

Contact Officer: Esmond Smith  
Contact Phone: (03) 9290 1956  
Our Ref: 176448

GPO Box 520  
Melbourne VIC 3001  
Telephone: (03) 9290 1444  
Facsimile: (03) 9290 1457  
[www.aer.gov.au](http://www.aer.gov.au)

7 June 2018

Mr Scott Young

Regulatory Manager  
Amadeus

By email ([scott.young@apa.com.au](mailto:scott.young@apa.com.au))

Dear Mr Young

**Proposed revocation and substitution of Amadeus Gas Pipeline transmission access arrangement 2016-2021**

I am writing to advise you that the AER has determined not to revoke its access arrangement for Amadeus Gas Pipeline transmission access arrangement for the regulatory control period 1 July 2016 to 30 June 2021.

On 26 May 2016 the Australian Energy Regulator (AER) made its transmission access arrangement for Amadeus Gas for the regulatory control period 1 July 2016 to 30 June 2021.<sup>1</sup>

Subsequent to making the access arrangement, in the merits review of Victorian Electricity and ACT Gas decisions the Australian Competition Tribunal (ACT) became aware of an inflation estimation error impacting each of the AER's determinations on review in this process.<sup>2</sup> The Tribunal noted the error in each of its decisions and stated it left it to the AER to determine the appropriate response to its error.<sup>3</sup>

The estimation error identified by the Tribunal in the above proceedings is also reflected in the AER's 26 May 2016 Amadeus Gas access arrangement for its 2016-21 regulatory control period. This is a mathematical calculation error that impacts the Amadeus Gas transmission access arrangement for 2016-2021.

The mathematical error results from an incorrect geometric average calculation undertaken on the annual inflation rates.

---

<sup>1</sup> AER, *Amadeus Final decision 2016-2021*, 26 May 2016

<sup>2</sup> File Nos: ACT 3, 4, 5, 6, 7, 8 of 2016; <http://www.competitiontribunal.gov.au/current-matters/tribunal-documents>

<sup>3</sup> For example, see ACT, Application by ActewAGL Distribution [2017] ACompT 2, 17 October 2017, p i – iii.

On 15 December 2017 the AER sent a letter to APTNT (by email to [scott.young@apa.com.au](mailto:scott.young@apa.com.au)) proposing, subject to consideration of any submissions on our proposal, to make a determination to correct the identified error set out above under clause 68 of the NGR by no later than 1 March 2018.<sup>4</sup> On 1 March 2018 AER staff sent an email indicating the AER's determination on the matter had been delay by approximately 1 month.<sup>5</sup>

Having considered all submissions and particular facts with respect to APTNT, we have determined to not make the proposed correction. We agree with APTNT that the proposed correction for it is not sufficiently material to warrant making the correction.

If you have any queries on this matter please contact Esmond Smith on (03) 9290 1956.

Yours sincerely



Warwick Anderson

General Manager

AER Network Finance and Reporting

---

<sup>4</sup> The AER, *Letter to APTNT: Proposed revocation and substitution of APTNT gas access arrangement 2016-2021*, 15 Dec 2017.

<sup>5</sup> AER, *Email to Mr Scott Young of APA group in relation to the inflation correction matter*, 1 March 2018.