

8 April 2026

Ms. Kami Kaur
Acting Executive General Manager Network Regulation
Australian Energy Regulator
By Email: Kami.Kaur@aer.gov.au

Dear Ms. Kaur

Re: APA Rule 80 application – expansion of VTS South West Pipeline

APA provided an update to the AER on 5 March 2026 regarding its application to expand the South West Pipeline (SWP) on the Victorian Transmission System (VTS), including noting that APA's preferred option is a compression-based expansion installed by winter 2029. AEMO, as the operator of the VTS, has highlighted the reliability risks of the compression-based option compared to the looping only option in the SWP Expansion Options Assessment Report and the 2026 Victorian Gas Planning Report (VGPR) Update. AEMO also noted that GPG supportability is greater for the looping only option for an expansion beyond the proposed 615 TJ/d stage 1 expansion.

In their letter, APA requested the AER to pause the SWP expansion Rule 80 assessment process pending a potential revision to the application by APA. APA also requested that the AER expedite its final decision on a revised APA proposal that has AEMO's support given the long lead times associated with gas augmentation and expansion.

APA is the system planner and have determined that the compression only option is their preferred option with the lowest capital cost and determined that this is the only option that can be delivered prior to winter 2029. APA have provided additional information on actions it intends to take to mitigate the reliability and operability risks. AEMO is required to operate the VTS, while both APA and AEMO are required to comply with the Service Envelope Agreement.

AEMO will continue to work with APA as it progresses with any SWP expansion that is approved.

Should you require any further information, please feel free to contact Matthew Clemow, Group Manager, Gas Market and System Operations.

Yours sincerely,

Michael Gatt

Chief Operations Officer

Cc: Ben.Ferguson@deeca.vic.gov.au

Dale.Johansen@aer.gov.au

Kirrily.Noonan@deeca.vic.gov.au