operating landscape will change, both in the near and longer-term.
Affordability	**Regulated Asset Base** — The group was comfortable with the AER's models and calculation of the building blocks.	— The AER's models have been used to develop the proposed regulatory asset base and revenue requirement.
Affordability	**Depreciation and return on capital** — The group was comfortable with the concept of depreciation, how regulatory depreciation is calculated, that accelerated depreciation is not being contemplated for AGP and the calculation for the return on capital.	— The AERs models and guidelines have been used to develop the Access Arrangement. — No accelerated depreciation is being put forward for AGP.
Affordability	**Operating expenditure (opex)** — Stakeholders queried the level of corporate costs and wanted to understand: • The large increase over the current access period. • Whether the costs included the costs of the Brisbane Integrated Operations Centre (**IOC**). • Why there were fleet costs shown under capex but also under opex.	— APA informed the group that the cost allocation approach for corporate costs has not changed but corporate spend has been higher in recent years due to an uplift in IT and physical security requirements to meet the requirements of the SOCI Act. — APA explained that a portion of the IOC labour costs would be allocated to AGP through corporate opex costs whilst the IOC building and spend would be allocated through corporate capex costs — APA agreed to provide more detailed information on corporate costs and the treatment of fleet costs at the next meeting.
Future of AGP	**First look at revenue forecasts** — Stakeholders were keen to understand whether Beetaloo was included in the revenue forecasts, whether AGP will be capable of receiving Beetaloo gas and how the basin will impact pipeline utilisation and demand.	— APA explained that whilst there are a number of projects within the Beetaloo, no proponents have yet requested access to AGP, so we are unable to include any associated forecasts in the access arrangement. The business works with stakeholders to ensure gas can be successfully moved to the markets where it is required.
Stakeholder meeting 4		
Third party access; Reliability & security; Gas specification & information; Affordability	**Terms and conditions** — Stakeholders raised no concerns with the draft Terms and Conditions shared with the group in December.	— The Terms and Conditions remain unchanged for the 2026–31 access arrangement.
Affordability	**Shared corporate costs** — APA were asked whether the capitalisation of leases meant that they were not also being expensed as an operating cost.	— APA confirmed that leases were moved from opex to capex when the accounting change was made. Leased assets are capitalised at their full value and then depreciated over the life of the lease, with the annual depreciation expense being recognised as opex. There is no double counting of the costs.

Priority theme	What we heard	How we have responded
Stakeholder meeting 4 continued		
Affordability Affordability Affordability	**Operating expenditure** — It was queried whether In-line inspections were treated as a category specific forecast in the AER's decision for the current period. — A stakeholder asked whether a new pipeline in the Northern Territory would impact the opex budget. — The group understood the high-level calculation of the efficiency carryover mechanism and was comfortable with the proposed penalty arising in the current period.	— APA confirmed the proposed treatment for aligns with the approach approved by the AER in the current access arrangement. — APA explained that a new pipeline would operate under a separate licence and as a separate asset, so would not impact AGP opex. — The Access Arrangement includes the efficiency carryover mechanism penalty for the current period's opex overspend.
Reliability & security Affordability	**Capital expenditure** — The group was comfortable with the latest capital expenditure forecast, noting there had been very little movement in the numbers.	— APA outlined that capex was being finalised and that a final picture would be shared at the next stakeholder meeting.
Gas specification & information	**Gas specification** — It was queried whether NT burners are capable at running at the Higher Heating Value (**HHV**) and Wobbe index and if the change meets local gas laws or specifications, for example in Alice Springs.	APA explained that gas coming into the Alice Springs network often touches the higher 42.3 HHV already and has done for some time. Given most reticulated networks are designed to meet AS 4564, aligning some elements is unlikely to negatively impact customers' appliances. — Given engagement with end users and shippers is on-going, APA committed to providing an update on engagement outcomes and the final gas specification position at the next meeting.
Gas specification & information	APA were asked whether the liquids are in vapor phase on delivery or whether there is a reliance on knockout pots.	— APA confirmed the free liquids rely on knockout pots, whilst glycols or oils are typically around the vapor form.
Future of AGP Third party access	**Demand outlook and forecasts** — It was asked how new gas sources expected to come online ahead of the access arrangement being finalised would be accommodated in the plans.	— APA acknowledged the uncertainty surrounding demand on AGP and that we have indicated to the AER that some large changes could be made in relation to demand and capacity between now and our revised access arrangement.
Future of AGP	— It was queried whether the current constraint on the NGP, caused by the need to remove nitrogen from the gas, might be alleviated with new flows from Empire and the Sturt Plateau Pipeline given that gas will start very close to the East Coast specification.	— APA reiterated the uncertainty of the demand assumptions, and that Empire is a backstop to the current expectation and could augment supply to Darwin or Warrego.
Affordability Affordability Affordability	**Initial revenue requirement and tariffs** — The group raised no concerns with the creation of an asset class for IT assets with a proposed standard and tax life of 5 and 4 years, respectively. — The group had no concerns with the proposed approach to correctly capture leased asset additions from 1 July 2021 in a new asset class with a proposed 15-year standard and tax life. — The group accepted the continued approach for calculating firm and interruptible reference service tariffs.	— The Access Arrangement contains a new asset class 'Corporate Assets (IT)' with a standard life of 5 years and a tax life of 4 years. — The Access Arrangement contains a new asset class 'Leased Assets post 2021' with a standard and tax life of 15 years. — Tariffs have been updated to reflect the latest forecast revenue requirement.

Priority theme	What we heard	How we have responded
Stakeholder meeting 4 continued		
Affordability	— Stakeholders raised no concerns with the latest proposed revenue requirement, which included the forecast adjustment for the efficiency carryover mechanism.	— The revenue requirement has been updated for the latest opex, CPI and cost of debt forecasts.
Affordability	— The group did not express a preference as to how revenue should be smoothed for the access period.	— The Access Arrangement applies a large tariff increase in the first year, with prices then kept flat in real terms for the remainder of the period.
Affordability	**Tariff variation mechanism** — Stakeholders raised no concerns with continuing to vary annual tariffs by the three factors already allowed for, namely current inflation, return on debt and cost pass throughs.	— The Access Arrangement retains the current tariff variation mechanism for both the firm and interruptible service reference annual tariffs.
Affordability	— Stakeholders raised no concerns with the continued application of the 7 cost pass throughs approved for the current access arrangement.	— The Access Arrangement does not contain any new cost pass through events.
Stakeholder meeting 5		
Future of AGP	**Capex** — A stakeholder queried whether the capex forecast included an access request for the Sturt Plateau Pipeline.	— APA confirmed no access requests had been received in relation to the access arrangement, so the forecast did not include anything related to the Sturt Plateau Pipeline.
Reliability & security, Affordability	— Stakeholders raised no issues or concerns with the inclusion of new capex in 2026–31 for: • cathodic protection satellite data loggers • the acquisition of new easements for future cathodic protection sites to be installed in the 2031 to 2036 period, and • the deferment of coating repairs at Darwin City Gate from 2025–26 to 2026–27.	— The Access Arrangement includes these expenditures related to the cathodic protection and facilities programs.
Affordability	— Stakeholders raised no issues or concerns with the reduction in forecast IT and operating technology (**OT**) capex over 2026–31.	— The Access Arrangement includes these reductions in IT/OT forecasts.
	Opex	
Affordability	— Stakeholders had no concerns with the lower revised opex forecast arising from reductions in non-recurrent IT expenditure. This change lowered both base year opex and the forecast penalty from the application of the efficiency carryover mechanism in the current period.	— Access Arrangement includes the impacts of this lower opex forecast for IT/OT in both the adjusted base year opex and the forecast efficiency carryover penalty.
	Overview of the draft access arrangement, revenue requirement and tariffs	
Affordability	— Stakeholders had no issues or concerns with the proposed access arrangement, the revised building blocks, revenue requirement, tariffs or the proposed revenue and price smoothing path.	— The Access Arrangement adopts the approaches shown to stakeholders. This includes the application of a large P0 price increase with tariffs then kept flat in real terms over the remainder of the 2026–31 period.
Submissions received on the Draft Documents		
Gas specification & information	— At the time of publishing our Draft Documents, stakeholders had raised no concerns with the proposed changes to the gas specification. — Following publication of the Draft Documents, one submission was received from a stakeholder who was concerned that the proposed changes to the HHV and the Wobbe index failed to consider the calorific value of processed gas following the removal of nitrogen.	— The concentration of inert gases will be influenced by the proposed changes to the HHV and Wobbe index. We will continue to engage with stakeholders to finalise an appropriate gas specification ahead of submitting our revised proposal to the AER in January 2026.

Our proposed revenue

The revenue needed to operate and maintain AGP for the 2026–31 period is set out below. The required total revenue is about 19% higher than the current period.

$48.0M

Return on capital

AGP has used the AER's Rate of Return Instrument 2022 to calculate the Rate of Return. Based on the available data, the estimated nominal Weighted Average Cost of Capital for the financial year 2026–27 is 6.10%.

$16.7M

Regulatory depreciation

Regulatory depreciation (return of capital) recovers a share of the outstanding cost of previous investments that AGP has made to ensure ongoing reliable operation.

$75.6M

Operating expenditure

AGP's operating activities are focused on delivering safety, security and reliability for the pipeline. We have adopted the AER's preferred method for forecasting operating expenditure the 'Base, Trend, Step' method.

$6.1M

Revenue adjustments

Revenue adjustments account for penalties and rewards earned though the efficiency carryover mechanism.

$1.2M

Net tax allowance

Taxation is calculated based of forecast revenue, operating expenditure tax depreciation and tax rates.

$0.3M

Revenue smoothing

Adjustment to smooth prices within the period and reduce price volatility in the following regulatory period.

$135.1M

Smoothed maximum allowed revenue (2026–31)

The forecast of the revenue expected to be earned by AGP for the period.

The total proposed revenue for 2026–31 of $135.1 million is **$21.2 million (18.6%) higher** than the allowed revenue of $113.9 million in the current regulatory period.

Revenue for the 2026–31 period is proposed to increase by around $21 million, compared to the 2021–26 period. The key drivers include:

Higher operating expenditure of

$11.7M

driven by a prudent and efficient operating cost forecast

Higher return on capital of

$14.6M

driven predominantly by higher interest rates and inflation

Higher regulatory depreciation of

$3.1M

driven by the composition and remaining life of the asset base

In-line inspection costs of

$4.8M

over $2 million more than last period.

Lower capital expenditure of

$13.8M

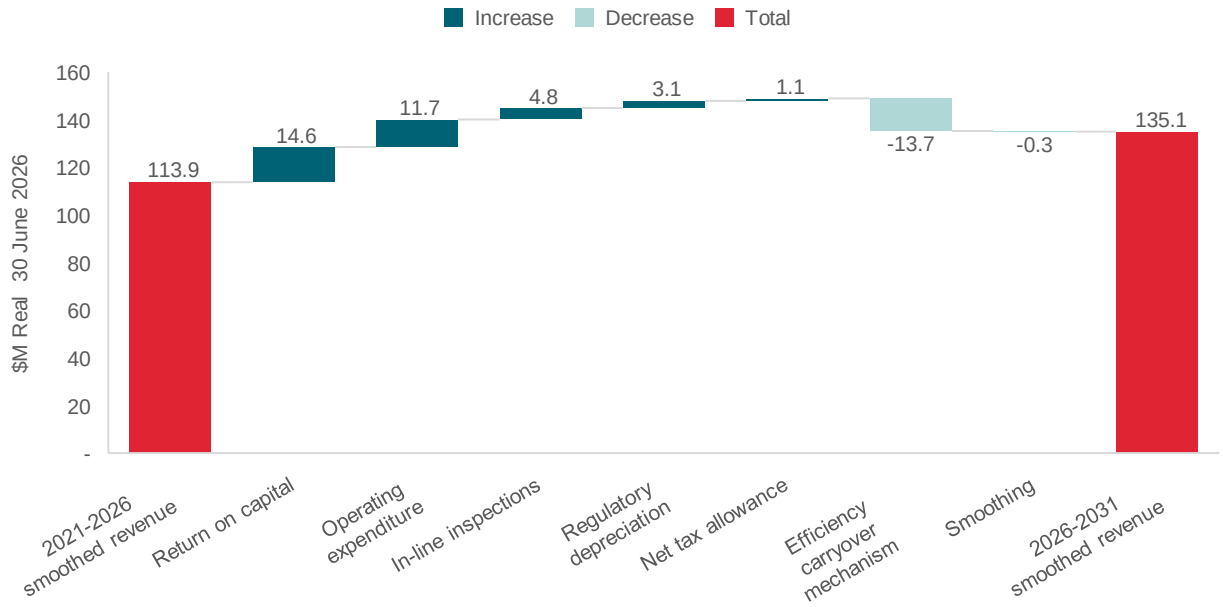
than incurred in the 2021–26 period

Efficiency carryover mechanism

–$13.7M

overspend in 2021–26 has incurred a $6.1 million penalty compared to a $7.6 million reward last period

Drivers of change in revenue between 2021–26 and 2026–31



Impacts of our Access Arrangement

$27.0M

Average annual smoothed revenue for 2026–31

3.21%

Average annual real change in price

$0.4750/GJ/day*

($ nominal)

Indicative 2026–27 tariff for **firm** transportation

$0.4750/GJ*

($ nominal)

Indicative 2026–27 tariff for **interruptible** transportation

* This compares to the 2025–26 tariffs of $0.3951/GJ/Day ($ nominal) for firm transportation and $0.3951/GJ ($ nominal) for interruptible transportation.

Plan on a page

Our 2026–31 Access Arrangement plan on a page summarises how we propose to deliver on the priority issues highlighted by stakeholders.

Heat shrink sleeve replacements

$4.1M

We plan to replace about 200 deteriorated or failed sleeves, that seal the 84,000 or so pipe welds on the AGP from the external environment, as part of the ongoing program to help prevent corrosion of the pipeline.

Cathodic protection upgrades

$5.0M

To continue maintaining the pipeline at the desired electrical potential to prevent corrosion we plan to spend $2.9 million adding a further five cathodic protection sites, $0.6 million replacing two units and three ground beds, $1.0 million installing 101 satellite data loggers and $0.4 million to obtain easements for five future sites.

Facilities upgrades and replacements

$3.4M

15 to 20 of the original remote terminal units, essential to transmitting telemetry data to the IOC in Brisbane and allowing automated control of the pipeline, will be upgraded at a cost of $1.4 million to reduce obsolescence risk and free up spare parts for the other existing unsupported units.

Hazardous area rectification works, totalling $0.5 million, are planned for degraded electrical equipment and instruments at four to five above ground sites to maintain compliance.

Batteries and chargers, essential to the control, monitoring and cathodic protection of the pipeline, will be replaced, when failure is imminent, at a cost of $0.4 million.

Coating repairs at Darwin City Gate, initially planned for 2025–26, will now be undertaken in 2026–27 at a cost of $0.4 million.

We plan to spend $0.3 million to replace a further five of the original, but now obsolete, mainline valve actuators that allow for remote isolation of the pipeline during times of emergency.

Compounds that house pipeline equipment will be improved as required. Works include fencing upgrades, erosion repair, vermin proofing, hut painting and roof repairs at a cost of $0.3 million.

Other major maintenance

$2.8M

We will replace $1.2 million of other assets in line with statutory requirements, typically as part of the four yearly inspections of pressure vessels at metering stations, or as the need arises.

We have also allowed $1.6 million for the ad-hoc replacement of other pipeline components that do not fall into the categories above, such as minor valve upgrades, when they fail or become obsolete, and the replacement of tools and equipment.

Shared corporate assets

$5.1M

We will build on the IT/OT infrastructure and platform capabilities established in the current regulatory period by way of a further $3.3 million of investment to further leverage the cloud, uplift capabilities and maintain compliance.

We expect to spend $1.8 million for leased assets, including motor vehicles and buildings.

In-line inspections

$4.8M

We are required to undertake 10 yearly inspections of the pipeline using ‘smart pigs’ to ensure the pipe is clean, free from obstruction and assess the wall thickness measurement.

Demand forecasts

For the 2026–31 Access Arrangement period we expect the AGP to remain fully contracted, the NGP to be fully operational, the connection of the Sturt Plateau Pipeline as a source of additional gas supplies and no material change in local NT demand, although Daly Waters is expected to cease as a delivery point.

As such, we are not currently proposing to expand the AGP, so the pipeline capacity will remain unchanged. We will continue to offer both a firm and interruptible transportation service, and both services are included in our AGP demand forecasts.

3

less customers expected than in the 2021–26 period

165 TJ/day

nameplate capacity unchanged

145 TJ/day

firm capacity unchanged

15 TJ/day

interruptible capacity unchanged

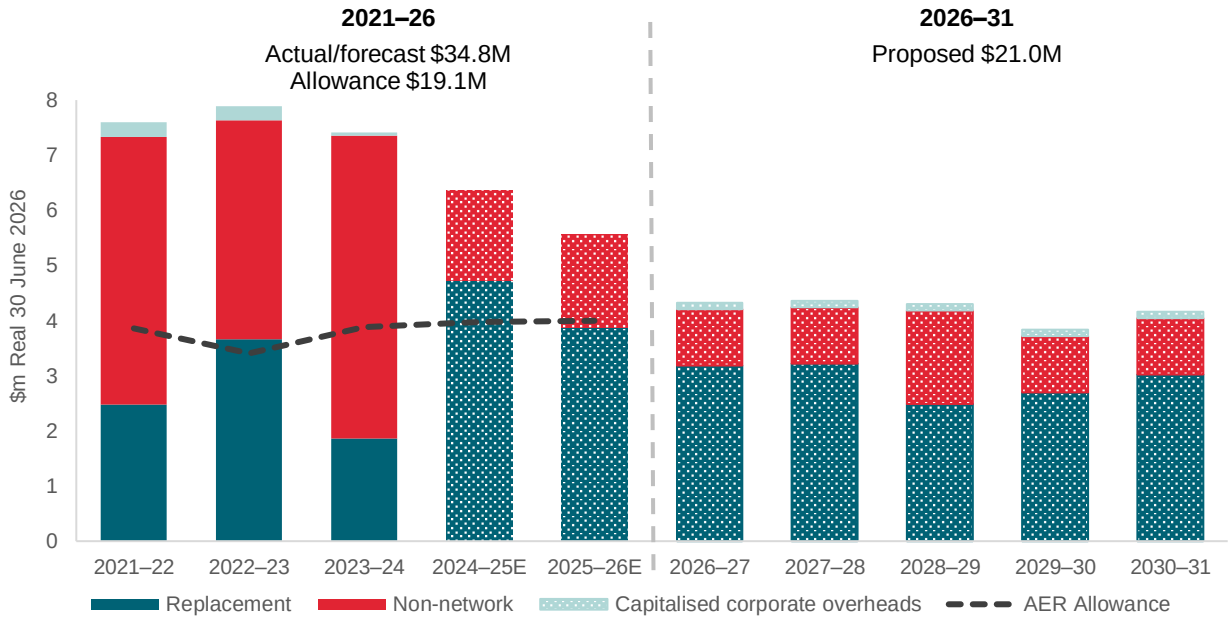
Tennant Creek regulating metering station

Expenditure in detail

Capital expenditure

Following the 2021–26 unplanned, but significant non-network investment in the new Palmerston office/ warehouse and information technology, AGP's proposed capital expenditure is expected to return to normal levels in the 2026–31 Access Arrangement period.

The chart below demonstrates that the 2026–31 forecast is largely aligned with the current period's AER allowance. Given the importance of reliability and security of supply to stakeholders, the return to a stable level of 'stay-in-business' capital expenditure profile was acceptable to the stakeholder group.

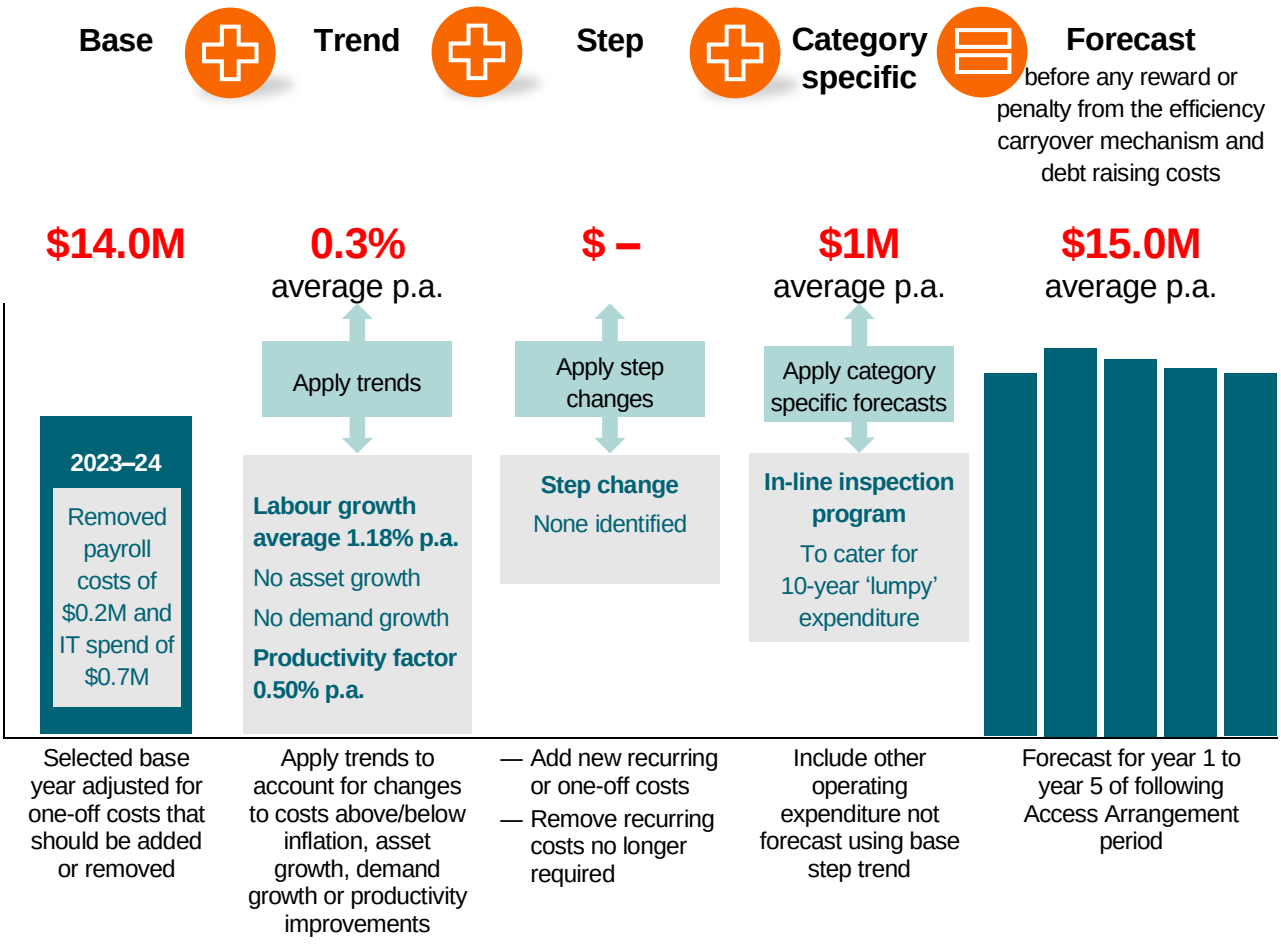


A breakdown of the capital expenditure program by asset class is shown below. Given there is no forecast expansion expenditure planned for the next period, all capital costs relate either to replacement or non-network expenditure.

$000s Real 30 June 2026	2026–27	2027–28	2028–29	2029–30	2030–31	Total
Pipelines	1.6	1.9	2.1	1.4	2.0	**9.1**
Compression	–	–	–	–	–	**–**
Meter Station	0.5	0.7	0.4	0.7	0.3	**2.7**
SCADA	–	–	–	–	–	**–**
O&M Facilities	1.3	0.8	0.9	0.8	0.9	**4.6**
Buildings	0.1	0.1	0.1	0.1	0.1	**0.5**
Land and Easement	–	–	–	–	–	**–**
Corporate Assets (IT)	0.7	0.7	0.7	0.7	0.7	**3.4**
Leased Assets	0.2	0.2	0.2	0.2	0.2	**0.9**
Total	**4.3**	**4.4**	**4.3**	**3.8**	**4.2**	**21.0**

Operating expenditure

We have used the AER's preferred method to forecast operating expenditure – the Base, Trend, Step method.



As mentioned previously, Amadeus set the base trend step operating expenditure for the current 2021–26 period below what would be considered to be prudent and efficient. The 2026–31 base trend step model above, will restore operating expenditure to a sustainable and efficient level.

The proposed operating expenditure by year is shown below.

$000s Real 30 June 2026	2026–27	2027–28	2028–29	2029–30	2030–31	Average
Adjusted 2023–24 base year	14.0	14.0	14.0	14.0	14.0	**14.0**
Price growth	0.1	0.2	0.3	0.4	0.6	**0.3**
Productivity	(0.1)	(0.1)	(0.2)	(0.3)	(0.4)	**(0.2)**
Step changes	–	–	–	–	–	**–**
In-line inspections	0.4	2.6	1.1	0.5	0.4	**1.0**
Base, Trend, Step result	**14.4**	**16.6**	**15.1**	**14.6**	**14.5**	**15.0**
Debt raising costs	0.1	0.1	0.1	0.1	0.1	**0.1**
Total operating expenditure	**14.4**	**16.7**	**15.2**	**14.7**	**14.6**	**15.1**

Pricing

Revenue smoothing

We engaged with stakeholders to establish the preferred approach to revenue smoothing.

Default smoothing would have led to an average real price increase of almost 10% per annum and a large reduction in tariffs for the start of the following period (2031–36).

This compares to APA's preferred approach of adopting a large price increase in 2026–27 (17.2%) with prices then kept flat in real terms for the remainder of the period. This approach will result in a negligible revenue difference in the final year of the 2026–31 period. Stakeholders expressed no preference or concern with adopting Amadeus' proposed approach.

Proposed 2026–27 prices

Our proposed tariffs are derived by dividing the smoothed revenue for each year between the two reference services, based on their share of total forecast volumes, and then dividing each reference service's share of forecast revenue by their forecast volumes.

An overview of this approach in calculating the proposed 2026–27 tariffs is shown below.

$ Nominal	Share of 2026–27 building block revenue		Forecast 2026–27 demand		Proposed 2026–27 reference service tariff
Firm transportation *based on firm contracted capacity*	**$25.1M**	→	**52.9TJ**	→	**$0.4750*/ GJ/day**
Interruptible transportation *based on forecast volumes over 2026–31*	**$2.6M**	→	**5.5TJ**	→	**$0.4750*/ GJ**

* This compares to the 2025–26 tariffs of $0.3951/GJ/Day ($ nominal) for firm transportation and $0.3951/GJ ($ nominal) for interruptible transportation.

Other matters

Gas specification

We are proposing to align some of the gas specification qualities with the Australian Standard – AS 4564.

The existing AGP gas specification was determined when all the gas was consumed in the NT and the predominant use was for electricity generation. At the time, there was no benefit in complying with AS 4564 as the industrial equipment in the NT could consume the gas without removing those molecules.

Gas now flows from the AGP to the East Coast market, via the NGP. East Coast gas is required to comply with AS 4564, and this is currently achieved using Jemena's Nitrogen removal service on the NGP, but the service is limited to just 90 TJ/day.

The expected increase in producers connecting to the AGP and the growth of the East Coast gas market presents an opportunity to increase throughput by aligning some gas qualities with AS 4564.

AS 4564 is a little more conservative in some areas and specific about total alerts. The qualities that we are proposing to change are:

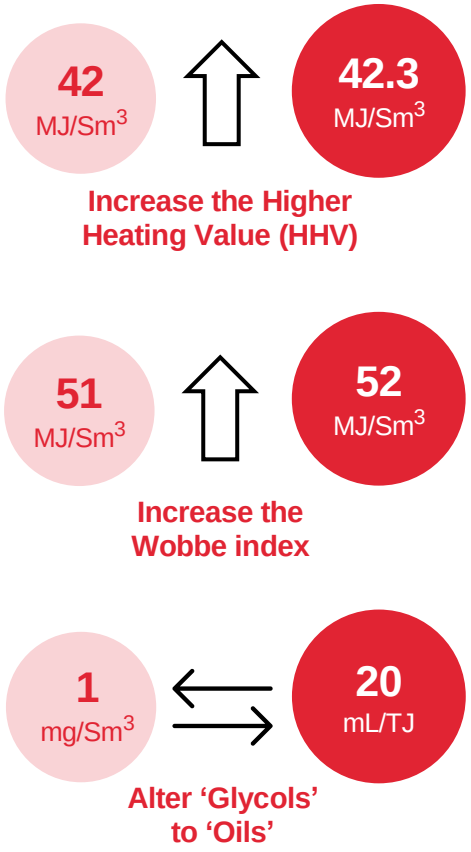
— Raising the HHV – from 42 to 42.3. This will help some of our producers as well.

— Raising the Wobbe index from 51 to 52. This does not change too much for most of our producers in the NT.

— Altering 'Glycols' (which are used in the process of removing liquids out of the gas stream and measured in milligrams per standard cubic metres) to 'Oils' of 20 millilitres per terajoule.

Qualities proposed to be changed

Current specification	*Proposed specification*
42 MJ/Sm^3	42.3 MJ/Sm^3
51 MJ/Sm^3	52 MJ/Sm^3
1 mg/Sm^3	20 mL/TJ



Stakeholder feedback on this proposed change

A stakeholder response to our Draft Documents highlighted that the proposed changes to the HHV and Wobbe index have failed to consider the calorific value of processed gas following the removal of nitrogen. It was thought the concentration of inert gas limits needs to also be considered and that full alignment to AS 4564 would better achieve the stated aims.

The concentration of inert gases will be influenced by the proposed changes to the HHV and Wobbe index and we are committed to continued engagement with stakeholders to finalise an appropriate gas specification ahead of submitting our revised proposal to the AER in January 2026.

New asset classes

Two new asset classes are proposed to be created from 1 July 2026 to better account for IT assets and Leased Assets.

Asset class	Proposed life	Why the new asset class is required and is considered to be appropriate
Corporate Assets (IT)	Standard 5 years Tax 4 years	APA has undertaken significant IT related expenditure over the 2021–26 period. IT assets now represent almost 40% of the asset class in which they are currently reported. The current asset class has a 10-year life which means IT related capital costs are not efficiently recovered. The proposed standard asset life aligns with the economic life of the assets and APA's financial reporting. The proposed tax life is consistent with ATO Taxation Ruling 2022/1 for these types of assets. Both the standard and tax lives align with previous AER determinations.
Leased Assets post 2021	Standard 15 years Tax 15 years	'Leased Assets' did not have a standard asset or tax life approved as part of the 2021–26 access arrangement – this means additions to the asset class since 1 July 2021 have not been depreciated. This new asset class will capture all lease additions and renewals from 1 July 2021 – this means the existing Leased Assets asset class will decline in size and eventually be removed. The proposed standard and tax life considers all AGP leased assets, so should be appropriate for the long-term.

Cost pass throughs

The regulatory framework recognises that unpredictable events may occur and, so, allows for increases or reductions arising from material unforeseen events to be reflected in the revenue requirement as a cost pass through.

Seven cost pass through events were included in the 2021–26 Access Arrangement and we propose these same events remain in place for 2026–31. We are also proposing minor changes to the wording in the Access Arrangement to align with recent AER decisions and to apply consistent terminology.

Regulatory change event

Service standard event

Tax change event

Terrorism event

Insurer's credit risk event

Insurance cap event

Natural disaster event

Efficiency carryover mechanism

The efficiency carryover mechanism was applied to AGP during the 2021–26 Access Arrangement period and will continue to apply in the 2026–31 period. The outcome from the 2021–26 period is reflected in the 'Revenue Adjustments' line of the 2026–31 revenue requirement.

How does it work?	The efficiency carryover mechanism provides financial rewards for pipelines whose operating expenditure becomes more efficient and financial penalties for those that become less efficient.
How do customers benefit?	Rewards and penalties are shared with customers and, over time, customers benefit from improved efficiency through lower operating expenditure and regulated prices.
Our proposed outcome for 2026–31	**$6.1 million penalty** for the 2026–31 Access Arrangement period due to higher than anticipated operating expenditure in the 2021–26 period.

Newcastle Waters cathodic protection site

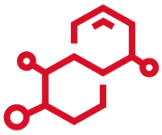
Risk and benefits of our Access Arrangement

Benefits to customers

Continued reliability and security

Our proposed investment will maintain the reliability and security of the AGP, providing customers with continued access to a reliable and safe source of gas for their needs.

Reliability and security were a key priority for our stakeholders.



Gas specification more aligned to the Australian Standard

We intend to amend the gas specification to improve alignment with AS 4564 and the requirements of the east coast market. The aim is to increase gas transports to the eastern and southern states and reduce the need for nitrogen removal service currently undertaken on the NGP.

We acknowledge that the final gas specification remains unresolved at this stage.

Longevity of the AGP

Continued development of the Beetaloo and other offshore basins will see new suppliers connecting to AGP in the future.

These new supplies of Australian gas will provide certainty for existing customers and may create opportunities to increase the capacity of some sections of AGP.

Risks to customers

Affordability

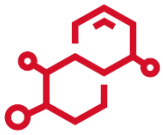
A higher rate of return, compared to the last Access Arrangement period, coupled with a return to a sustainable level of operating expenditure has resulted in a revenue requirement that is 22.7% higher than the current regulatory period.

This has increased reference service prices by a similar level in real terms.

Access to additional capacity

The current gas supply of AGP remains fully contracted and it remains unviable to increase capacity in the absence of significant new demand.

This limits existing customers to their currently contracted volumes and provides no opportunity for new customers to gain access to supply.



Gas specification unresolved at this stage

The concentration of inert gases will be influenced by the proposed changes to the HHV and Wobbe index and this has not yet been considered in the proposed gas specification.

We will continue to engage with stakeholders on this matter and will put forward an agreed position in our revised proposal to the AER in January 2026.

Glossary

Term	Meaning
2021–26	The current Access Arrangement period beginning 1 July 2021 and ending on 30 June 2026
2026–31	The Access Arrangement period beginning 1 July 2026 and ending on 30 June 2031
AER	Australian Energy Regulator
AGP	Amadeus Gas Pipeline
Amadeus	APT Pipelines (NT) Pty Limited (ABN 40 075 733 336)
AS4564	General-purpose natural gas standard – sets out the requirements for providing natural gas, suitable for both transportation and general-purpose use and provides the range of gas properties consistent with safe operation of the natural gas appliances
Capex	Capital expenditure
Draft Documents	The overview of our draft 2026–31 Access Arrangement and the marked-up version of the draft 2026–31 Access Arrangement that was published for stakeholder review and feedback on 16 May 2025
GJ	Gigajoules
GJ/day	Gigajoules per day
HHV	Higher Heating Value
IOC	Integrated Operations Centre (based in Brisbane)
IT	Information technology
Km	Kilometres
Mg/Sm^3	Milligrams per standard cubic metre
MJ/Sm^3	Megajoules per standard cubic metre
mL/TJ	Millilitres per terajoule
M	Millions of dollars
NGL	National Gas Law
NGR	National Gas Rules
NGP	Northern Gas Pipeline
NT	Northern Territory
Opex	Operating expenditure
OT	Operating technology
PJ	Petajoule
SOCI Act	Security of Critical Infrastructure Act
TJ	Terajoule