Final decision

Amadeus Gas Pipeline access arrangement 2026 to 2031

(1 July 2026 to 30 June 2031)

May 2026

AUSTRALIAN ENERGY REGULATOR

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Executive summary

The Australian Energy Regulator (AER) exists to ensure energy consumers are better off, now and in the future. Consumers are at the heart of our work, and we focus on ensuring a secure, reliable and affordable energy future for Australia as we transition to net zero emissions. The regulatory framework governing gas transmission and distribution networks is the National Gas Law and Rules (NGL and NGR). Our work is guided by the National Gas Objective (NGO).

APT Pipelines (NT) Pty Limited [ABN 40 075 733 336] (APTNT) operates the Amadeus Gas Pipeline (Amadeus Pipeline), which plays a major role in energy supply in the Northern Territory, transporting natural gas to Darwin, Alice Springs and regional centres.[1]

On 1 July 2025, APTNT submitted its access arrangement proposal for the period 1 July 2026 to 30 June 2031 (2026–31 period). We have now consulted on that proposal, our draft decision, and a revised proposal (received 14 January 2026) from APTNT in response to our draft decision.

We do not approve APTNT's revised access arrangement and this is our final access arrangement decision (final decision) that will apply to APTNT for the Amadeus Pipeline for the 2026–31 period.

Our final decision

Our final decision is to allow APTNT to set gas network charges resulting in recovery of an expected $150.7 million ($nominal, smoothed) in revenue from consumers for the 2026–31 period.[2] This is an increase of $1.5 million (1.0%) from APTNT's revised proposal. This increase is primarily driven by our final decision to apply a higher rate of return than the placeholder used in APTNT's revised proposal.

Key elements of our final decision include:

- Reducing APTNT's proposed net capital expenditure (capex) forecast to $16.6 million ($2025–26) for the 2026–31 period. This is a reduction of $1.2 million (6.7%) from APTNT's revised proposal.
- Accepting APTNT's proposal that the Capital Expenditure Sharing Scheme (CESS) will not apply to the Amadeus Pipeline for the 2026–31 period.
- Accepting APTNT's proposed updates to the gas specification to maintain the change from 'glycols' to 'oils'.

APTNT's revised proposal accepted many elements of our draft decision including most building block elements, total opex, changes to the calculation of the Expenditure Carryover Mechanism (ECM), and cost pass through amendments.

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1 Customers of the pipeline's services are called shippers. Shippers or potential shippers act like wholesalers and on-sell gas to customers.

2 Our decision on an access arrangement proposal must be to either approve it in its entirety, or not at all. Our final decision indicates whether we are prepared to approve the revised proposal as submitted and, if not, the amendments that are required to make the proposal acceptable to us.

In real terms, our final decision represents an increase of $24.0 million (20.7%) in APTNT's allowed revenue compared to the current 2021−26 period. This increase is driven by higher opex requirements. It is also driven by movements in market factors outside the control of the service provider including higher interest rates.

The incentive mechanism framework for gas transmission lines

Our draft decision noted that the Amadeus Pipeline, like other scheme gas transmission businesses, is not currently subject to the CESS (the standard incentive scheme for capex). We observed that applying the CESS would incentivise APTNT to improve the robustness of its capex forecasting and impose expenditure discipline.[3]

With its revised proposal, APTNT did not support application of the CESS to the Amadeus Pipeline, explaining that its historic capex overspends were driven by in-line inspections of the pipeline identifying works that were not previously forecast, together with other unplanned events, not inefficiency. APTNT also noted that because the Amadeus Pipeline's capacity is fully contracted, it already has an incentive to control expenditure.[4]

APTNT also expressed concern that it did not have sufficient time to properly consider or implement such a large change in regulatory approach, between our draft decision and its revised proposal. It also noted that introducing a CESS could lead to higher reference tariffs because APTNT would adjust its forecast costs to add a margin to better allow for potential unexpected events.[5]

APTNT submitted that its current approach, proposing stay-in-business capex and then recovering unexpected costs (above our allowance) on an ex-post basis is suitable. It noted the risk of any potential overspends is carried by APTNT through the period and any capex is still required to be assessed as prudent and efficient in an ex-post review at the next access arrangement review.[6]

In response to APTNT's revised proposal, we acknowledge APTNT had not initially proposed the CESS and that there was limited time to engage with stakeholders following our draft decision. We have also considered the issues raised by APTNT with its revised proposal. Taking those considerations into account, our final decision is to not apply the CESS to the Amadeus Pipeline for the 2026–31 period. However, we still consider it is important for APTNT to improve the robustness of its capex forecasting and apply expenditure discipline across the 2026–31 period.

Aligning Amadeus with the east coast gas specifications

To facilitate the future supply of Northern Territory gas to Australia's eastern states, APTNT proposed to align some aspects of the Amadeus Pipeline's gas specifications with those of the eastern gas market. As described by our draft decision, some stakeholders expressed concern about unintended consequences for downstream markets, while also indicating

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3 AER, Draft decision - Amadeus Gas Pipeline access arrangement 2026–31, November 2025, pp. vi–vii, 48-50.

4 AGP, Overview of the revised Access Arrangement, January 2026, pp. 20–21.

5 AGP, *Overview of the revised Access Arrangement*, January 2026, p. 4.

6 AGP, *Overview of the revised Access Arrangement*, January 2026, p. 21.

overall support for alignment. In response to this feedback, APTNT's revised proposal removed the proposed changes to the Wobbe index and Higher heating value. However, APTNT's revised proposal maintained one change, amending reference to 'glycols' (which are used in the process of removing liquids out of the gas stream and measured in milligrams per standard cubic metres) to instead reference 'oils'.[7]

We received 3 further submissions from stakeholders regarding the change to 'glycols' to 'oils'. While most stakeholders supported APTNT's revised proposal, Power and Water Corporation (Power and Water) again noted reservations about potential unintended consequences for its customers.

We have further consulted stakeholders on this issue. Having done so, and taking all views into account, we consider there is sufficient justification and stakeholder support to maintain the change from 'glycols' to 'oils'.

Discussions on the future supply capabilities and demand for Amadeus Pipeline capacity will be ongoing throughout the upcoming period. APTNT stated its intention is to transition the Amadeus Pipeline specifications to align with the East Coast market as it considers future gas supplies and the increasing reliance on an interconnected gas system. It will be important for APA to work closely with customers to inform this future transition, and we encourage continued engagement on this issue.

Engaging with customers on the Amadeus Pipeline

Overall, we have observed APTNT sought to genuinely engage stakeholders throughout its initial and revised proposal engagement approach. In preparing its revised proposal, APTNT undertook targeted discussions on outstanding issues including its gas specifications, proposed capex, and potential application of the CESS.

As we noted in our draft decision, stakeholder engagement at meetings did fluctuate. We encourage APTNT to remain actively engaged with its users and interested stakeholders, outside of formal statutory processes. Ongoing engagement throughout an access arrangement period can deliver considerable benefits to regulatory processes, including informing future regulatory engagement activities, especially when faced with constrained timeframes and complex challenges.

7 AGP, *Overview of the revised Access Arrangement*, January 2026, p. 19.

1 Our final decision

APTNT's proposed access arrangement sets out the services it will provide in the 5 years from 1 July 2026 to 30 June 2031 (2026–31 period), the tariffs for those services, and the other terms and conditions on which they will be provided.

An access arrangement final decision is a decision to approve, or refuse to approve, an access arrangement proposal.[8] If, in an access arrangement final decision, we refuse to approve an access arrangement proposal, we must propose an access arrangement or revisions to the access arrangement (as the case requires) for the relevant pipeline.[9] Because we have not approved APTNT's revised proposal, our final decision is accompanied by a revised access arrangement and tariff schedule.

At the centre of our decision is the forecast total revenue requirement for the provision of the regulated reference services over the next 5 years. In the sections below, we briefly outline what is driving the expected revenue for our final decision, and the key differences between total revenue of $150.7 million ($ nominal, smoothed) compared to APTNT's revised proposal of $149.3 million.

1.1 What is driving revenue

Over time, inflation impacts the spending power of money. To compare revenue from one period to the next on a like-for-like basis, in this section we use 'real' values based on a common year ($2025–26) that have been adjusted for the impact of inflation instead of the nominal values above.

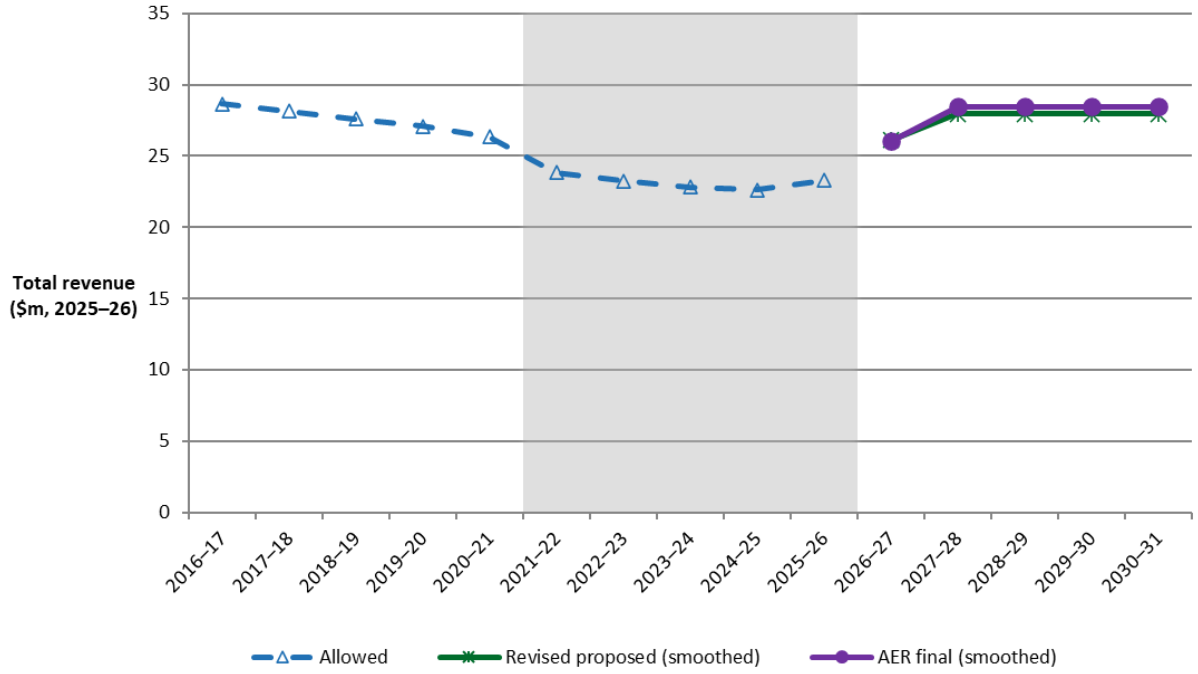
Where the assumptions in APTNT's revised proposal would result in total smoothed real revenue that was $22.2 million (19.2%) higher than approved for the current period, the estimated impact of our final decision is an increase of $24.0 million (20.7%).

Figure 1.1 shows how real revenue would change over the next 5 years under this final decision, compared to APTNT's revised proposal.

8 NGR, r. 62(2).

9 NGR, r. 64(1).

Figure 1.1 Changes in regulated revenue over time ($million, 2025–26)



Source: AER analysis.

There are several reasons for this increase in revenue. Figure 1.2 highlights the key drivers of the change between the expected real revenue approved for APTNT's 2021–26 period and that approved in this final decision. It shows that our final decision provides for increases in the building blocks for:

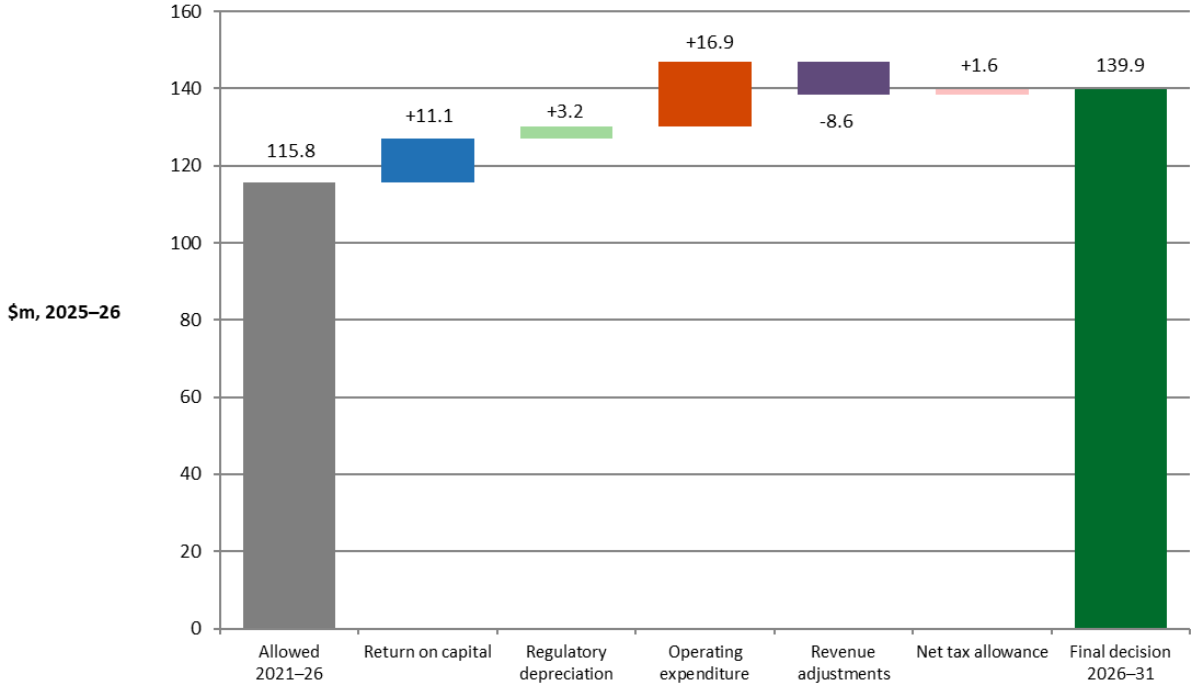
- return on capital, which is based on the opening capital base, forecast capex and rate of return. This is $11.1 million (31.0%) higher than the 2021–26 period. As shown in Figure 1.3, APTNT's capital base is projected to decline in real terms over the 2026–31 period. Forecast capex is lower than the actual capex incurred in the previous periods, in real $2025–26 terms. The forecast represents business as usual capex. The actual capex in the current period includes significant expenditure for the lease and building costs of new office and workshop facilities in Darwin and Australian Pipeline Limited (APA Group) allocations of information and operational technology expenditure that were more than double those of the forecast period. However, higher forecast inflation and a higher rate of return in the 2026–31 period more than offsets the decrease in the return on capital resulting from a declining capital base.
- return of capital (regulatory depreciation), which is $3.2 million (23.4%) higher than the 2021–26 period. This is primarily driven by higher straight-line depreciation, reflecting that a greater proportion of total forecast capex in the 2026–31 period relates to shorter-lived assets compared with the 2021–26 period. This more than offsets the impact of the higher indexation of the capital base resulting from the higher expected inflation in the 2026–31 period.
- forecast opex for the 2026–31 period is $16.9 million (28.8%) higher than APTNT's 2021–26 access arrangement. The increase is largely due to higher expenditure in

APTNT's base year, forecast price growth, and higher in-line inspection costs reflecting the variable 10-year pipeline inspection cycle.

- cost of corporate income tax, which is $1.6 million higher than the 2021–26 period, primarily due to a higher return on equity and a higher regulatory depreciation in the 2026–31 period compared to the 2021–26 period.[10]

Figure 1.2 also shows that our final decision provides for a decrease in revenue adjustments, which are $8.6 million lower than the 2021–26 period, mainly due to a negative opex ECM amount determined in the 2026–31 period compared to a positive amount in the 2021–26 period.

Figure 1.2 Changes in total revenue between 2021–26 period and 2026–31 period ($million, 2025–26 unsmoothed)

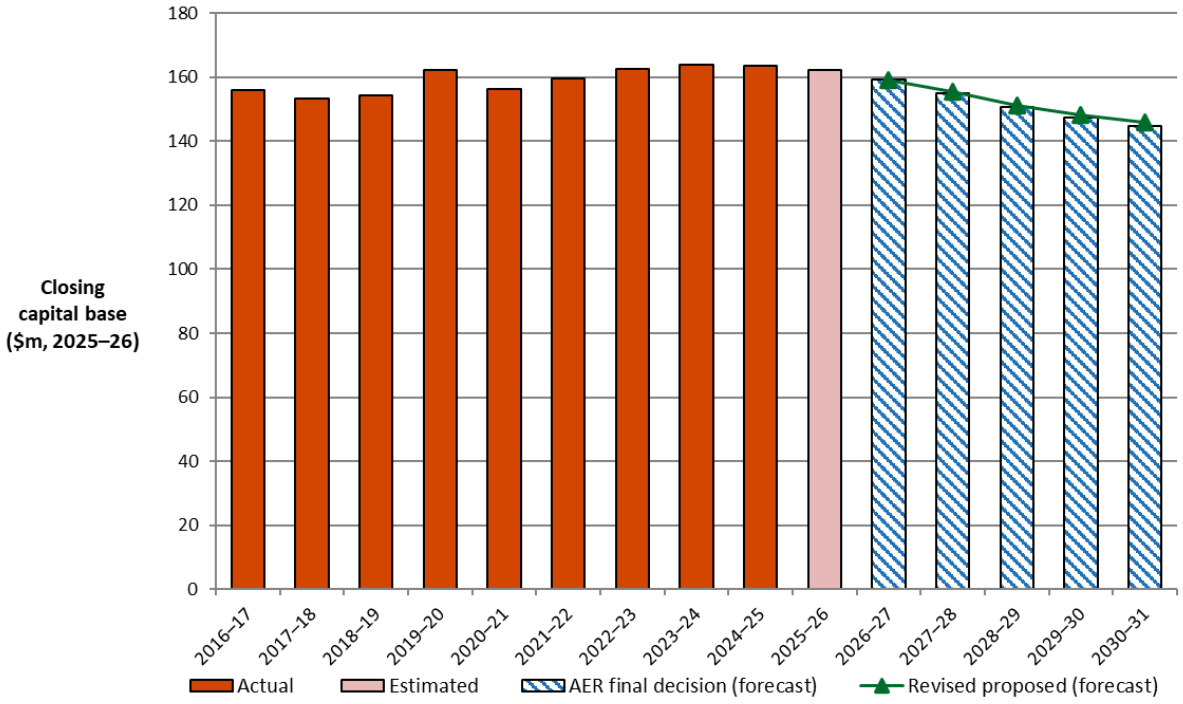


Source: AER analysis.
Note: Allowed revenue and proposed revenue in the chart are total unsmoothed revenue for the access arrangement period. The 2021–26 allowed revenues (including opex) are converted to real 2025–26 dollars using lagged consumer price index (CPI).

Figure 1.3 shows APTNT's actual and forecast capital base values over time.

[10] Both return on equity and regulatory depreciation are components of revenue for tax purposes. All else being equal, higher return on equity and regulatory depreciation amounts will lead to a higher taxable income and in turn a higher cost of corporate income tax amount.

Figure 1.3 Amadeus Pipeline capital base value over time ($ million, 2025–26)



Source: AER analysis.

1.2 Key differences between this final decision and APTNT's revised proposal

In real terms, this final decision would allow APTNT to recover a total building block revenue of $139.9 million ($2025–26, unsmoothed) over the 2026–31 period for the Amadeus Pipeline. This increase is primarily driven by our final decision to apply a higher rate of return than the placeholder used in APTNT's revised proposal.

We have reduced APTNT's proposed forecast capex, reflecting our assessment of APTNT's proposals for cathodic protection, facilities investment and other network investment.

However, movements in market variables have led to a different revenue outcome in our final decision compared with APTNT's revised proposal, all else being equal. These include:

- our updated calculation of APTNT's rate of return, which increased to 6.24% from APTNT's placeholder estimate of 6.14%[11], resulting in a higher return on capital amount compared with APTNT's revised proposal.
- lower expected inflation, based on the Reserve Bank of Australia's (RBA) May 2026 Statement on Monetary Policy (2.48% per annum compared with 2.60% in APTNT's proposal), has slightly increased the regulatory depreciation amount relative to APTNT's proposal.

These updates in market variables are a standard part of our decision-making process and do not reflect areas of difference between us and APTNT.

[11] Average nominal vanilla WACC over 2026–31.

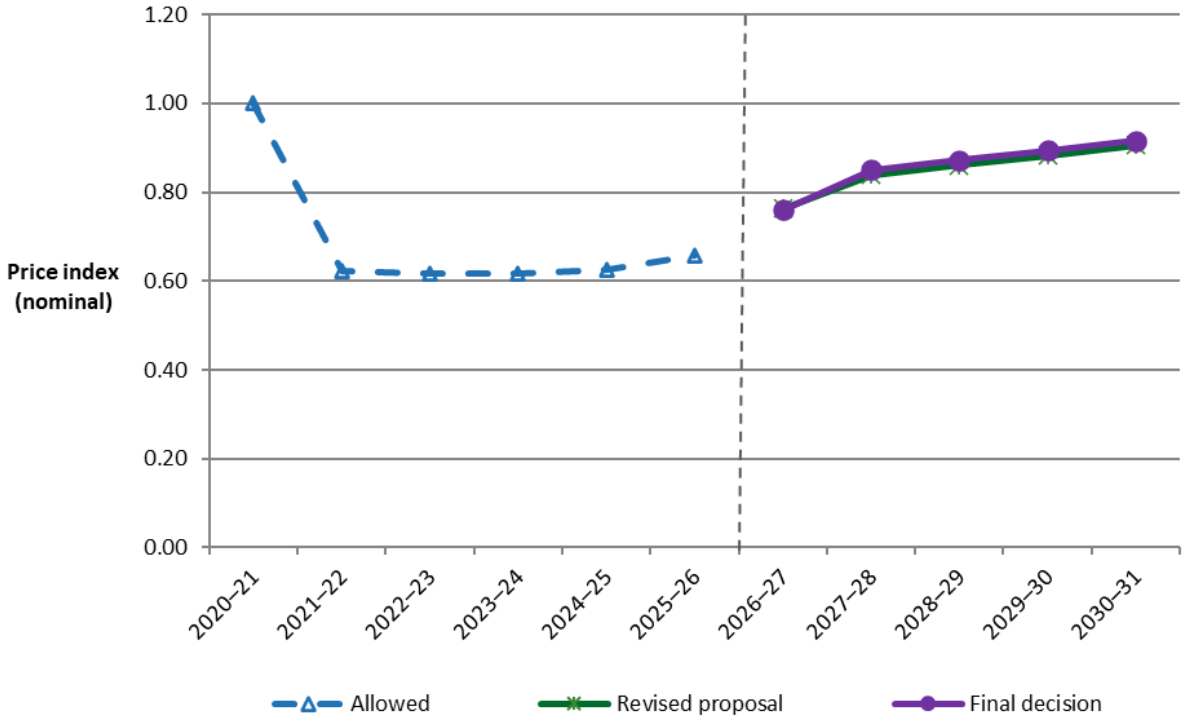
1.3 Expected impact of our final decision on tariffs

We combine our forecast revenue requirement for APTNT with forecast demand to determine its network tariffs. In simple terms, tariffs are determined by dividing cost (total revenue requirement) by total demand. This means that for the same level of demand, an increase in revenue will lead to an increase in tariffs.

The rising revenue over the 2026–31 period means that this final decision will increase APTNT's tariffs relative to the current period. For illustrative purposes, we estimate the impact of this final decision would be to increase tariffs by around 39.4% in nominal terms by 2030–31 compared to 2025–26 levels, or an average nominal increase of 6.9% per annum.[12]

Figure 1.4 compares the tariff path for APTNT's gas transportation reference services under this final decision with that approved previously for the 2021–26 period, and with APTNT's revised proposal. These are simple estimates only, calculated in aggregate rather than for individual tariff classes. Note also that while our decision establishes tariffs for year 1 (2026–27), tariffs for years 2 to 5 will be set via the annual reference tariff variation mechanism reflecting actual inflation, updated return on debt and any cost pass throughs.[13]

Figure 1.4 Indicative reference tariffs paths for APTNT's reference services from 2026 to 2031 (Price index, nominal)



Source: AER analysis.

12 In real ($2025–26) terms, the impact of this draft decision on APTNT's tariffs is an increase of around 23.3% by the end of the 2026–31 period, or an average real increase of 4.3% per annum.

13 The reference tariff variation is discussed in section 5.1 of this final decision.

1.4 APTNT's stakeholder engagement

Consumer engagement during the regulatory process is an important way to provide us with supporting evidence that access arrangements have been aligned with consumer interests and expectations.

Our draft decision discussed the work undertaken by APTNT in developing its engagement program, including the co-creation workshop and stakeholder meetings.[14]

APTNT continued to consult on the revised proposal with its stakeholder group, comprising representatives of both small and large gas customers, gas suppliers, shippers, power generators and retailers.[15] It held a further stakeholder meeting in December 2025 to share our draft decision and to target key issues including:

- elements of capex not accepted in the draft decision
- the potential application of the CESS following the draft decision
- gathering feedback on the proposed gas specification changes.[16]

On capex, APTNT staff discussed the elements not accepted in the draft decision and provided indication of areas it would likely revisit in the revised proposal. A stakeholder questioned what improvement to asset management satellite data loggers would have and no other concerns were raised by stakeholders on APTNT's approach to its revised capex.[17]

The CESS was not an element discussed as part of the initial proposal but applied in the draft decision by the AER. APTNT outlined to stakeholders why it didn't consider the CESS should apply and invited stakeholder views and thoughts.

Stakeholder thoughts noted the impacts of a CESS may be immaterial to residential customers but have greater impact on large users. Another commented:

> …the current ex-post true-up approach seems to be working as AGP carries the risk of overspending through the time value of money and the AER still assesses prudency and efficiency.[18]

In response, APTNT confirmed this was the case, but explained that the AER's draft decision had indicated it is difficult to assess prudence after the fact for expenditure that was not forecast.

Our draft decision had required APTNT to continue engaging with its stakeholders to enable it to put forward a revised proposal that considered ours and stakeholder concerns in relation to proposed gas specification changes.[19] In response to stakeholder concerns, APTNT's

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14 AER, Draft decision - Amadeus Gas Pipeline access arrangement 2026–31, November 2025, pp. 6–8.

15 APTNT, AGP - Overview of the revised Access Arrangement, January 2026, p. 4.

16 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 7.

17 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 9.

18 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 9.

19 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, pp. 70–72.

revised proposal no longer proposed to align the Higher Heating Value (HHV) and Wobbe Index with the qualities of the Australian Standard – AS4564 (East Coast standards).[20]

The December stakeholder meeting discussed the intention to amend its revised proposal to remove the HHV and Wobbe Index, while maintaining the proposed change to relate to the alteration of 'Glycols' to 'Oils'. One stakeholder supported this proposed change from Glycols to Oils noting that it was the one change that was urgently required. Other stakeholders noted they would check whether this change was acceptable. At the time of submitting its revised proposal, APTNT noted that no other feedback had been received that the gas specification change would be unacceptable.[21]

Through our consultation process, following our draft decision and revised proposal, we received 3 submissions relating to the proposed gas specification changes.[22] These submissions are discussed further at section 5.3.2.1.

We acknowledge the limited time that gas businesses can engage on our draft decision following publication. Given these constraints, we recognise APTNT targeted its stakeholder discussions to key areas of focus for its final meeting.

APTNT note that with changes in future gas supplies and the increasing reliance on an interconnected gas system, its future intentions are to transition to the East Coast standards. APTNT indicate it will continue to work closely with customers to ensure the transition occurs with adequate notice and in a way that minimises disruption.[23] We consider this ongoing engagement by APTNT will be important to ensure all stakeholders are ready for the transition and we encourage APTNT to continue to incorporate this engagement in its business-as-usual approach.

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20 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 19.

21 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 9.

22 We received 3 submissions for the Amadeus Pipeline access arrangement following our draft decision and revised proposal from Jemena, Tamboran Resources Corporation and Power and Water Corporation. These submissions can be accessed on the AER website.

23 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 19.

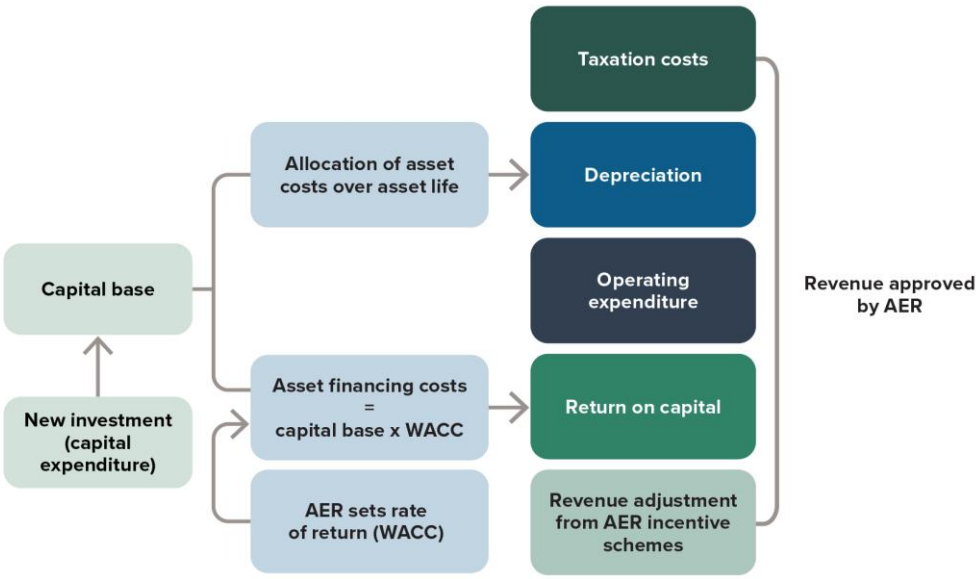
2 Total elements of our final decision on revenue

The foundation of our regulatory approach is a benchmark incentive framework to setting revenues: once regulated revenues are set for the 5-year period, a network that keeps its actual costs below the regulatory forecast of costs retains part of the benefit. Service providers have an incentive to become more efficient over time, as they retain part of the financial benefit from improved efficiency. Consumers also benefit when efficient costs are revealed, and a lower cost benchmark is set in subsequent access arrangement periods.

APTNT's proposed revenue requirement, and our assessment of it under the NGL and NGR is based on 6 cost components or building blocks, illustrated in Figure 2.1.

- return on the capital base – to compensate investors for the opportunity cost of funds invested in this business
- depreciation of the capital base – or return of capital, to return the initial investment to investors over time
- capex – the capital costs and expenditure incurred in the provision of network services, which directly affects the size of the capital base and, therefore, the revenue generated from the return on capital and depreciation building blocks
- forecast opex – the operating, maintenance and other non-capital expenses, incurred in the provision of network services
- revenue increments/decrements resulting from the application of incentive schemes, such as the ECM and CESS
- estimated cost of corporate income tax.

Figure 2.1 The building block approach to determining total revenue



Source: AER.

2.1 Final decision on total revenue

The total revenue requirement is a forecast of the efficient cost of providing gas transmission services over the access arrangement period. We determine annual revenue, and the total revenue requirement, in nominal terms that take expected future inflation into account. We use 5-year inflation expectations to convert revenues to nominal values.

Our final decision on APTNT's total revenue requirement is $150.7 million ($ nominal, smoothed). This is an increase of $1.5 million (1.0%) from APTNT's revised proposal. See Table 2.1 for details.

Table 2.1 Final decision on APTNT's smoothed total revenue and X factors for the 2026–31 period ($ million, nominal)

	2026–27	2027–28	2028–29	2029–30	2030–31	Total
Return on capital	9.9	10.0	10.1	10.2	10.5	50.6
Regulatory depreciation	3.5	3.9	4.3	3.2	3.2	17.9
Operating expenditure	14.8	17.5	16.4	16.2	16.5	81.3
Revenue adjustments	–4.0	–0.2	1.9	0.0	1.4	–0.9
Cost of corporate income tax	0.0	0.3	0.7	0.5	0.4	1.9
Total revenue (unsmoothed)	24.2	31.4	33.3	30.0	32.0	150.9
Forecast revenue (smoothed)	**26.7**	**29.9**	**30.6**	**31.4**	**32.2**	**150.7**
X factor[a]	–12.90%	–9.21%	0.00%	0.00%	0.00%	n/a

Source: AER analysis.
n/a: not applicable.
(a) Under the CPI–X form of control, a negative X factor is an increase in tariffs in real terms. The X factor for 2026–27 is indicative only. Our decision establishes 2026–27 tariffs directly, rather than referencing a change from 2025–26 tariffs. The X factors for 2027–28 to 2030–31 will be revised to reflect the annual return on debt update.

2.2 Revenue smoothing and tariffs

APTNT operates under a weighted average price cap as its tariff variation mechanism. A weighted average price cap is where the total revenue is divided by forecast demand for each tariff category. The average tariff for 2026–27 determined in our decision becomes the reference tariff which forms the starting point for adjusting the price path over the remaining years of the 2026–31 period under the CPI–X tariff variation mechanism.

As part of the annual reference tariff variation process, we combine the X factors we have determined in our decision with actual inflation to create reference tariffs for the coming year.

This means that the average prices paid by consumers, and therefore the revenues received by the network business, change with the X factor plus actual inflation.[24]

Our decision on APTNT's revised proposal includes a determination of APTNT's total building block revenue (unsmoothed revenue), and a smoothed revenue profile across the 2026–31 period.

By smoothing revenue, we aim to minimise price volatility between and within access arrangement periods by keeping the difference between smoothed and unsmoothed revenue in the final year of each period as close as possible, and to provide price signals across tariffs that reflect APTNT's underlying, efficient costs of providing services. Our standard approach has been to keep a divergence of up to +/–3% between the smoothed and unsmoothed revenues for the last year of the period if this can achieve smoother price changes across the access arrangement periods.

APTNT's revised proposed adopted the same smoothing profile as that approved in our draft decision which spreads out the large first-year tariff increase over the first two years of the 2026–31 period.

Our final decision determines higher unsmoothed revenues than that of APTNT's revised proposal. By applying the same smoothing profile as the draft decision, we have smoothed the real increase in forecast revenues to achieve a relatively stable price path over the 2026–31 period while reducing the final year revenue difference as much as possible to minimise price volatility at the start of the 2031–36 period. In the present circumstances, we have maintained our standard target range for the final year difference between the smoothed and unsmoothed revenues to be within a range of +/–3%.

The final decision smoothing profile provides real revenue increases of 12.9% in year 1 (2026–27) and 9.2% in year 2 (2027–28), followed by no real increase over the remaining 3 years (2028–29 to 2030–31) of the 2026–31 period. We are satisfied that the final decision tariff path balances price path stability within the 2026–31 period and across periods.

The average annual tariffs in year 1 (2026–27) determined in our final decision are 0.4% lower in nominal terms than that proposed by APTNT, reflecting the smoothed revenue profile in our final decision.

While our decision establishes tariffs for year 1 (2026–27) directly, tariffs for years 2 to 5 will be set as part of the annual reference tariff variation mechanism reflecting actual inflation, updated return on debt and any cost pass throughs.[25]

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[24] Under the CPI–X form of control, a positive X factor represents a decrease in revenue (and, therefore, in price). Conversely, a negative X factor represents an increase in revenue (and, therefore, in price).

[25] The annual reference tariff variation mechanism is discussed in section 5.1.

3 Key elements of our final decision on revenue

The components of our final decision include the building blocks we use to determine the total revenue requirement. The following sections summarise our revenue decision by building block.

3.1 Capital base

The capital base roll forward accounts for the value of regulated assets in APTNT's transmission network in the Northern Territory over the access arrangement period. The opening capital base value for a regulatory year within the access arrangement period is rolled forward by indexing it for inflation, adding any conforming capex, and subtracting depreciation and other possible factors (for example, disposals).[26] Following this process, we arrive at a closing value of the capital base at the end of the relevant year. The opening value of the capital base is used to determine the return of capital (regulatory depreciation) and return on capital building blocks.

3.1.1 Final decision

Our final decision approves an opening capital base value of $162.2 million ($ nominal) as at 1 July 2026 for APTNT. This value is $0.2 million (0.1%) lower than APTNT's revised proposed opening capital base of $162.4 million ($ nominal) as at 1 July 2026.[27] The reduction is due to a lower estimated 2025–26 capex determined in our final decision compared to APTNT's revised proposal, which is partially offset by our update to the roll forward model (RFM) for actual consumer price index (CPI) for 2025–26 of 3.63%[28] compared to 3.30% proposed by APTNT in its revised proposal.[29]

3.1.1.1 Opening capital base as at 1 July 2026

To determine the opening capital base as at 1 July 2026, we have rolled forward the capital base over the 2021–26 period to determine a closing capital base value at 30 June 2026 in accordance with our RFM.[30] This roll forward process includes an adjustment at the end of the 2021–26 period to account for the difference between actual 2020–21 capex and the estimates approved in the 2021–26 determination.[31] All other adjustments are applied as part

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26 The term 'rolled forward' means the process of carrying over the value of the capital base from one regulatory year to the next.

27 APTNT, *Revised proposal, AGP - 2026–31 - RFM*, January 2026.

28 Australian Bureau of Statistics (ABS), *Consumer Price Index, Australia*, 25 February 2026.

29 APTNT, *Revised proposal, AGP - 2026–31 - RFM*, January 2026.

30 AER, *Gas Transmission roll forward model - v1.1*, May 2022.

31 The end of period adjustment will be positive (negative) if actual capex is higher (lower) than the estimate approved at the 2021–26 determination.

of the final year adjustments at 30 June 2026 to establish the opening capital base value at 1 July 2026.[32]

Table 3.1 sets out our final decision on the opening capital base as at 1 July 2026 and the roll forward of APTNT's capital base over the 2021–26 period.

Table 3.1 AER's final decision on APTNT's capital base for the 2021–26 period ($ million, nominal)

	2021–22	2022–23	2023–24	2024–25	2025–26[a]
Opening Capital Base	127.6	134.1	147.3	154.5	157.7
Net capex[b]	6.4	7.4	6.5	5.1	5.0
Inflation on opening capital base	4.5	10.5	6.0	3.7	5.7
Less: straight-line depreciation[c]	4.4	4.7	5.2	5.6	6.0
Interim closing capital base	134.1	147.3	154.5	157.7	162.4
Difference between estimated and actual capex in 2020–21					–0.1
Return on difference for 2020–21 capex					–0.0
Closing capital base as at 30 June 2026					**162.2**

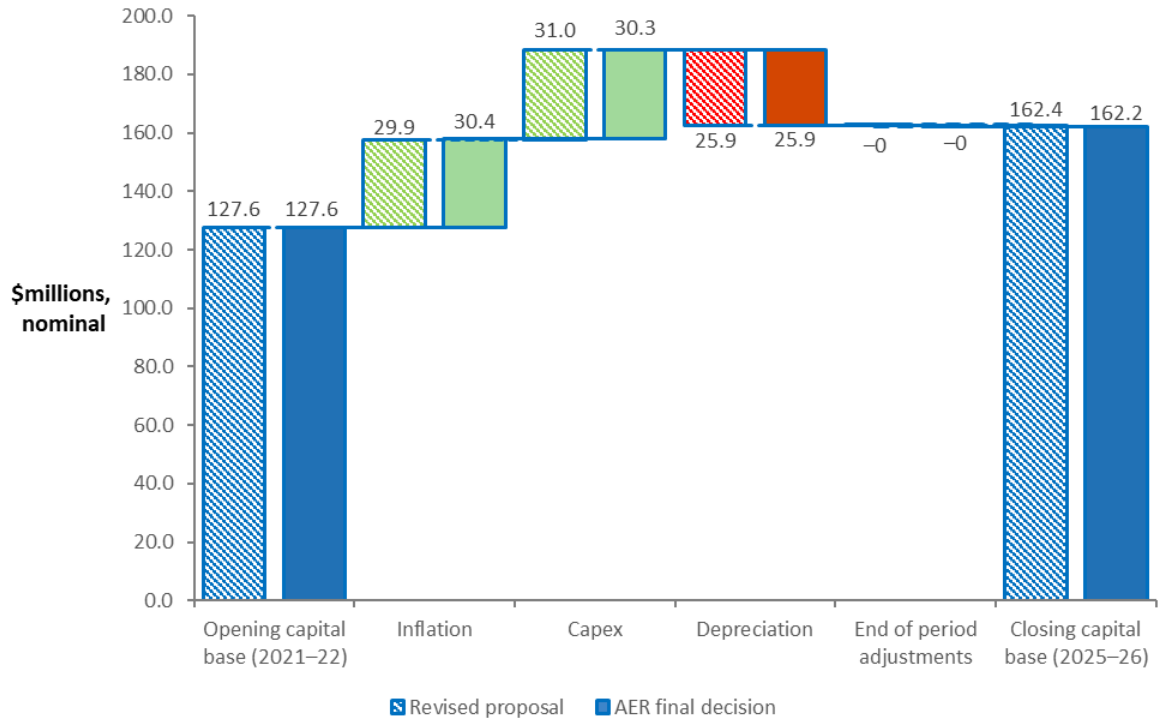
Source: AER analysis.
(a) Based on estimated capex provided by APTNT. We will true-up the capital base for actual capex at the next access arrangement review.
(b) Net of disposals, and adjusted for actual CPI and half-year weighted average cost of capital (WACC).
(c) Adjusted for actual CPI. Based on forecast capex.

Figure 3.1 shows the key drivers of the change in the value of APTNT's capital base over the 2021–26 period for this final decision. Overall, the closing capital base at the end of the 2021–26 period is estimated to be 27% higher than the opening capital base at the start of that period, in nominal terms. The net capex increases the capital base by 24%, and inflation indexation increases it by 24%. Depreciation,[33] on the other hand, reduces the capital base by 20%. End of period adjustments reduce the capital base by 0.1%.

[32] This includes adjustments for asset reallocations from the existing 'O&M facilities' asset class to the new 'Corporate assets (IT)' asset class. This is a capital base reallocation and does not affect the total value of the opening capital asset base at 1 July 2026.

[33] This refers to straight-line depreciation. Regulatory depreciation is straight-line depreciation less the inflation indexation of the capital base.

Figure 3.1 Key drivers of changes in the capital base over the 2021–26 period—APTNT's proposal compared with AER's final decision ($ million, nominal)



Source: AER analysis.
Note: Capex is net of disposals and capital contributions. It is inclusive of the half-year WACC to account for the timing assumptions in the RFM.

With our draft decision, we reduced APTNT's proposed opening capital base as at 1 July 2026 by $1.1 million (0.7%). This reduction was due to our update for a lower estimated CPI input for 2025–26 compared to APTNT's proposal in the RFM to reflect more up-to date economic conditions.[34]

We also noted in the draft decision that the roll forward of APTNT's capital base included estimated capex for 2024–25 and 2025–26, and estimated inflation for 2025–26, because the actual values for these inputs were not yet available at the time.[35]

In its revised proposal, APTNT updated the following inputs in its revised proposed RFM:[36]

- the estimated capex for 2024–25 with actuals
- final year asset adjustments, reflecting its revised proposed re-allocation of residual value of IT assets to the new 'Corporate assets (IT)' asset class based on actual capex for 2024–25. This amendment to the final year adjustment only changes the reallocation of assets between asset classes and therefore does not affect the total value of the opening capital base as at 1 July 2026.

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34 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31, November 2025*, p. 12.

35 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, p. 17.

36 APTNT, *Revised proposal, AGP - 2026–31 - RFM*, January 2026.

For this final decision, we have checked the actual capex inputs for 2024–25 in APTNT's revised proposed RFM. We are satisfied that the capex inputs, reconcile with the values presented in APTNT's annual reporting regulatory information notice (RIN) for 2024–25.

For the final decision, we have updated APTNT's estimated 2025–26 net capex from $5.6 million ($ nominal) to $5.0 million based on updated information provided by APTNT after the submission of its revised proposal.[37] We note that the financial impact of any difference between actual and estimated capex for 2025–26 will be accounted for at the next access arrangement review for the 2031–36 period.

Consistent with our draft decision, we accept APTNT's proposal to re-allocate some IT related assets from the to the existing 'O&M facilities' asset class to the new 'Corporate assets (IT)' asset class with a remaining asset life of 3.2 years.[38] However we identified a few input errors in APTNT's calculation of the residual value and remaining asset life for the assets to be re-allocated to the 'Corporate Assets (IT)' asset class. Accordingly, we have re-calculated the residual value and the remaining asset lives as at 1 July 2026 for these assets in the RFM to reflect these error corrections. These amendments do not affect the total opening capital base value as at 1 July 2026.[39]

We received no submissions on our approach to calculating the opening capital base. Our position in the final decision is limited to updates for more recent data in the RFM. This includes updating the 2025–26 estimated inflation input of 3.30% with actual CPI of 3.63% based on the December 2025 CPI from the Australian Bureau of Statistics, which became available after APTNT submitted its revised proposal.

3.1.1.2 Forecast closing capital base as at 30 June 2031

For this final decision, we determine a forecast closing capital base of $162.5 million ($ nominal) at 30 June 2031 for APTNT. This is $3.2 million (1.9%) lower than APTNT's revised proposal of $165.7 million ($ nominal). This is mainly due to the reduction in forecast capex (section 3.4) and lower expected inflation (section 3.2.3) applied in our final decision compared to APTNT's revised proposal. Our final decision on the forecast closing capital base also reflects our final decisions on the opening capital base as at 1 July 2026 and regulatory depreciation (section 3.3).[40]

Table 3.2 sets out our final decision on the forecast capital base for APTNT over the 2026–31 period.

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37 This amount is net of disposals, and includes a half-year WACC allowance to compensate for the six-month period before capex is added to the capital base. It also reflects the updated actual inflation rate for 2025–26 in our final decision; APTNT, *Response to AER Information Request #005*, received 2 April 2026.

38 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, p. 23.

39 Our final decision determined a residual asset value of $5.15 million and remaining asset life of 3.18 years for these assets on an as commissioned basis, compared to $4.75 million and 3.18 years proposed by APTNT.

40 Capex enters the capital base net of forecast disposals. It includes equity raising costs (where relevant) and the half-year WACC to account for the timing assumptions in the PTRM. Therefore, our final decision on the forecast capital base also reflects our amendments to the rate of return for the 2026–31 period (section 3.2).

Table 3.2 AER's final decision on APTNT's capital base for the 2026–31 period ($ million, nominal)

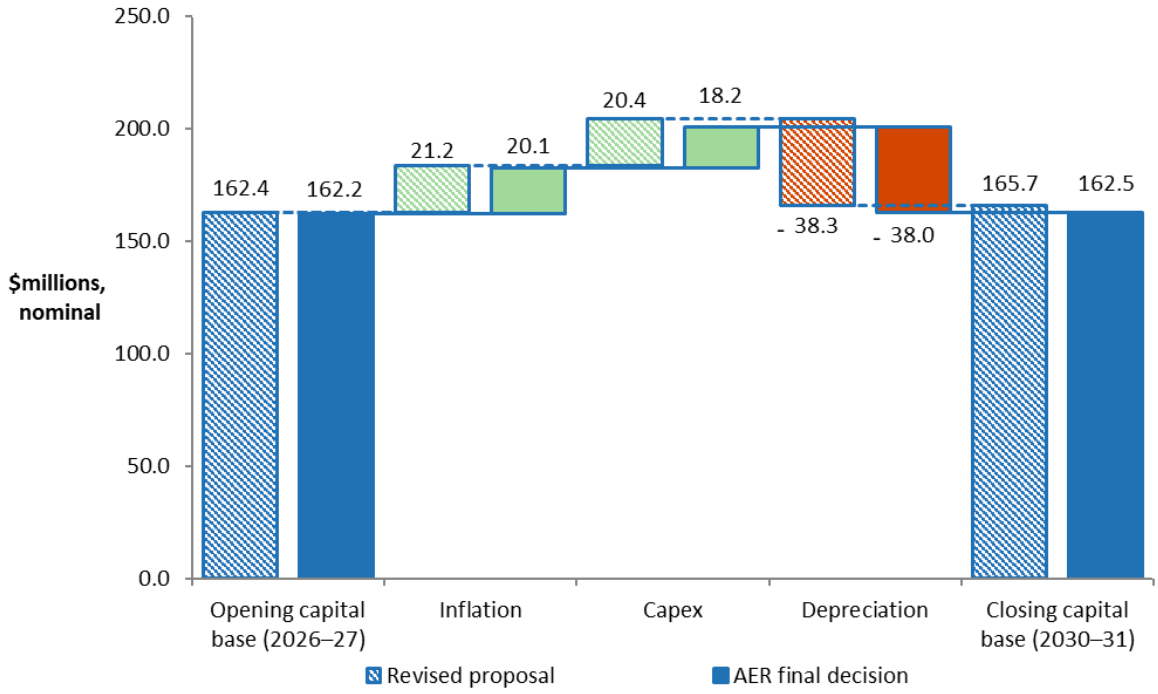
	2026–27	2027–28	2028–29	2029–30	2030–31
Opening capital base	162.2	162.8	162.4	161.4	161.8
Net capex[a]	4.1	3.4	3.3	3.5	3.9
Inflation on opening capital base	4.0	4.0	4.0	4.0	4.0
Less: straight-line depreciation	7.5	7.9	8.3	7.2	7.2
Closing capital base	**162.8**	**162.4**	**161.4**	**161.8**	**162.5**

Source: AER analysis.

(a) Net of forecast disposals. In accordance with the timing assumptions of the PTRM, the capex includes a half-year WACC allowance to compensate for the six-month period before capex is added to the capital base for revenue modelling.

Figure 3.2 shows the key drivers of change in APTNT's capital base over the 2026–31 period for this final decision. Overall, the closing capital base value at the end of the 2026–31 period is estimated to be 0.2% higher than the opening capital base at the start of that period, in nominal terms. The approved forecast net capex increases the capital base by 11%, while expected inflation increases it by 12%. Depreciation, on the other hand, reduces the capital base by 23%.

Figure 3.2 Key drivers of changes in the capital base over the 2026–31 period – APTNT's revised proposal compared with the AER's final decision ($ million, nominal)



Source: AER analysis.

Note: Capex is net of forecast disposals and capital contributions. It is inclusive of the half-year WACC to account for the timing assumptions in the PTRM.

Forecast net capex is a key driver of the increase in the capital base. In our final decision, we approve $16.6 million ($ 2025–26) forecast net capex for APTNT for the 2026–31 period. This amount is 10.3% lower than APTNT's revised proposal of $18.5 million.[41] Our final decision on APTNT's forecast capex is set out in section 3.4.

3.1.1.3 Depreciation approach for establishing the opening capital base at the next access arrangement review

For this final decision, we maintain our draft decision position that APTNT's opening capital base at the commencement of the 2031–36 period will be established using straight-line depreciation based on approved forecast capex at the asset class level for the 2026−31 period.

3.1.2 Assessment approach

We did not change our assessment approach for the capital base from our draft decision. Appendix A.1 of our draft decision details that approach.[42]

3.2 Rate of return and value of imputation credits

The AER's 2022 Rate of Return Instrument (RORI) sets out the approach we will use to estimate the return on debt, the return on equity and the overall rate of return.[43]

The return each business is to receive on its capital base, known as the 'return on capital', is a key driver of proposed revenues. We calculate the regulated return on capital by applying a rate of return to the value of the capital base.

We estimate the rate of return by combining the returns of two sources of funds for investment: equity and debt. The allowed rate of return provides the business with a return on capital to service the interest rate on its loans and give a return on equity to investors.

The estimate of the rate of return is important for promoting efficient prices in the long-term interests of consumers. If the rate of return is set too low, the network business may not be able to attract sufficient funds to be able to make the required investments in the network and reliability may decline. Conversely, if the rate of return is set too high, the network business may seek to spend too much, and consumers will pay inefficiently high tariffs.

We are required by the NGL to apply the RORI to estimate an allowed rate of return.[44] For this final decision, we have applied the 2022 RORI.[45]

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41 This amount is net of forecast disposals and capital contributions, and excludes the half-year WACC adjustment.

42 AER, Draft decision - Amadeus Gas Pipeline access arrangement 2026–31 - Appendix A - Assessment approach, November 2025.

43 AER, *Rate of Return Instrument (Version 1.2)*, March 2024.

44 NGL, section 30C.

45 AER, *Rate of Return Instrument (Version 1.2)*, March 2024.

APTNT's revised proposal adopted the 2022 RORI.[46] Our final decision rate of return of 6.09% (nominal vanilla) is higher than the 6.02% placeholder in the revised proposal, principally due to an increase in the risk-free rate.

Our calculated rate of return in Table 3.3 applies to the first regulatory year of the 2026–31 period. A different rate of return may apply for the remaining years of the period. This is because we will update the return on debt component of the rate of return each year, in accordance with the 2022 RORI, to use a 10-year trailing average portfolio return on debt that is rolled-forward each year. Hence, only 10% of the return on debt is calculated from the most recent averaging period, with 90% from prior periods.

Our final decision accepts APTNT's proposed risk-free rate[47] and debt averaging periods[48] because they are consistent with the 2022 RORI.[49]

Table 3.3 Final decision on APTNT's rate of return (nominal)

	AER's draft decision (2026–31)	APTNT's revised proposal (2026–31)	AER's final decision (2026–31)	Allowed return over the access arrangement period
Nominal risk-free rate	4.34%	4.34%	4.46%[a]	Constant (%)
Market risk premium	6.20%	6.20%	6.20%	Constant (%)
Equity beta	0.6	0.6	0.6	Constant
Return on Equity (nominal post-tax)	8.06%	8.06%	8.18%	Constant (%)
Return on debt (nominal pre-tax)	4.66%	4.66%	4.69%[b]	Updated annually
Gearing	60%	60%	60%	Constant (60%)
Nominal vanilla WACC	6.02%	6.02%	6.09%[c]	Updated annually for return on debt
Expected inflation	2.55%	2.60%	2.48%	Constant (%)

Source: AER analysis; AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, p. 20; APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 10; APTNT, *AGP - 2026–31 – PTRM*, January 2026.

(a) Calculated using APTNT's risk-free rate averaging period of 20 business days ending 28 November 2025.
(b) Calculated using APTNT's actual nominated return on debt averaging period.
(c) Applied to the first year of the 2026–31 period.

46 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 10.

47 APTNT, *Amadeus - AAR 2026–31 - Averaging periods - June 2025 – Confidential*, June 2025, p. 1.

48 APTNT, *Amadeus - AAR 2026–31 - Averaging periods - June 2025 – Confidential*, June 2025, p. 1.

49 AER, *Rate of return Instrument (version 1.2)*, March 2024, cll 7–8, 23–25.

3.2.1 Debt and equity raising costs

In addition to providing for the required rate of return on debt and equity, we provide an allowance for the transaction costs associated with raising debt and equity. We include debt raising costs in the operating expenditure (opex) forecast because these are regular and ongoing costs which are likely to be incurred each time service providers refinance their debt. On the other hand, we include equity raising costs in the capital expenditure (capex) forecast because these costs are only incurred once and would be associated with funding particular capital investments. Our approach to forecasting debt and equity raising costs is set out in more detail in previous AER revenue determinations (for example, see our 2025–30 Directlink Electricity Transmission Determination final decision).[50] APTNT has proposed to use our approach to estimate debt and equity raising costs.[51]

Our final decision accepts APTNT's proposed opex, including debt raising costs, as set out in section 0.

We have updated our estimate for the 2026–31 period based on the benchmark approach using updated inputs. This results in zero equity raising costs.

3.2.2 Imputation credits

Our final decision applies a value of imputation credits (gamma) of 0.57, as set out in the 2022 RORI.[52] APTNT's revised proposal also adopted this value.[53]

3.2.3 Expected inflation

As set out in Table 3.4, our estimate of expected inflation is 2.48%. It is an estimate of the average annual rate of inflation expected over a five-year period based on the outcome of our 2020 inflation review.[54] APTNT's revised proposal also adopted our approach.[55]

Table 3.4 Final decision on APTNT's forecast inflation (%)

	Year 1	Year 2	Year 3	Year 4	Year 5	Geometric average
Expected inflation	2.40%	2.50%	2.50%	2.50%	2.50%	2.48%

Source: AER Analysis; RBA, *Statement on Monetary Policy*, May 2026, Table 3.2: Detailed Forecast Table. See the Statement on Monetary Policy.

Our final decision uses the RBA's May 2026 Statement on Monetary Policy which contains a CPI forecast for the financial years ending 30 June 2027 and 30 June 2028. This means the first two years of the 2026–31 period are based on RBA forecasts and, thereafter, a linear

50 AER, *Final decision - Attachment 3 - Rate of Return - Directlink Electricity Transmission Determination 2025 to 2030*, September 2024, pp 4–6.

51 APTNT, *AGP - 2026–31 – PTRM*, January 2026.

52 AER, *Rate of return Instrument (version 1.2)*, March 2024, cl. 27.

53 APTNT, *AGP - 2026–31 – PTRM*, January 2026.

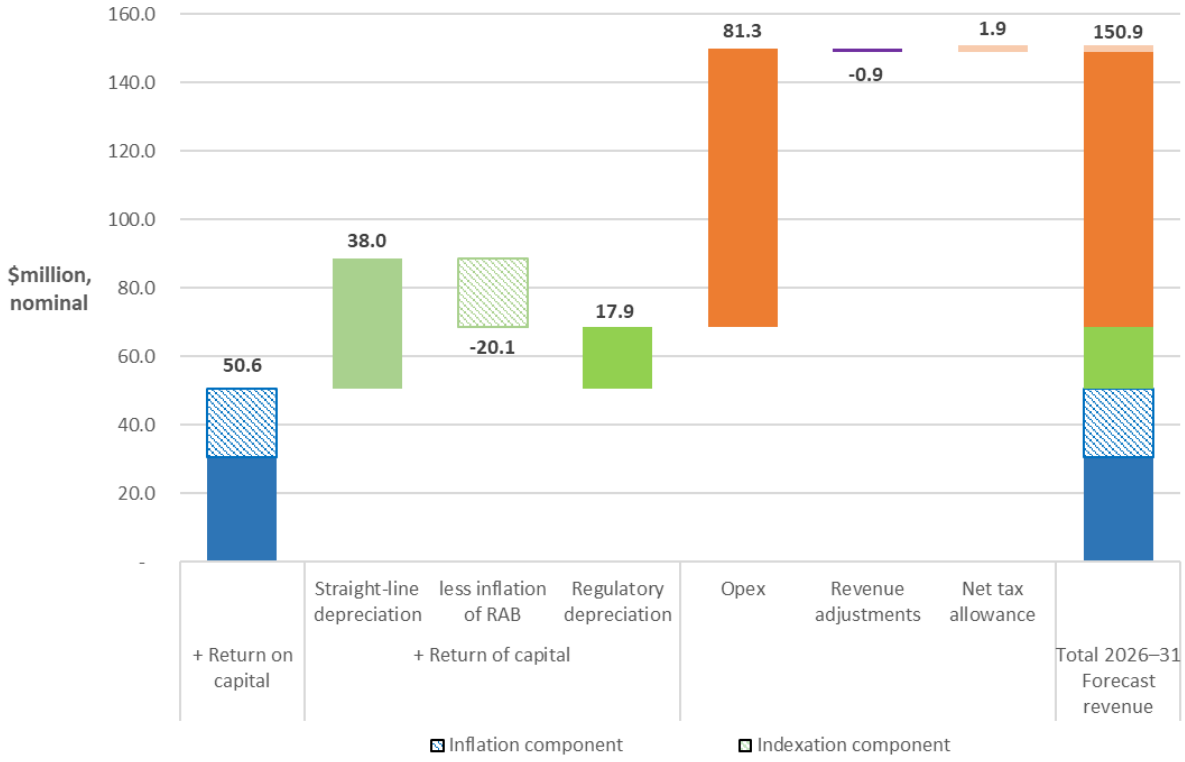
54 AER, *Final position, Regulatory treatment of inflation*, December 2020.

55 APTNT, *AGP - 2026–31 – PTRM*, January 2026.

glide path from year three to the mid-point of the RBA's inflation target band of 2.5% in year five.

Figure 3.3 isolates the impact of expected inflation from other parts of our final decision, to illustrate its impact on the return on capital and regulatory depreciation building blocks and the total revenue allowance. Other elements held constant, lower inflation reduces the return on capital but increases regulatory depreciation.

Figure 3.3 Inflation components in final decision revenue building blocks ($ million, nominal)



Source: AER analysis.

3.3 Regulatory depreciation (return of capital)

Regulatory depreciation is the amount provided so capital investors recover their investment over the economic life of the asset (return of capital). When determining the total revenue for APTNT's, we include an amount for the depreciation of the projected capital base.[56] Under the building block framework, regulatory depreciation consists of the net total of the straight-line depreciation less the indexation of the capital base.

This section sets out our final decision on regulatory depreciation for the 2026–31 period, including our assessment of APTNT's revised proposed standard and remaining asset lives used for calculating straight-line depreciation.

[56] NGR, r. 76(b).

3.3.1 Final decision

Our final decision is to determine a regulatory depreciation amount of $17.9 million ($ nominal) for APTNT for the 2026–31 period. This is $0.9 million (5.1%) higher compared to the $17.1 million ($ nominal) proposed by APTNT in its revised proposal.[57] It is $0.1 million (0.4%) higher than the regulatory depreciation amount determined in our draft decision. This increase is primarily driven by a lower capital base indexation amount compared to our draft decision[58], partially offset by a lower straight-line depreciation amount.[59]

The regulatory depreciation amount is calculated as the net total of the straight-line depreciation, less the inflation indexation of the capital base. APTNT's straight-line depreciation is impacted by our final decisions on forecast capex (section 3.4), the opening capital base at 1 July 2026 (section 3.1) and asset lives (section 3.3.1.1). Our final decision straight-line depreciation is $0.3 million (0.7%) lower than APTNT's revised proposal.[60]

The indexation on the capital base is impacted by our final decisions on APTNT's opening capital base as at 1 July 2026 (section 3.1), forecast capex (section 3.4) and the expected inflation rate (section 3.2). Our final decision results in indexation on APTNT's capital base that is $1.1 million lower than under its revised proposal. This is primarily due to our final decision on a lower expected inflation rate of 2.48% per annum compared to APTNT's revised proposed 2.60% per annum.

Together, the reduction in capital base indexation and the reduction in straight-line depreciation results in a higher regulatory depreciation amount compared to APTNT's revised proposal.

In coming to this decision on APTNT's regulatory depreciation, we accept the revised proposal with respect to the following matters, each of which is consistent with our draft decision:

- the straight-line depreciation method used to calculate the regulatory depreciation amount.
- the continuation of applying the weighted average remaining lives (WARL) approach for implementing straight-line depreciation of its existing assets and its forecast capex.
- existing asset classes and the standard and remaining asset lives for these asset classes.
- introduction of two new asset classes, 'Corporate assets (IT)' and 'Leased assets post 2021', and the proposed standard asset life of 5 years and 15 years for these asset classes, respectively.[61]

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57 APTNT, *Revised proposal, AGP - 2026–31 – PTRM*, January 2026.

58 The lower capital base indexation is due to a lower expected inflation in our final decision compared with the draft decision.

59 The lower straight-line depreciation is mainly due to lower opening capital base and lower forecast capex determined in our final decision compared with the draft decision.

60 This reduction is primarily due to our final decision on a lower forecast capex (section 3.4) and a lower opening capital base at 1 July 2026

61 Please see section 3.3.4.2 of our draft decision for detailed reasons.

- the re-allocation of residual value of existing IT assets to the new 'Corporate assets (IT)' asset class. However, we made a minor amendment to the residual value because we corrected some inputs in APTNT's calculation (section 3.1.1.1).
- the remaining asset life of 7.6 years assigned to the 'Leased Assets post 2021' asset class for depreciating existing leases signed during the 2021–26 period.[62]

Table 3.5 sets out our final decision on APTNT's regulatory depreciation amount over the 2026–31 period.

Table 3.5 AER's final decision on APTNT's forecast depreciation for over the 2026–31 period ($ million, nominal)

	2026–27	2027–28	2028–29	2029–30	2030–31	Total
Straight-line depreciation	7.5	7.9	8.3	7.2	7.2	38.0
Less: inflation indexation on opening capital base	4.0	4.0	4.0	4.0	4.0	20.1
Regulatory depreciation	**3.5**	**3.9**	**4.3**	**3.2**	**3.2**	**17.9**

Source: AER analysis.

3.3.1.1 Standard and remaining asset lives

For this final decision, we accept the standard asset lives for asset classes proposed by APTNT in its revised proposal. This is because they are consistent with our draft decision.

In applying the weighted average remaining life method for the final decision, we updated the remaining asset lives for asset classes to reflect our adjustments to the inputs in the RFM (section 3.1.1.1). This is because changes affecting the capital base value in the RFM in turn impact the calculation of the remaining asset lives as at 1 July 2026.

Our final decision PTRM sets out APTNT's standard and remaining asset lives for each asset class over the 2026–31 period.[63] Asset classes that have been assigned with a standard asset life of 'n/a' (not applicable) reflect cases where the relevant capex is either not subject to depreciation, or where there is no forecast capex. We are satisfied that the asset lives approved in this final decision will result in a depreciation schedule that reflects the depreciation criteria in the NGR.[64]

3.3.2 Assessment approach

We did not change our assessment approach for the cost of corporate income tax from our draft decision. Appendix A.2 of our draft decision details that approach.[65]

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62 Please see section 3.3.4.1 of our draft decision for detailed reasons.

63 AER, *Final Decision - Amadeus Gas Pipeline access arrangement 2026–31 - PTRM*, May 2026.

64 NGR, r. 89.

65 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31 - Appendix A - Assessment approach,* November 2025.

3.4 Capital expenditure

Capital expenditure (capex) refers to the capital costs and expenditure incurred in the provision of pipeline services.[66] This investment mostly relates to assets with long lives and these costs are recovered over several access arrangement periods.

In this section we outline our assessment of APTNT's capex revised proposal for the 2026–31 period. Our final decision consists of 2 parts:

- whether capex incurred prior to the 2026–31 period should be treated as conforming capex and rolled into the opening capital base[67]
- whether APTNT's forecast of capex for the 2026–31 period meets the conforming capex criteria in the NGR.[68]

3.4.1 Final decision

Our final decision is to not accept APTNT's proposed net capex of $18.5 million ($2025–26[69]) for the 2026–31 period. Instead, we include net capex of $16.6 million ($2025–26) in our alternative forecast of the revenue requirement for the 2026–31 period.

3.4.1.1 Capex for 2020–21 and the 2021–26 period

Our final decision is to include APTNT's proposed net capex of $27.2 million ($2025–26) in the opening capital base for the 2021–25 period and the estimated net capex for 2025–26 of $5.1 million ($2025–26).

Our final decision includes APTNT's estimate of capex for 2025–26 in the capital base, as actual capex is not yet available. We will assess whether APTNT's actual capex for 2025–26 is conforming capex in the subsequent (2031–36) access arrangement review and adjust for any differences between actual and estimated capex.[70]

3.4.1.2 Capex for 2026–31 period

Our final decision is to not accept APTNT's revised proposal as conforming capex under the NGR. Instead, we have included net forecast capex for the 2026–31 period of $16.6 million in our alternative estimate (see Table 3.6). This is $1.2 million or 6.7% lower than APTNT's revised proposal.

Overall, we found most aspects of APTNT's proposal were likely to be conforming capex. We accept the proposed capex for heat shrink sleeves, non-network capex, and corporate overheads. We did not accept APTNT's proposed cathodic protection capex ($0.3m reduction), finding that APTNT did not provide a cost benefit case that supports its proposed expenditure for satellite data loggers. We did not accept APTNT's proposed facilities capex ($0.3m reduction), finding compound improvements should be treated as opex rather than capex. We did not accept APTNT's proposed other network capex

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66 NGR, r. 69.

67 NGR, r. 77 sets out the process for determining the opening capital base.

68 These criteria are set out in NGR, r. 79.

69 We note that forecast capex amounts are denominated in end of financial year terms (30 June).

70 This is consistent with our obligations under NGR, rr. 77(2), 79.

($0.7m reduction), finding APTNT did not provide sufficient justification for an increase over historical spend on major capitalisable maintenance.

Table 3.6 Comparison of APTNT's proposal and our final decision on capex for the 2026–31 period ($ million, 2025–26)

Category	APTNT's Revised Proposal	AER alternative estimate	Difference over capex category ($/%)	
Cathodic protection	4.2	4.0	-0.3	-6.0%
Facilities	3.4	3.1	-0.3	-9.1%
Heat shrink sleeves	4.0	4.1[(a)]	0.0	0.5%
Other network	2.6	1.9	-0.7	-26.1%
Non-network	3.2	3.2[(a)]	0.0	0.5%
Corporate overheads	0.9	0.9[(a)]	0.0	0.4%
Gross capex	**18.3**	**17.1**	**-1.2**	**-6.5%**
Disposals	0.4	0.4	0.0	0.0%
Net capex	**17.8**	**16.6**	**-1.2**	**-6.7%**

Source: APTNT, *AGP – 2026–31 – Capex Model*, 2 April 2026.
Note: (a) This difference is due to the AER's application of updated December 2026 CPI which is higher than that applied by APTNT.

3.4.2 APTNT's revised proposal

APTNT's revised proposal included its actual and estimated capex for 2020–21 and the 2021–26 period as well as its proposed capex for the 2026–31 period.

3.4.2.1 Capex for 2020–21 and the 2021–26 period

With its revised proposal APTNT submitted actual 2024-25 net capex of $5.1 million ($2025–26), an updated estimate for 2025–26 of $5.1 million ($2025–26) and a total for the 2021–26 period of $32.2 million ($2025–26).[71]

3.4.2.2 Capex for 2026–31 period

APTNT included $18.5 million ($2025–26) in forecast net capex for the 2026–31 period in its initial revised proposal.[72] It provided an updated forecast of net capex of $17.8 million

71 APTNT, *AGP - 2026–31 - RFM*, 2 April 2026.

72 APTNT, *AGP - AAR 2026–31 - Capex Model*, January 2026.

($2025–26) for the 2026–31 period in response to our request for updated corporate information and operational technology capex forecasts.[73]

3.4.3 Assessment approach

We must make 2 decisions on APTNT's capex. First, we assess past capex to determine whether it is conforming capex that can be added to the opening capital base.[74] Our assessment is based on APTNT's submission and supporting information.

Second, we assess APTNT's forecast of required capex for the 2026–31 period to determine whether it meets the new capex criteria set out in the NGR.[75] To do this, we assess the key drivers of forecast capex to consider whether the proposed capex complies with the new capex criteria. In doing so, we relied on the following information:

- APTNT's proposal and access arrangement information, which outlines its capex program and the main drivers of those programs
- business cases that detail the expenditure requirements for specific projects
- APTNT's RIN responses
- APTNT's capex forecast model
- responses to information requests
- submissions from interested parties.

Interrelationships

In assessing APTNT's total forecast capex we considered other components of its revised proposal, including the trade-off between potential capex and opex solutions.

3.4.4 Submissions on our draft decision and the revised proposal

We received 3 submissions on our draft decision. No submissions commented on APTNT's forecast capex.

3.4.5 Reasons for the final decision

3.4.5.1 Capex for 2020–21 and the 2021–26 period

With our draft decision we approved APTNT's net capex of $5.0 million ($2025–26)[76] for 2020–21 as it is consistent with our allowance of $5.3 million from our final decision on APTNT's 2021–26 access arrangement.[77] We included $34.6 million ($2025–26) for the

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73 APTNT, *AGP – 2026–31 – Capex Model*, 2 April 2026; APTNT, *Response to Amadeus Information Request #005 - Capex and Demand*, received 24 March 2026.

74 Under NGR, r. 77(2)(b), we add capital expenditure to the capital base only if it is conforming capital expenditure.

75 NGR, r. 79.

76 Actual net capex is included in the regulatory asset base on a $2025–26 basis, as reflected in the Roll Forward Model. This is different to forecast net capex which is included in the total revenue requirement calculation on a $30 June 2026 basis, as reflected in the Post Tax Regulatory Model.

77 APTNT, *AGP - AAR 2026–31 - Roll Forward Model (RFM)*, June 2025; AER, *Final Decision - Amadeus Gas Pipeline access arrangement 2021–26*: AER, *Final Decision - Amadeus Gas Pipeline access arrangement 2021–26 – RFM*, 30 April 2021.

2021–26 period as a placeholder, as 2024-25 actual data was not available at the time of making the draft decision.

With its revised proposal APTNT submitted actual 2024-25 net capex of $5.1 million ($2025–26), an updated estimate for 2025–26 of $5.1 million ($2025–26) and a total for the 2021–26 period of $32.2 million ($2025–26).[78]

Our final decision is to include APTNT's proposed net capex of $27.2 million ($2025–26) in the opening capital base for the 2021–25 period and the estimated net capex for 2025–26 of $5.1 million ($2025–26).

Our final decision includes APTNT's estimate of capex for 2025–26 in the capital base, as actual capex is not yet available. We will assess whether APTNT's actual capex for 2025–26 is conforming capex in the subsequent (2031–36) access arrangement review and adjust for any differences between actual and estimated capex.[79]

3.4.5.2 Capex for the 2026–31 period

Our draft decision was to not accept APTNT's proposed $20.3 million ($2025–26) in forecast net capex for the 2026–31 period. Our alternative forecast of net capex was $17.1 million ($2025–26). This was a 15.9% decrease from APTNT's proposed net capex and a 49.0% decrease compared to APTNT's 2021–26 period net capex of $33.5 million ($2025–26).

APTNT included $18.5 million ($2025–26) in forecast net capex for the 2026–31 period in its initial revised proposal.[80] It provided an updated forecast of net capex of $17.8 million ($2025–26) for the 2026–31 period in response to our request for updated corporate information and operational technology capex forecasts.[81]

Our final decision is to not accept APTNT's revised proposal. Instead, we have included net forecast capex for the 2026–31 period of $16.6 million in our alternative estimate. This is $1.2 million or 6.7% lower than APTNT's revised proposal. Our reasons for our final decision are set out below.

3.4.5.2.1 Cathodic protection

We included $3.7 million of capex in our draft decision for 5 cathodic protection programs which are to maintain pipeline' integrity.

With its revised proposal APTNT included $4.2 million of capex.

Our final decision is to include an alternative estimate of $4.0 million of capex for the reasons set out below.

Our assessment included seeking additional information from APTNT regarding particular programs (survey data, cost build-ups and cost-benefit cases).

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78 APTNT, *AGP - 2026–31 - RFM*, 2 April 2026.

79 This is consistent with our obligations under NGR, rr. 77(2), 79.

80 APTNT, *AGP - AAR 2026–31 - Capex Model*, January 2026.

81 APTNT, *AGP – 2026–31 – Capex Model*, 2 April 2026; APTNT, *Response to Amadeus Information Request #005 - Capex and Demand*, received 24 March 2026.

New cathodic protection sites

Our draft decision included APTNT's proposed $2.9 million for the installation of the cathodic protection at 5 sites, being $0.58 million per site. APTNT accepted our draft decision.

We have included $2.9 million in our final decision for new cathodic protection sites.

Cathodic protection – Replacement ground beds

With its initial proposal APTNT included $0.5 million for the replacement of 3 ground beds, located in Daly Waters, Kelly Well, and Mereenie.[82]

Our draft decision included an alternative estimate of $0.2 million for the replacement ground beds. Our draft decision was based on one replacement every second year (2027–28 and 2029–30) consistent with the lifecycle management plan and the historical average cost of $0.1 million per bed replacement.

With its revised proposal APTNT reproposed $0.5 million for ground bed replacements.

APTNT provided SCADA data to justify the particular proposed programs. It provided further information to justify the increase in expenditure from the average cost over the 2021–26 period to the forecast amount of $151,426 per ground bed ($2025–26). It submitted that this forecast was based on the 2023–24 unit cost. APTNT submitted that costs can 'range from $90,000 to $200,000 depending on the distance of the site from the major cities of Darwin or Alice Springs, the remoteness and difficulty in accessing the site from a main road (particularly for the drilling rig that is mobilised from Western Australia), and the scope of work required e.g. whether just the existing anodes and Loresco media are being replaced or the ground bed is also being extended and whether the cabling to the ground bed also needs replacing'.[83]

Our final decision includes APTNT's proposed amount of $0.5 million. We are satisfied that the survey data supports the replacement of the 3 ground beds and that the proposed cost is efficient given the site locations.

Cathodic protection unit replacement program

APTNT stated that it replaces cathodic protection units when they become obsolete due to age or the unavailability of replacement parts, or they fail, generally as a result of a lightning strike. The program consists of the replacement of failed units and proactive replacement of one to two older, obsolete units per year, based on historical replacement rates.[84]

With our draft decision we included APTNT's proposed $0.2 million for the replacement of one to two cathodic protection units per year in the 2026–31 period. We assessed that

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82 APTNT, *AGP - AAR 2026–31 - Business Case - Cathodic Protection*, June 2025, pp. 14-15; APTNT, *Response to AER Information Request #003*, question 2, received 13 October 2025, pp. 1-2.

83 APTNT, *Response to Amadeus Information Request #005 - Capex and Demand, question 3*, received 24 March 2026, pp. 1-3.

84 APTNT, *AGP - AAR 2026–31 - Lifecycle Management Plan*, June 2025, pp. 12-13; APTNT, *AGP - AAR 2026–31 - Business Case - Cathodic Protection*, June 2025, pp. 11-13; APTNT, *Response to AER Information Request #003, question 3*, received 13 October 2025, pp. 2-4.

APTNT's forecast number of replacements is consistent with the current period and the forecast replacement cost is less than the historical average.

APTNT accepted our draft decision. We have included $0.2 million in our final decision.

Cathodic protection site easements

Our draft decision included APTNT's proposed $0.4 million for the acquisition of easements for 5 new sites where cathodic protection is forecast to be installed in the 2031–36 period. The easements are all to be acquired in 2030–31 to save on transactions costs.[85]

This amount was accepted by APTNT and has been included in our final decision.

New – Cathodic protection satellite data loggers

APTNT proposed $1.0 million for the installation of 101 new cathodic protection satellite data loggers, at a cost of $10,170 per unit, along the Amadeus Pipeline to provide year-round data on the effectiveness of the cathodic protection.

Our draft decision was not to include an alternative allowance for the cathodic protection satellite data loggers. This is because APTNT's proposed benefit of installing the data loggers would be the reduction in manual surveys of each cathodic protection test point from an annual basis to once every 5-years.[86] APTNT indicated staff would be allocated to other works, so in a net sense, no saving would be realised.[87] When this is accounted for, the cost benefit analysis is not positive.

With its revised proposal APTNT included $0.3 million for the installation of 25 satellite data loggers. It submitted that whilst there is no direct cost saving from the program, there are non-financial benefits arising from the use of satellite data loggers compared to the current manual testing approach.[88]. APTNT described the non-financial benefits as: 110 days of staff time able to be redirected to other activities, more detailed and timely data, especially across seasons, and inform improvements to APA's corrosion growth model, which in the future are expected to defer integrity improvement works until they are absolutely necessary.[89]

We requested that APTNT provide a quantified cost benefit case to support the expenditure (for example, opex labour saving (negative opex step change) or capex savings), however APTNT did not provide this.[90]

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85 APTNT, *AGP - AAR 2026–31 - Lifecycle Management Plan,* June 2025, pp. 12-13; APTNT, *AGP - AAR 2026–31 - Business Case - Cathodic Protection*, June 2025, pp. 8–10; APTNT, *Response to AER Information Request #003, question 6*, received 13 October 2025, pp. 5–6.

86 APTNT, *AGP - AAR 2026–31 - Business Case - Cathodic Protection*, June 2025, pp. 16–18; APTNT, *Response to AER Information Request #003, question 4*, received 13 October 2025, p. 4.

87 APTNT, *Response to IR#003: AGP R#003 - Satellite data loggers NPV*, received 13 October 2025.

88 APTNT, *Overview of the 2026–31 AGP revised Access Arrangement*, January 2026, p. 15.

89 APTNT, *Overview of the 2026–31 AGP revised Access Arrangement*, January 2026, p. 15.

90 APTNT, *Response to Amadeus Information Request #005 - Capex and Demand*, question 4, received 24 March 2026, pp. 3–4.

Our final decision is that there is no cost benefit case provided to us that supports the proposed discretionary expenditure. On this basis, we have not included this amount in our alternative capex estimate.

3.4.5.2.2 Facilities

In its revised proposal APTNT included $3.4 million of expenditure for 6 facilities programs. Our final decision, as detailed below, is to include $3.1 million in our alternative capex estimate.

Hazardous area rectification

Our final decision includes APTNT's proposed $0.5 million in our alternative capex for hazardous area rectification works for 4 above ground sites (Darwin City Gate, Katherine, Mereenie, Pine Creek) where there is degraded electrical equipment and instruments. This is on the basis that it is prudent to address safety issues at the sites and that we assess that the costs are efficient given the historical expenditure.

Remote terminal units (RTU) upgrades

Our final decision includes APTNT's proposed $1.4 million to upgrade 15 to 20 original RTUs to reduce obsolescence risk and free up spare parts for the other existing unsupported units. We accept that it is prudent to replace failed units and that the unit rate is efficient based on the information provided by APTNT.[91]

Battery and charger replacements

Our final decision includes APTNT's proposed $0.4 million, which we accepted in our draft decision, for the replacement of batteries and chargers used to control, monitor, or provide cathodic protection. This includes expenditure for 6 to 8 battery sites and 2 to 3 chargers to be replaced in each year of the 2026–31 period.

Mainline valve actuator upgrades

Our final decision includes APTNT's proposed $0.3 million, which we accepted in our draft decision, to replace 5 mainline valve actuators in the 2026–31 period.

Compound improvements

APTNT has compounds along the Amadeus Pipeline consisting of fencing, grounds and huts to protect pipeline equipment. It proposed expenditure to upgrade fencing, repair erosion damage, repair roofs and paint huts. These works were identified through regular maintenance and inspection programs.[92]

APTNT submitted that 'the nature and scope of the works go beyond routine maintenance and result in a material upgrade and extension of the useful life of the assets'. It stated that

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91 APTNT, *Response to AER Information Request #003, question* 7, received 13 October 2025, pp. 6–7.

92 APTNT, *AGP - AAR 2026–31 - Lifecycle Management Plan*, June 2025, pp. 14; APTNT, *AGP - AAR 2026–31 - Business Case – Facilities*, June 2025, pp. 20-22; APTNT, *Response to AER Information Request #003, question 12*, received 13 October 2025, p. 11.

the works enhance the compounds' functionality, security and structural integrity, leading to significant improvement of the asset, rather than simply maintaining it in its current state. [93]

We did not include an amount in our alternative estimate in our draft decision for compound improvements. We assessed that the proposed expenditure had the character of being repairs or maintenance (opex) rather than capital improvements (capex). We assessed that these costs are provided for in the opex allowance, consistent with accounting standards (AASB116).

In its revised proposal APTNT reproposed $0.3 million for compound improvements. APTNT submitted examples of how it distinguishes between opex and capex including:[94]

- Repairing vermin holes to maintain the hut versus vermin proofing the hut to prevent vermin access
- Patching/painting degraded sections of huts versus applying protective coating upgrades to the whole hut/roof (extending the life by approximately 10 years)
- Patching dilapidated fencing versus replacement of entire sections
- Restoring worn down or washed-out sections of ground versus reshaping the ground to prevent wear and divert washouts to prevent erosion.

We requested further information on how the asset lives of new compound elements (huts, fencing) are estimated, on how the particular compound improvements have changed the recorded asset lives, and specific historic examples of a change in the recorded asset life of the compound elements. APTNT did not provide information on how asset lives are increased post the expenditure. It submitted that the expenditure was typically directed towards assets that are at the end of their life and for which expenditure will increase their life. It cited examples of groundworks at Tennant Creek to improve water diversion banks, including the import of gravel, to prevent future erosion, and the movement of roof based solar panels revealing roof leaks requiring improvements.[95]

We carefully consider proposals for new expenditure characterised as capex, that could more appropriately be characterised as opex, for two reasons:

- Opex for repairs and maintenance is already captured in the base allowance. If it is also provided for in capex, then it is a duplication of cost recovery
- If opex is captured as capex, it results in a lower opex outcome, which results in a more favourable ECM incentive. This is especially the case when an offsetting CESS is not applied.

We continue to be of the view that these works are of a repair or maintenance character. APTNT has not provided evidence of an extension to recorded asset lives, or an increase in the function or overall permanent value of the compounds (as the depreciating asset class),

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93 APTNT, *Response to AER Information Request #003*, *question 12*, received 13 October 2025, p. 11.

94 APTNT, *AGP – 2026–31 – Overview of the revised Access Arrangement*, January 2026, pp. 15–16.

95 APTNT, *Response to AER Information Request #005*, question 5, received 17 March 2026, p. 3.

which would be indicative of capital improvements. For these reasons we have not included an amount for compound improvements in our alternative forecast.

Darwin City Gate - Coating Repairs

Our final decision includes APTNT's proposed $0.4 million for coating repairs at the Darwin City Gate facilities in 2026–27.

APTNT submitted that a complete excavation and recoat was undertaken 15 years ago. It stated that while it is generally expected that the coating repair would last 20 years it has failed after 13 years. APTNT submitted that this is consistent with the accelerated asset degradation associated with this particular location.[96] On this basis we assess that the coating repair is prudent and the costs are efficient, based on past coating repairs.

3.4.5.2.3 Heat Shrink Sleeves

Our final decision includes APTNT's proposed $4.1 million for corrosion repairs in our alternative capex. We assess that it is prudent to use heat shrink sleeves for corrosion prevention to lengthen the pipeline's functional life. We consider that the cost is prudent based on the revealed average annual expenditure over the 2021–26 period.

3.4.5.2.4 Other network expenditure

APTNT included $2.6 million in its revised proposal for other network expenditure, consisting of major capitalisable maintenance and a miscellaneous capital provision. In our final decision we have included $1.9 million in our alternative capex estimate, for the reasons set out below.

Major capitalisable maintenance

Consistent with our draft decision, we have included an alternative estimate of $0.5 million for our decision for major capitalisable maintenance.

APTNT reproposed $1.2 million for major capitalisable maintenance. APTNT submitted that the historical expenditure for major capitalisable maintenance should be increased from the historical average of $0.5 million to $1.2 million on the basis of errors in contractors' recording of works. [97]

We indicated to APTNT that we consider that these costs are captured in other Amadeus Pipeline cost centres and will therefore be reflected in forecasts for those other areas. We stated that this category of expenditure is typically an allowance that reflects unknown forecast expenditure. We requested that APTNT provide the adjustments made in order to arrive at the total amount of $1.2 million, including the capex areas which have been reduced where amounts were incorrectly included.[98] APTNT responded that the increased forecast reflects 'large increases in speciality service costs over recent years when services are provided by contractors' and 'legislative changes that now require these works be undertaken by certified third parties and supervised (site access works permits and

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96 APTNT, *Response to AER Information Request #005*, question 7, received 17 March 2026, p. 5.

97 APTNT, *AGP – 2026–31 – Overview of the revised Access Arrangement*, January 2026, p. 16.

98 APTNT, *Response to AER Information Request #005*, question 6, received 17 March 2026, p. 4.

equipment access) by in-house technicians'. APTNT did not provide any specifics in relation to the particular cost increases or legislative changes.[99]

We consider that this category is an allocation for capex that is not for a program which is able to be forecast but is an allowance for unexpected expenditure. On this basis we consider that it is best estimated based on the average historical expenditure over the last access arrangement period. Given the lack of forecastable inclusions, we do not consider it appropriate to escalate it on the assumption that service costs will be increased or that certified parties may be required to undertake the unknown works. Based on the historical expenditure, we have included $0.5 million in our alternative forecast.

Miscellaneous capital

Our final decision includes an alternative estimate of $1.4 million for miscellaneous capital. This was the amount we included in our draft decision, which APTNT accepted in its revised decision.

This is for minor plant and equipment purchased throughout the period, for example, minor valve upgrades, tools and equipment. APTNT submitted data of its miscellaneous capital expenditure for the past four years. On average $0.3 million was spent annually. Based on this historical expenditure, we have included $1.4 million in our alternative forecast.

3.4.5.2.5 Non-network capex

Non-network capex consists of an APA Group allocation of the capex for leases for motor vehicles and corporate offices, Amadeus Pipeline buildings and an APA Group allocation of the capex for information and operational technology.

Leases (Motor vehicles & corporate offices)

Our final decision includes $0.9 million for office leases and $0.4 million for motor vehicle leases. This reflects that we accepted APTNT's proposed amount in our draft decision.

APTNT is allocated an amount of APA Group costs for motor vehicles and corporate office leases. The allocation is based on Amadeus Pipeline's share of the total revenue of APA Group assets.[100]

Amadeus Pipeline buildings (NT)

Our final decision does not include any capex in our alternative estimate capex for Amadeus Pipeline buildings as the Palmerston office/warehouse is no longer being leased. This is consistent with our draft decision, which APTNT accepted.

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99 APTNT, *Response to AER Information Request #005*, question 6, received 17 March 2026, p. 4.

100 APTNT, *Response to AER Information Request #003,* questions 19, 22, 24, received 13 October 2025, pp. 15, 16, 17–18.

Corporate information and operational technology

Our final decision includes an alternative estimate of $1.9 million for corporate information and operational technology. We have accepted APTNT's revised forecast which reflected the updated forecasts of its programs as we requested in our draft decision.[101]

APTNT's proposed amount represents its share of the APA Group information and operational technology programs and is based on the Amadeus Pipeline's share of total revenue of APA Group's assets.

3.4.5.2.6 Capitalised corporate overheads

Our final decision includes an alternative estimate of $0.9 million for capitalised corporate overheads, which reflects APTNT's acceptance of our draft decision.

This was calculated using the 2021–25 average corporate overhead, resulting in a total of $0.9 million for the 2026–31 period.

3.4.5.2.7 Disposals

Our final decision includes an alternative estimate of $0.4 million for the 2026–31 period, representing APTNT's acceptance of our draft decision. We applied an annual average using the latest 4 years of actual data, 2019–20 to 2022–23, yielding an annual average of $88,611. We excluded 2023–24 from calculating the forecast expenditure as it was an outlier year.

3.5 Operating expenditure

3.5.1 Final decision

Our final decision, which remains unchanged from our draft decision, is to accept APTNT's initial proposal total forecast opex of $75.6 million ($2025–26),[102] including debt raising costs.[103] Our draft decision was to accept APTNT's initial proposal opex as it was not materially different to our alternative estimate. APTNT accepted our draft decision.[104] We consider that APTNT's total forecast opex satisfies the opex criteria,[105] and the criteria for forecasts and estimates.[106]

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101 APTNT, *Response to AER Information Request #005*, question 8, received 17 March 2026, p. 5: APTNT, *AGP –IR#005 – Corporate forecast* – 20260317- CONFIDENTIAL.

102 APTNT, *AGP – Overview of revised access arrangement*, January 2026, p. 17.

103 All dollar amounts in this section reflect $2025–26 terms, unless otherwise indicated.

104 APTNT, *AGP – Overview of revised access arrangement*, January 2026, p. 17.

105 Under rule 91 of the National Gas Rules (NGR), opex 'must be such as would be incurred by service provider acting efficiently, in accordance with accepted good industry practice, to achieve the lowest sustainable cost of delivering pipeline services.' Where opex satisfies the test in rule 91, we say it satisfies the opex criteria.

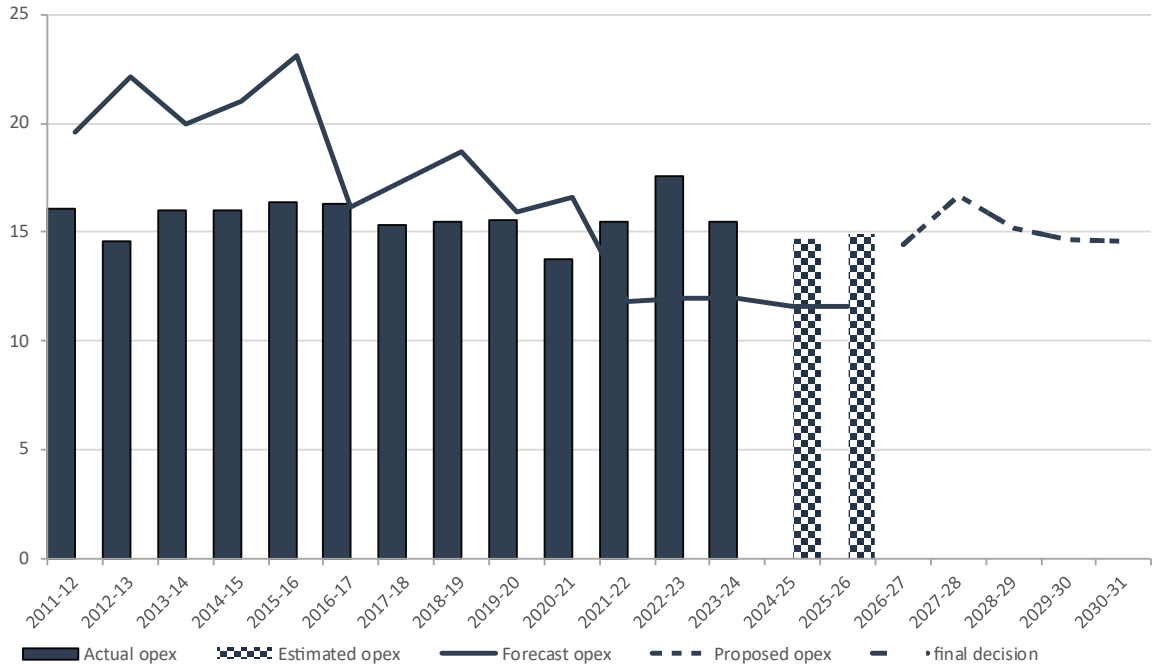
106 Under rule 74 of the NGR, information in the nature of a forecast or estimate must be supported by a statement of the basis of the forecast/estimate. Further, forecasts and estimates must be arrived at on a reasonable basis and must represent the best forecast or estimate possible in the circumstances. Where a forecast or estimate meets the requirements of this rule, we say it satisfies the forecasts and estimates criteria.

Our final decision, which is the same as our draft decision, is to include APTNT's initial proposal total forecast opex for the 2026–31 period of $75.6 million. This final decision is:

- $16.7 million (28.3%) higher than the opex forecast we approved for the 2021–26 period.
- $2.6 million (3.3%) lower than APTNT's actual and estimated opex for the 2021–26 period.

Figure 3.4 compares our final decision of opex to the forecasts we approved for the last 2 access arrangement periods and APTNT's actual and estimated opex over these periods.

Figure 3.4 Historical and forecast opex ($2025–26)



Source: APTNT, *Regulatory accounts*, 2016 to 2026; APTNT, A*GP – AAR 2026–31 – Opex Model,* June 2025; APTNT, *Access arrangement, PTRM* (multiple periods: 2016–20, 2020–25); AER analysis.
Note: Final decision opex is the same as draft decision opex

Table 3.7 sets out APTNT's final decision opex.

Table 3.7 APTNT's final decision opex ($million, 2025–26)

	2026–27	2027–28	2028–29	2029–30	2030–31	Total
APTNT's final decision opex	14.4	16.7	15.2	14.7	14.6	75.6

Source: APTNT, *AGP – AAR 2026–31 – Opex Model*, June 2025; AER analysis.
Note: Numbers may not add up to total due to rounding.

3.6 Revenue adjustments

3.6.1 Efficiency carryover mechanism (ECM)

An ECM is intended to provide a continuous incentive for service providers to pursue efficiency improvements in opex and provide for a fair sharing of these between service providers and network users. This section sets out our final decision on the ECM carryover

amounts accrued over the 2021–26 period for APTNT, and the ECM that we will apply in the 2026–31 period.

3.6.1.1 Final Decision

We have included carryover amounts totalling –$1.1 million ($2025–26) from the application of the ECM in the 2021–26 period. This is the same as APTNT's revised proposal.[107]

We have also determined that the ECM will continue to apply during the 2026–31 period.

More information on the nature of the ECM and our assessment approach can be found in the final decision ECM attachment for Evoenergy of these 2026–31 access arrangements.[108]

3.6.2 Capital Expenditure Sharing Scheme (CESS)

Our final decision is to not apply a CESS to APTNT.

Our draft decision was to apply a CESS on the basis that it would:

- balance the operation of the ECM incentive. Absent a CESS, there is a potential incentive for APTNT to move expenditure from opex to capex under an ECM, in order to maximise the incentive payments associated with underspending the opex allowance.
- increase the robustness of APTNT's capex forecasting and apply expenditure discipline across an access arrangement period. We noted that over the last 3 access arrangement periods, APTNT has significantly overspent its capex allowance, by between 49.2% and 92.7%
- assist in ensuring efficient reference tariffs are set, which are used in commercial contract negotiations. We noted that inefficiently high reference tariffs have the potential to create market inefficiencies.

We requested that stakeholders submit their views on our draft decision to apply the CESS in the 2026–31 period. We did not receive any submissions in relation to the application of the CESS.

With its revised proposal APTNT submitted that:[109]

- Historic overspends are due to unexpected events, not inefficiency. APTNT submitted that it would be exposed to penalties due to an inability to forecast unknown events.
- The Amadeus Pipeline is a remote network which is subject to seasonal extremities which make it difficult to forecast expenditure.
- It would need to build in a risk premium to accommodate unexpected events, which would lead to higher reference tariffs.
- It is subject to commercial incentives to reduce costs to maximise returns as a contract carriage pipeline.

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107 APTNT, *AGP – 2026–31 – Efficiency Carryover Mechanism,* January 2026.

108 AER, Final decision – Evoenergy access arrangement 2026–27 – Attachment 7 – Efficiency carryover mechanism, May 2026.

109 APTNT, *Overview of the 2026–31 AGP revised Access Arrangement*, January 2026, pp. 20–21.

- With respect to the APA Group level allocation of corporate information technology and operational technology (IT/OT) costs and overhead costs, investors and security holders push for reduced costs.

APTNT also pointed to the lack of a contingent project mechanism in the Gas Rules, which would support the recovery of expenditure that was uncertain at the time of the access arrangement review.

For these reasons APTNT submitted that application of a CESS would not achieve the efficiencies sought and should not be applied to Amadeus Pipeline.

We have reviewed APTNT's points and have decided not to apply a CESS at this access arrangement. We consider that there are circumstances particular to the Amadeus Pipeline that may make application of a CESS challenging. These include that Amadeus Pipeline's small revenue requirement provides less flexibility to reprioritise expenditure, and the remoteness and extreme seasonal variation to which the Amadeus Pipeline is exposed, meaning that there may be efficiencies in opportunistically pulling forward or delaying replacement works when crews are undertaking other works. While these factors may influence annual variation in capex levels, it is not clear that they would have an impact on the overall capex trend or long-term average. We note that APTNT's long-term trend indicates continually increasing capex allowances (in real terms). We will continue to assess the potential role of a CESS in future access arrangements.

We note that the lack of application of a CESS means that we place a high importance on examining capex-opex trade-offs and ex post assessments of efficiency where there are material overspends.

3.7 Corporate income tax

Our determination of the total revenue for APTNT includes the estimated cost of corporate income tax for APTNT's 2026–31 period.[110] Under the post-tax framework, a corporate income tax amount is calculated as part of the building blocks assessment using our PTRM. This amount allows APTNT to recover the estimated cost of corporate income tax for the 2026–31 period. This section sets out our final decision on APTNT's estimated corporate income tax for the 2026–31 period, including our assessment of APTNT's revised proposed inputs required in the PTRM for estimating the cost of corporate income tax

3.7.1 Final decision

Our final decision on APTNT's estimated cost of corporate income tax is $1.9 million ($ nominal) over the 2026–31 period. This is an increase of $0.3 million (20.9%) from APTNT's revised proposal of $1.5 million. This increase is mainly due to our final decision on

[110] NGR, r. 76(c).

a higher return on equity, a lower tax depreciation amount,[111] and a higher regulatory depreciation amount.[112]

For this final decision, we determine an opening tax asset base (TAB) value as at 1 July 2026 of $43.8 million ($ nominal). This is $0.4 million (0.9%) lower than APTNT's revised proposal, reflecting our updated capex estimates for 2025–26 to reflect the latest information.

Consistent with our draft decision, our final decision accepts the proposed standard tax asset lives for APTNT's existing and the two new asset classes 'Corporate assets (IT)' and 'Leased assets post 2021'. We also accept APTNT's proposed approach to forecast its immediately expensed capex.

In the draft decision, we accepted APTNT's proposal to re-allocate the existing IT related assets from the 'O&M Facilities' asset class to the new 'Corporate Assets (IT)' asset class but re-calculated the residual tax asset value and the remaining tax asset life for these assets. This is the only amendment we made to APTNT's modelling of its cost of corporate income tax.

APTNT's revised proposal adopted the change required by the draft decision. In addition, it updated the opening TAB value as at 1 July 2026 (section 3.7.1.1).[113]

3.7.1.1 Opening tax asset base at 1 July 2026

Our final decision is to determine an opening TAB value as at 1 July 2026 of $43.8 million ($ nominal) for APTNT, $0.4 million (0.9%) lower than its revised proposal.[114]

In the draft decision, we accepted APTNT's proposed method to establish the opening TAB value as at 1 July 2026. We noted that the opening TAB value may be updated as part of the final decision to reflect actual capex for 2024–25 and any revised capex estimate for 2025–26.[115]

APTNT's revised proposal updated the opening TAB as at 1 July 2026 to reflect the actual capex and asset disposals for 2024–25 and has kept the estimated capex and asset disposals for 2025–26 unchanged.[116] Our final decision accepted the actual capex and asset disposals for 2024–25, but updated the estimated 2025–26 capex value base on the latest

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111 The higher return on equity amount is driven by a higher rate of return on equity and lower regulatory depreciation amount determined in our draft decision compared to APTNT's revised proposal. All else being equal, a higher return on equity amount increases the cost of corporate income tax as it is a component of revenue for tax purposes. The lower tax depreciation amount is driven by a lower opening TAB and lower forecast capex determined in our final decision compared to APTNT's proposal. All else being equal, a lower tax depreciation increases the cost of corporate income tax as it is a component of tax expense.

112 The higher regulatory depreciation is mainly driven by a lower indexation of the capital base. See section 3.3 for further details. All else being equal, a higher regulatory depreciation increases the cost of corporate income tax as it is a component of revenue for tax purposes

113 APTNT, *Revised proposal, AGP - 2026–31 – RFM,* January 2026; APTNT, *Revised Proposal, AGP - 2026–31 - Depreciation Module*, January 2026.

114 APTNT, *Revised proposal, AGP - 2026–31 – RFM,* January 2026; APTNT, *Revised Proposal*, *AGP - 2026–31 - Depreciation Module*, January 2026.

115 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, p. 53.

116 APTNT, *Revised proposal, AGP - 2026–31 – RFM*, January 2026; APTNT, Revised Proposal, *AGP - 2026–31 - Depreciation Module*, January 2026.

information provided by APTNT after the submission of the revised proposal.[117] We will update the estimated capex, asset disposals and immediately expensed capex for 2025–26 with actual values at the next access arrangement review for the 2031–36 period.

Table 3.8 sets out our final decision on the roll forward of APTNT's TAB over the 2021–26 period.

Table 3.8 AER's final decision on APTNT's TAB roll forward for the 2021–26 period ($ million, nominal)

	2021–22	2022–23	2023–24	2024–25	2025–26[a]
Opening TAB	45.1	46.5	50.0	48.0	46.3
Capital expenditure[b]	5.8	9.6	3.5	5.0	4.8
Less: tax depreciation	4.4	6.2	5.4	6.7	7.3
Closing TAB	**46.5**	**50.0**	**48.0**	**46.3**	**43.8**

Source: AER analysis.
(a) Based on estimated capex. We expect to update the TAB roll forward with actual capex at the next access arrangement review.
(b) Net of disposals.

3.7.1.2 Forecast immediately expensed capex

APTNT included $5.09 million ($2025–26) of forecast capex to be immediately expensed over the 2026–31 period in its revised proposal.[118] Consistent with our draft decision, we consider that APTNT's approach to forecast its immediately expensed capex to be reasonable. In this final decision, we have updated the forecast immediate expensing of capex slightly to $5.08 million ($2025–26) to reflect our final decision on the forecast capex (section 3.4.5).

We will continue to collect actual data relating to this expenditure in our annual reporting RINs to inform our decision on the amount of forecast immediately expensed capex in the next determination for APTNT.

3.7.1.3 Standard tax asset lives

Our final decision accepts APTNT's revised proposed standard tax asset lives assigned to its existing asset classes for the 2026–31 period. Consistent with our draft decision, we accept these standard tax asset lives because they are:

- broadly consistent with the tax asset lives prescribed by the Commissioner of Taxation in ATO Legislative Instrument 2025/20, including the statutory cap on the effective life of 20 years for gas pipeline assets [119]
- consistent with the approved standard tax asset lives for the 2021–26 period.

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117 APTNT, *Response to Information Request #005*, 2 April 2026.

118 APTNT, *Revised proposal, AGP - 2026–31 - PTRM*, January 2026, PTRM input sheet – cells G114–K165.

119 ATO, *Legislative Instrument LI2025/20 – Income Tax Assessment (Effective Life of Depreciating Assets) Determination 2025*, September 2025; Section 40.102 of the ITAA 1997.

Consistent with our draft decision, we accept the standard tax lives assigned to new classes for 'Corporate assets (IT)' and 'Leased assets post 2021'.

Consistent with our draft decision, we accept APTNT's proposal to re-allocate the existing IT related assets from the 'O&M Facilities' asset class to the new 'Corporate Assets (IT)' asset class and apply a shorter remaining asset life as at 1 July 2026 for capital base depreciation purposes. However, we identified a few minor errors in APTNT's calculation of the residual tax asset value to be re-allocated to the 'Corporate Assets (IT)' asset class, and the remaining tax asset life input for the 'O&M Facilities' asset class. For this final decision, we have re-calculated and updated these inputs in the RFM. However, these input changes do not have a material impact on the tax depreciation amount.

Our final decision PTRM sets out APTNT's standard tax asset lives for each asset class.[120] Asset classes we have assigned with a standard tax asset life of 'n/a' (not applicable) is because the capex allocated to them is either not subject to depreciation, or they have zero forecast capex allocated to them. We are satisfied that the standard tax asset lives are appropriate for application over the 2026–31 period. We are also satisfied that the standard tax asset lives provide an estimate of the tax depreciation amount that would be consistent with the tax expenses used to estimate the annual taxable income for a benchmark efficient service provider.[121]

3.7.2 Assessment approach

We did not change our assessment approach for the cost of corporate income tax from our draft decision. Appendix A.3 of our draft decision details that approach.[122]

120 AER, *Final decision - Amadeus Gas pipeline access arrangement 2026–31 - PTRM*, May 2026, PTRM input sheet – cells P7–P56.

121 NGR, r. 87A(1).

122 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31 - Appendix A - Assessment approach,* November 2025.

4 Forecast demand

Our final decision is to accept the demand forecast for APTNT's Amadeus Pipeline for the 2026–31 period from its initial proposal. We accepted this in our draft decision and the forecast remains unchanged in APTNT's revised proposal. We accepted the forecast demand in our draft decision on the basis that we were satisfied that APTNT's proposed demand forecasts comply with rule 74(2) of the NGR.[123] The reasons for our decision are set out at section 4 of our draft decision.[124]

[123] Under this rule, forecasts or estimates must be arrived at on a reasonable basis, and must represent the best forecast or estimate possible in the circumstances.

[124] AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, pp. 57–60.

5 Reference services and tariffs

This section outlines our assessment of the services covered by the access arrangement, the reference tariffs and the tariff variation mechanism proposed by APTNT, against the requirements of the NGR. It also outlines our assessment of cost pass through events and the non-tariff components of APTNT's proposal for the 2026–31 period.

APTNT's reference services are the services we directly regulate by setting reference tariffs for those services. Services which are not reference services are not regulated in the same way. The sum of all reference tariffs, plus expected demand for services reflects our assessment of the revenue required by APTNT to safely and reliably provide the reference services (see Section 2).

Our final decision on APTNT's total revenue requirement is set out in the executive summary to this final decision.

5.1 Reference services, reference tariffs and tariff variation mechanism

Our final decision includes decisions on the services covered by APTNT's access arrangement, the structure of APTNT's reference tariffs and the mechanism by which those tariffs can vary over the access arrangement period (the reference tariff variation mechanism).

We accepted many elements of APTNT's initial proposal for references services, reference tariffs and tariff variation mechanism. Our draft decision, section 5, sets out our reasons for accepting those elements. We do not repeat them in this final decision.

5.1.1 Final Decision

Our final decision for the 2026–31 access arrangement period is to:

- accept APTNT's reference service proposal for two references services, the firm transportation service and the interruptible reference service, consistent with our draft decision. Our reasons are set out in our November 2024 reference service proposal decision
- accept APTNT's proposed structure of reference tariffs, consistent with our draft decision and with reasons set out in our draft decision
- accept APTNT's proposed reference tariff variation mechanism but require that APTNT amend its access arrangement to specify the annual pricing proposal submission date as 50 business days prior to 1 July.

5.1.2 Overview of Revised Proposal

APTNT's proposed reference services for the 2026–31 access arrangement have not changed since its initial proposal and are consistent with our November 2024 final decision on its July 2024 reference service proposal.[125] There will be two reference services:

- firm haulage
- interruptible haulage.

APTNT's proposed reference tariff structures have not changed since its initial proposal. The 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. This continues its current approach.[126]

Our draft decision did not accept APTNT's proposed reference tariff variation mechanism (a weighted average price cap reference tariff variation). It required that APTNT amend the year reference in the CPI_b element of the reference tariff variation mechanism from 2030–31 to 2025–26. It also noted we were considering the possibility of an earlier submission date for the scheduled reference tariff variation process.

APTNT's revised proposal has addressed the reference year issue. The CPI_b element of the scheduled reference tariff variation mechanism now refers to the correct year (2025–26).[127]

The revised proposal also responded to our draft decision by bringing forward the date of the submission for the annual pricing proposal, from 50 business days to 70 business days prior to 1 July.[128]

5.1.3 Reasons for Final Decision

APTNT's revised proposal for its tariff variation mechanism incorporated the revision required by our draft decision.

APTNT's revised proposal also responded to our draft decision consideration of an amended submission date for the annual pricing proposal. The revised proposal bought forward the date of the submission for the annual pricing proposal, to 70 days prior to 1 July. However, we now have greater clarity that all the inputs required for early submission may not be consistently available for APTNT to prepare and submit its annual pricing proposal 70 business days prior to 1 July. Therefore, our final decision is for the annual pricing proposal to be submitted 50 business days prior to 1 July, restoring the timeframes laid out in APTNT's initial proposal.

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125 AER, *Amadeus 2026–31 Access arrangement - Reference service proposal - Final decision*, December 2024.

126 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 18.

127 APTNT, AGP – 2026–31 - Access Arrangement (Tracked), January 2026 p. 17.

128 APTNT, *AGP – 2026–31 - Access Arrangement (Tracked)*, January 2026 p. 20.

5.2 Cost pass through mechanism

5.2.1 Final Decision

Consistent with our draft decision, our final decision is to accept APTNT's revised proposal that the cost pass through events available to it in the current period will continue to apply in the 2026–31 period. APTNT's nominated cost pass through event definitions can be found in its initial proposal.[129]

More information on the nature of cost pass through events and our assessment approach can be found in the reference services attachments for the Australian Gas Networks (SA) and Evoenergy for these 2026–31 decisions.[130]

5.3 Non-tariff components

This section contains our final decision and reasons on the non-tariff components of APTNT's proposal for the 2026–31 period.

5.3.1 Final decision

As in our draft decision, our final decision approves most of the non-tariff components of APTNT's proposed access arrangement for the 2026–31 period, including:

- proposed queuing[131], extension and expansion[132], and capacity trading arrangements[133]
- the proposed approach to changing users' receipt or delivery points[134]
- the proposed review submission date (the date by which APTNT must submit its next access arrangement proposal) of 1 July 2030[135]
- the proposed revision commencement date (the date on which APTNT's next access arrangement period will commence) of 1 July 2031.[136]

In response to stakeholder submissions, our draft decision required APTNT to provide further information in relation to proposed changes to its terms and conditions, specifically changes to the gas specifications.[137] We also required APTNT to set out its supplier curtailment methodology in its access arrangement.[138]

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129 APTNT, *AGP – AAR 2026–31 – Access Arrangement (Clean), June 2025, pp 21 – 25.*

130 AER, Final decision – *AGN (SA) access arrangement 2026–31 – Attachment 5 – References services, tariffs and non-tariff components*, May 2026, pp. 11-15; AER, Final decision – *Evoenergy access arrangement 2026–31 – Attachment 5 – References services, tariffs and non-tariff components*, May 2026, pp. 26-32.

131 NGR, r. 68D.

132 NGR, rr. 48(1)(g), 68E.

133 NGR, rr. 48(1)(f), 68F.

134 NGR, rr. 48(1)(h), 68G.

135 NGR, rr. 48(1)(i), 49.

136 NGR, rr. 48(1)(i), 49.

137 NGR, r. 48(1)(d)(ii).

138 NGR, rr. 48(1)(g1).

5.3.2 Reasons for final decision

Our final decision accepts APTNT's proposed queuing, extension and expansion, and capacity trading arrangements, its proposed approach to changing users' receipt or delivery points, and its proposed review submission and revision commencement dates. For the reasons already set out in our draft decision, we remain satisfied that these elements meet the requirements of the NGR and NGL.[139]

5.3.2.1 Terms and conditions

Our draft decision reviewed APTNT's proposed terms and conditions and noted most of the proposed changes were minor and remained materially unchanged from its current access arrangement.[140] However, APTNT had made changes to its gas specifications outlined in Appendix A to improve shippers' opportunity to transport gas to the east coast market.[141]

Gas specifications

Submissions on APTNT's initial proposal from Jemena Northern Gas Pipeline (Jemena) and Power and Water had raised concerns about the proposed Wobbe index and Higher heating value (HHV) changes. While both Jemena and Power and Water were supportive of APTNT's objective, they raised concerns about the potential impacts these changes may have and suggested further consideration was required by APTNT before the changes were implemented.[142]

APTNT, in response to stakeholder concerns, withdrew its proposed changes to the Wobbe index and HHV from its revised proposal gas specifications. However, APTNT maintained its proposed change from 'glycols' to 'oils' to align with the east coast standard.[143]

APTNT's revised proposal noted that at its December stakeholder meeting it had raised the idea of maintaining the change from 'glycols' to 'oils' only. At that time, one stakeholder expressed support for the change, while others indicated they would check with their customers.[144] With its revised proposal, APTNT noted that no further stakeholder feedback had been received at the time of submitting its revised proposal.

Following our draft decision and APTNT's revised proposal, we received 3 submissions from stakeholders in relation to APTNT's gas specification changes. Tamboran Resources Corporation (Tamboran) submitted its support, commenting that the change is 'essential to enable reliable injection of Beetaloo gas without unnecessary processing constraints.'[145]

Jemena also submitted its support, both for APTNT's revised proposal to not proceed with changes to the Wobbe Index and HHV, and for changing 'glycols' to 'oils'. Jemena

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139 AER, *Draft decision - Amadeus Gas Pipeline access arrangement 2026–31*, November 2025, pp. 69-75.

140 AGP, *AAR 2026–31 - Access Arrangement (Tracked),* June 2025.

141 AGP, *AAR 2026–31 - Access Arrangement (Tracked),* June 2025, p. 67.

142 Jemena, *Submission on Amadeus Gas Pipeline 2026–31 access arrangement,* August 2025, p. 1; Power and Water, *Submission - Amadeus Gas Pipeline 2026–31 access arrangement*, October 2025, p. 1.

143 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 19.

144 APTNT, *AGP - Overview of the revised Access Arrangement*, January 2026, p. 19.

145 Tamboran Resources Corporation, Submission on AER's Draft Decision and Amadeus Gas Pipeline 2026–31 Access Arrangement Revised Proposal, December 2025, p. 2.

considered this adjustment is unlikely to result in any technical issues in operating the nitrogen removal unit at the Phillip Creek Compressor Station.[146]

Power and Water submitted support for APTNT's revised proposal, but also commented that any changes should be accompanied by transitional arrangements to address associated legal, operational and safety implications.[147] Power and Water submitted that it sought feedback from its customers on the proposed change and noted there was no clear consensus.[148] Power and Water further submitted that the Northern Territory Government should be consulted, so that transition issues could be considered holistically.

Following receipt of APTNT's revised proposal, we sought further information from APTNT regarding the change from 'glycols' to 'oils'. In response, APTNT explained the amendment simply reframes how trace liquids are specified and measured:[149] :

> At the proposed limit of 20 mL/TJ (aligned with AS4564), the equivalent mass concentration for typical oils and glycols will be of the same magnitude as is applied under the current glycol limit (approximately 0.6–0.9 mg/Sm³). The proposal therefore does not represent a step-change in allowable liquid carryover.[150]

We have consulted stakeholders on APTNT's revised gas specification change. While we acknowledge the concerns still raised by Power and Water about transitional arrangements, we also note Power and Water's overarching support for APTNT's proposal. In forming our final decision, we have also accounted for the views of other stakeholders, such as Jemena and Tamboran Resources. With those views and APTNT's responses to our questions in hand, we consider there is sufficient justification and support to maintain the change from 'glycols' to 'oils'. Our final decision is to approve this change to APTNT's access arrangement.

Nameplate rating for the Amadeus Pipeline

At the draft decision, Jemena questioned why APTNT had not changed the nameplate rating for the Amadeus Pipeline to accommodate new firm capacity that may be created on the Amadeus Pipeline due to the Sturt Plateau Pipeline interconnection

For the draft decision, we sought further information from APTNT, who noted that if the capacity of the Northern Gas Pipeline was to increase then the nameplate rating of the Amadeus Pipeline would also be able to increase to a certain level.

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146 Jemena, Submission on AER's Draft Decision and Amadeus Gas Pipeline 2026–31 Access Arrangement Revised Proposal, February 2026, p. 1.

147 Power and Water, Submission on AER's draft decision and Amadeus Gas Pipeline 2026–31 access arrangement revised proposal, March 2026, p. 1.

148 Power and Water, *Submission on AER's draft decision and Amadeus Gas Pipeline 2026–31 access arrangement revised proposal*, March 2026, p. 2.

149 AGP, *AGP Information Request #006 - Non-tariff components - revised gas specifications*, 13 April 2026.

150 AGP, *AGP Information Request #006 - Non-tariff components - revised gas specifications*, 13 April 2026.

We note APTNT's revised proposal has maintained its current nameplate pipeline capacity of 165 TJ per day.[151] While Jemena's further submission hasn't explicitly restated its concerns regarding the nameplate capacity of the Amadeus Pipeline, it has reiterated the need for a coordinated transition across the many NT gas industry participants.[152] Jemena has noted that the Northern Gas Pipeline is a critical piece of infrastructure, and emphasises the importance of fully utilising existing infrastructure before new assets are developed.[153]

APTNT indicate that its plan is to transition its gas specification to align with the east coast gas market over the coming years and will continue to work closely with customers throughout this transition.[154] We would encourage APTNT to continue its work with all relevant stakeholders to ensure strong engagement throughout this journey, given the potential challenges raised by some stakeholders in transitioning gas specifications.

Our final decision is that we are satisfied, based on our own analysis, and engagement with users, that APTNT's terms and condition meet the requirements of the NGR and no further amendments are required.

5.3.2.2 Supplier curtailment methodology

Our draft decision required APTNT to set out its supplier curtailment methodology in its access arrangement and APTNT's revised access arrangement now includes a section setting out its supplier curtailment methodology indicating the circumstances in which the service provider may curtail the injection of covered as at a receipt point.[155]

We note that the process outlined by APTNT for curtailing covered gas directs the user to existing clauses 47 to 53 of its access arrangement terms and conditions under 'Quality'.[156]

We have reviewed the addition included by APTNT and received no submissions on the proposed supplier curtailment methodology. We are satisfied that the additional insertion meets the requirements of the NGR and our final decision is to accept the proposed supplier curtailment methodology.

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151 APTNT *AGP, Overview of the revised Access Arrangement*, January 2026, p. 5.

152 Jemena, *Submission on AER's Draft Decision and Amadeus Gas Pipeline 2026–31 Access Arrangement Revised Proposal*, February 2026, p. 1.

153 Jemena, *Submission on AER's Draft Decision and Amadeus Gas Pipeline 2026–31 Access Arrangement Revised Proposal*, February 2026, p. 1.

154 APTNT, *AGP, Overview of the revised Access Arrangement*, January 2026, p.19.

155 APTNT, *AGP, 2026–31 - Access Arrangement (Tracked)*, January 2026, section 9.

156 APTNT, *AGP, 2026–31 - Access Arrangement (Tracked)*, January 2026, p. 59.

6 Revisions

As outlined in this final decision, we require the following revisions in Table 6.1 to make the access arrangement acceptable.

Table 6.1 APTNT's final decision revisions

Section	Proposed revision
Section 3.1 – Capital base	Make all necessary amendments to reflect this final decision on the roll forward of the capital base for the 2021–26 access arrangement period, and to reflect this final decision on the projected capital base for the 2026–31 access arrangement period.
Section 3.2 – Rate of Return and value of imputation credit	No revisions required.
Section 3.3 – Regulatory depreciation	Make all necessary amendments to reflect this final decision on the regulatory depreciation amounts for the 2026–31 access arrangement period.
Section 3.4 – Capital expenditure	Make all necessary amendments to reflect this final decision for capital expenditure for the 2026–31 access arrangement period.
Section 3.5 – Operating expenditure	No revisions required.
Section 3.6 – Revenue adjustments	Make all necessary amendments to reflect this final decision for revenue adjustments for the 2026–31 access arrangement period.
Section 3.7 – Corporate income tax	Make all necessary amendments to reflect this final decision on the cost of corporate income tax amounts for the 2026–31 access arrangement period.
Section 4 – Demand	No revisions required.
Section 5.1 – Reference services, reference tariff setting and tariff variation mechanism	Amend the references in Schedule 4.7.1 on page 17, 18 and 19 (clean version) to: "CPI is the ABS CPI Quarterly All Groups, **Australia** ~~Weighted Average of Eight Capital Cities~~. If the ABS does not, or ceases to, publish the index, **or it is substantially changed,** then CPI will mean an index which the AER considers is the best available alternative index" "CPI_t is the ABS CPI **Quarterly** All Groups, **Australia** ~~Weighted Average of Eight Capital Cities~~ for the December quarter in financial year t - 1" "CPI_b is the ABS CPI **Quarterly** All Groups, **Australia** ~~Weighted Average of Eight Capital Cities~~ for the December quarter in financial year 2030-31" Amend Schedule 4.7.2 on page 20 (clean version) submission date for the scheduled reference tariff variation process to 50 business days.

Section 5.2 Cost pass through mechanism	No revisions required.
Section 5.3 – Non-tariff components	No revisions required.

Glossary

Term	Definition
ABS	Australian Bureau of Statistics
APA Group	Australian Pipeline Limited
Amadeus Pipeline	Amadeus Gas Pipeline
APTNT	APT Pipelines (NT) Pty Limited
ATO	Australian Taxation Office
CESS	Capital Expenditure Sharing Scheme
CPU	cathodic protection units
CPI	consumer price index
ECM	Efficiency Mechanism Carryover
HHV	Higher heating value
NGO	National Gas Objective
NGL	National Gas Law
NGR	National Gas Rules
opex	operating expenditure
Power and Water	Power and Water Corporation
PTRM	Post Tax Revenue Model
RBA	Reserve Bank of Australia
RFM	roll forward model
RIN	Regulatory Information Notice
RORI	Rate of Return Instrument
RTU	remote terminal units
TAB	tax asset base
WACC	weighted average cost of capital
WARL	weighted average remaining lives’