

27 November 2025

Kris Funston  
Executive General Manager  
Network Regulation  
AER

Dear Kris,

**Re: Cost Pass Through Application for Roma Brisbane Pipeline**

This application seeks approval for a cost pass through adjustment to the RBP Reference Tariff under Section 4.5.5 of the Roma Brisbane Pipeline Access Arrangement.

The Queensland Government has materially increased its Annual Fee for National Energy Market Regulation. This is a Relevant Tax for the purposes of the RBP Reference Tariff adjustment.

Under Rule 4.5.5 the criteria for the AER's consideration of the cost pass through are whether:

- (a) the costs to be passed through are for the delivery of Pipeline Services;
- (b) the costs are incremental to costs already allowed for in Reference Tariffs;
- (c) the total costs to be passed through are building block components of Total Revenue;
- (d) the costs to be passed through meet the relevant NGR criteria for determining the building block for Total Revenue in determining Reference Tariffs; and
- (e) any other factors the AER considers relevant and consistent with the NGR and NGL.

In addition, APT Petroleum Pipelines Pty Limited<sup>1</sup> (APTPPL) must satisfy the AER that the adjustment is material in line with Section 4.5.6 of the Roma Brisbane Pipeline Access Arrangement and that the application is made within 90 working days of the event under Section 4.5.7.

**Costs to be passed through are for the delivery of Pipeline Services**

The cost was incurred by APTPPL in providing regulated pipeline services on the RBP. Unregulated gas transmission pipelines in Queensland do not incur this levy.

**The costs are incremental to costs already allowed for in Reference Tariffs**

The forecast operating expenditure for the Roma Brisbane Pipeline was based on actual operating expenditure for the 2020 Financial Year. This included the Annual Fee for National Energy Market Regulation of \$273,230. When adjusted for inflation, this fee is \$333,815<sup>2</sup> (in 2025-26 dollars). The actual fee charged was \$1,566,720 (invoice attached) representing an increase of \$1,232,905.

**The total costs to be passed through are building block components of Total Revenue and the costs to be passed through meet the relevant NGR criteria for determining the building block for Total Revenue in determining Reference Tariffs**

As noted above, the fee was included in the base year used to forecast operating expenditure in the current access arrangement and was reflected in the operating expenditure building block component

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<sup>1</sup> ACN 009 737 393

<sup>2</sup> Utilises RBA Nov Statement of Monetary Policy to escalate to Financial Year 2026. Actual inflation will be known by the time of the AER's decision

APA Group comprises of two registered investment schemes: APA Infrastructure Trust, ARSN 091 678 778, APA Investment Trust, ARSN 115 585 441. The securities are stapled together and form: APA Group Limited, ACN 091 344 704 to which is the responsible entity of those trusts. The registered office is: Level 25, 580 George Street, Sydney NSW 2000.

of Total Revenue. No other relevant aspect of the fee has changed that would mean this is no longer part of the operating expenditure component of the Total Revenue.

**The adjustment is material in line with Section 4.5.6 of the Access Arrangement**

Under section 4.5.6 cost pass throughs are considered to materially increase or decrease costs where the cumulative costs of the event is at least one per cent of the smoothed forecast revenue specified in the Access Arrangement Information, in the years of the Access Arrangement Period that the costs are incurred. The Access arrangement information is based on the AER's Post Tax Revenue Model (PTRM) at the time of the final decision.

For 2025 Financial Year, the AER's Final Decision PTRM for the RBP calculated a smoothed forecast revenue of \$47,405,662 (in 2021-22 dollars). One percent of this value is \$474,057. The actual increase of \$1,215,765 therefore constitutes a material increase in costs.<sup>3</sup>

**Notify the AER of a Cost Pass-through Event within 90 Business Days of the Cost Pass-through Event occurring**

APTPPL paid the invoice on 27 August 2025, which means this notification is within the required 90 business days.

**Impact on the Reference Tariffs`**

Under the Access Arrangement the AER has 90 days to make a decision on the cost pass through application. If approved, the reference tariff increase associated with the cost pass through will take effect from 1 July 2027.

Based on the volumes used to calculate the reference tariff for financial year 2027, approval of this application would result in a tariff increase of \$0.02137 per GJ/per day (calculation attached).

Please find attached a verification from an officer of APTPPL as required by section 4.5.7 of the RBP Access Arrangement.

If you have any questions, please contact Mark Allen on [REDACTED]

Yours sincerely,

[REDACTED]

**Natalie Lindsay**

General Manager Economic Regulation and External Policy

**Attachments**

Verification Statement from APTPPL Officer

Invoice for Annual Fee for National Energy Market Regulation

Calculation of Reference Tariff Increase

<sup>3</sup> While the access arrangement doesn't specify adjustment for inflation, the inflation adjusted amount would be \$525,414 which is still less than \$1,215,765.

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