

## Final decision: Roma to Brisbane Pipeline gas access arrangement for 2017–22

We have made final decisions on the gas access arrangements that will apply to the Roma to Brisbane Pipeline gas transmission pipeline from 1 January 2018 (backdated to 1 July 2017) to 31 December 2022.

### About us

The Australian Energy Regulator (AER) works to make all Australian energy consumers better off, now and in the future.

We regulate energy networks in all jurisdictions except Western Australia. Our functions include setting the revenue that network businesses can recover from customers using those networks.

The National Gas Law and Rules provide the regulatory framework governing gas networks. Our work is guided by the National Gas Objective, “...to promote efficient investment in, and efficient operation and use of, natural gas services for the long term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas”.

### Roma to Brisbane Pipeline

Our final decision relates to the Roma to Brisbane Pipeline (RBP) which is a gas transmission pipeline, owned by APTPPL (part of APA Group), supplying natural gas to south east Queensland.

We regulate the RBP by approving an access arrangement for the key gas transportation service it provides to its users. Its users include gas fired power stations, large industrial and commercial customers, and retailers who on-sell gas to residential and small business customers. Our decisions include forecasts of the revenue APTPPL will need to recover from its customers to meet the costs of providing these services. The forecast revenue requirement is then combined with expected demand to set a limit on prices that can be charged for that service.

### Our final decision

Approved revenue is 17.2 per cent lower than that approved for the current, 2012–17 access arrangement period. Lower approved revenues result in price savings for small customers, however, these are modest as gas transmission costs comprise only 3 per cent of final bills and expected demand is lower than the current period.

The next five years will see continued investment to maintain the safety, reliability and security of the RBP.

The tariff structure for the key gas transportation service, which is a long term service (minimum three year contracts) is largely unchanged but will be bidirectional in response to changing gas market dynamics. We have decided not to regulate a short term service because prices for these services are already being negotiated between APTPPL and pipeline users.

We have established some unregulated supporting services (park and loan, in-pipe trading and capacity trading) as rebateable services. Customers will receive 70 per cent of revenue earned by APTPPL from these services via lower reference tariffs.

Financial market conditions have improved over the current period, which has reduced financing costs. The approved rate of return for APTPPL has fallen from 7.22 per cent (nominal) in the 2012-17 period to 5.58 per cent under this final decision for 2017-18.

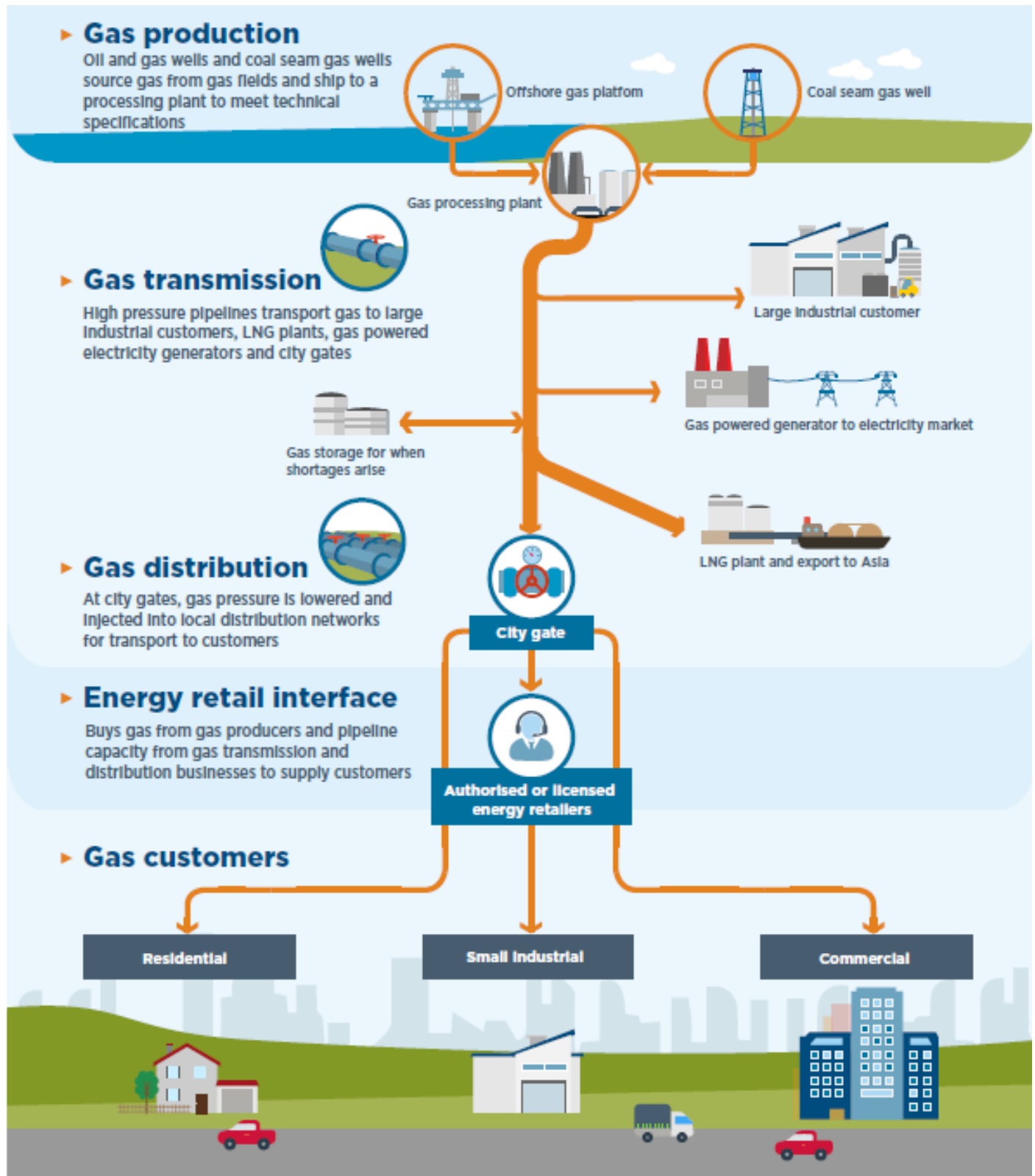
Our draft decision was delayed to allow us to fully consider the RBP access arrangement in the context of the changes occurring currently in the Australian gas market. As a consequence, our final decision has also been delayed so that regulated prices will be updated on 1 January 2018 instead of 1 July 2017. We have taken this delay into account so that neither APTPPL nor pipeline users are better or worse off than they otherwise would have been.

### What do this decision mean for gas bills?

We estimate reductions in annual gas bills of around \$3 for residential customers and \$31 for small business customers in 2017–18. RBP users connected directly to the RBP, such as large industrial and commercial customers, will see larger annual bill reductions of around 4.8 per cent each year over the 2017-22 access arrangement period. Our decision impacts only the transmission charge component of customers’ gas bills.

	Total revenue (\$million, nominal)	Nominal change in network prices for 2018 (%)
APTPL	235.6	-0.4

## Gas supply chain



Source: AER, State of the Energy Market – May 2017

### Further information

You can find more information about our final decisions on our website: [www.aer.gov.au](http://www.aer.gov.au).